

## **GOVERNANCE AND AUDIT COMMITTEE**

Decision Notice – Remote Meeting, 1<sup>st</sup> March, 2022.

The Committee agenda is available [here](#).

The Meeting recording is available [here](#).

Present: Councillor G.D.D. Carroll (Chair), Councillors Dr. I.J. Johnson, K.F. McCaffer and M.R. Wilson.

Also present: Councillor L. Burnett (Deputy Leader and Cabinet Member for Education and Regeneration), R. Freitag and I. Phillips (Audit Wales).

### **AGENDA ITEM 1. APOLOGIES FOR ABSENCE –**

These were received from Councillors P. Drake and J.M. Norman, and P. Lewis (Lay Member).

### **AGENDA ITEM 2. MINUTES –**

**RESOLVED – T H A T** the minutes of the meeting held on 13<sup>th</sup> December, 2021 be approved as a correct record.

### **AGENDA ITEM 3. DECLARATIONS OF INTEREST –**

No declarations were received.

### **AGENDA ITEM 4. AUDIT OF THE VALE OF GLAMORGAN COUNCIL'S ASSESSMENT OF 2020-21 PERFORMANCE AND PROGRESS AGAINST EXTERNAL REGULATORY RECOMMENDATIONS AND PROPOSALS FOR IMPROVEMENT (REF) –**

**RESOLVED – T H A T** the contents of the report be endorsed.

#### Reason for decision

Having regard to the contents of the report and discussions at the meeting.

### **AGENDA ITEM 5. VALE OF GLAMORGAN COUNCIL ANNUAL AUDIT SUMMARY 2021 (REF) –**

**RESOLVED – T H A T** the contents of the Vale of Glamorgan Council Annual Audit Summary 2021 be noted.

### Reason for decision

Having regard to the contents of the report and discussions at the meeting.

AGENDA ITEM 6. PROPOSED INTRODUCTION OF A NON TREASURY SERVICE INVESTMENT STRATEGY, THE INVESTMENT AND GROWTH FUND (REF) –

RESOLVED –

(1) T H A T the contents of The Non Treasury Service Investment Strategy be noted.

(2) T H A T Council be advised of the comments and observations of the Governance and Audit Committee, these being:

- Concern that this may lead to something overly bureaucratic so requires specific clarity around the timing aspect, what the Council's investments aim to achieve and how success will be measured;
- For more work to be carried out around the methodology of how investments will be made;
- Concern with the potential impact on investments and assets of future rises to Interest Rates.

### Reasons for decisions

(1) Having regard to the contents of the report and discussions at the meeting.

(2) To advise Council of the views and observations of the Governance and Audit Committee.

AGENDA ITEM 7. FINANCIAL MANAGEMENT CODE 2021/22 (REF) –

RESOLVED – T H A T the content of the report and Statement on Compliance with the Financial Management Code (Appendix 1 to the report) be noted.

### Reason for decision

Having regard to the contents of the report and discussions at the meeting.

AGENDA ITEM 8. AUDIT WALES: THIRD SECTOR PARTNERSHIP WORKING – VALE OF GLAMORGAN COUNCIL (REF) –

RESOLVED:

(1) T H A T the key findings arising from Audit Wales' review of the Council's partnership working with the Third Sector (Appendix A to the report) and the

Council's response to the review and Audit Wales' proposals for improvement as set out in the report be noted.

(2) T H A T the report be referred to Cabinet for endorsement of the proposed actions to address the proposals for improvement together with relevant comments from the Governance and Audit Committee and the Corporate Performance and Resources Scrutiny Committee.

#### Reasons for decisions

(1) Having regard to the contents of the report and discussions at the meeting.

(2) To allow Cabinet to endorse the proposed actions as contained in the report.

#### AGENDA ITEM 9. TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2022/23 AND UPDATE FOR 2021/22 (IHOF) –

##### RESOLVED –

(1) T H A T the Treasury Management interim report for the period 1<sup>st</sup> April to 31<sup>st</sup> December, 2021 be endorsed.

(2) T H A T the policy for making Minimum Revenue Provision in 2022/23 be endorsed.

(3) T H A T the proposed 2022/23 Treasury Management and Investment Strategy be endorsed including the following specific resolutions (detailed in Appendix 1 to the report):

- The Authorised Limit for External Debt be set at £223.352m for 2021/22, £241.693m for 2022/23, £274.792m for 2023/24 and £288.151m for 2024/25.
- The Operational Boundary for External Debt be set at £212.948m for 2021/22, £230.785m for 2022/23, £264.384m for 2023/24 and £277.743m for 2024/25.
- The Section 151 Officer be given delegated authority within the total Authorised Limit and Operational Boundary as estimated for individual years to effect movement between the separately agreed limits for borrowing and other long term liabilities.
- An upper limit is set on its fixed interest rate exposures of £148.716m for 2021/22, for 2022/23 of £172.311m, for 2023/24 of £208.615m and for 2024/25 of £230.455m of its net outstanding principal sum on its borrowings / investments.
- An upper limit is set on its variable interest rate exposures of £0 for 2021/22, 2022/23, 2023/24 and 2024/25 of its net outstanding principal sum on its investments.
- An upper limit of £10m for 2021/22, £10m for 2022/23, £10m in 2023/24 and £10m in 2024/25 is set for total principal sums invested for over 364 days.

- The amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate for 2022/23 be set as Upper Limit Lower Limit Under 12 months 20% 0% 12 months and within 24 months 20% 0% 24 months and within 5 years 30% 0% 5 years and within 10 years 40% 0% 10 years and above 100% 0%
- The Prudential Indicators set out in Appendix 1 to the report be approved.
- The Treasury Management Policy set out in Appendix 2 to the report be approved.

(4) T H A T the formal adoption of the new CIPFA 2021 edition of The Prudential Code together with the Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes be endorsed.

Reason for decisions

(1-4) Having regard to the contents of the report and discussions at the meeting.

AGENDA ITEM 10. CORPORATE RISK REGISTER QUARTER 3 UPDATE (CX) –  
RESOLVED –

(1) T H A T the Quarter 3 position of corporate risks for the period April 2021-December 2021 as outlined in Annex A to the report be noted.

(2) T H A T any comments be referred to Cabinet for their consideration and endorsement at the meeting when Cabinet will consider a report on the Corporate Risk Register for Quarter 3.

Reasons for decisions

(1) Having regard to the Quarter 3 Risk Register update report and discussions at the meeting.

(2) In order for the comments of the Governance and Audit Committee to be considered when the Risk Register Quarter 3 position is presented to Cabinet.

AGENDA ITEM 11. PROGRESS AGAINST THE ANNUAL INTERNAL AUDIT PLAN (HRIAS) –

RESOLVED – T H A T the content of the report and the progress made against the 2021-22 Internal Audit Annual Risk Based Plan be noted.

Reason for decision

Having regard to the contents of the report and discussions at the meeting.

AGENDA ITEM 12. DRAFT COUNTER FRAUD POLICIES (HRIAS) –

RESOLVED –

- (1) T H A T the draft Counter Fraud Policies be noted.
- (2) T H A T Cabinet be advised of any comments from the Committee and the draft Counter Fraud Policies be submitted to Cabinet for approval.

Reasons for decisions

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2) In order that Cabinet can be advised of the Committee's views on the draft Counter Fraud Policies prior to approval.