

# Minutes



OF A MEETING OF THE

## Joint Audit and Governance Committee

HELD ON TUESDAY 27 SEPTEMBER 2022 AT 6.30 PM  
135 EASTERN AVENUE, MILTON PARK, OX14 4SB

### Present in the meeting room

Members:

South Oxfordshire District Councillors: Mocky Khan, George Levy, Jane Murphy

Vale of White Horse District Councillors: Andy Foulsham, Amos Duveen, Simon Howell and Mike Pighills

Officers: Steve Culliford (Democratic Services Officer) and Simon Hewings (Head of Finance)

### Remote attendance:

Councillors: Andrew Crawford

### 23 Apologies for absence

Apologies were received from Councillor Peter Dragonetti.

### 24 Minutes

**Resolved:** The minutes of the last meeting on 5 July 2022 were approved by the committee.

### 25 Declarations of interest

There were no declarations of interest in respect to the items of the agenda

### 26 Urgent business and chair's announcements

Mentioned that it was the last joint audit committee taking place at Milton Park, thanks were given to officers for their support.

### 27 Public participation

There was no public participation.

### 28 External auditor's annual audit letter 2020/21

The committee considered the external audit report, which summarised the auditors' annual reports for both councils for the year ended 31 March 2021. The report focused on two aspects, whether the council's accounts presented a true and fair view of the finances of the organisation and whether the council had appropriate arrangements in place to ensure value for money for its residents. It was stated by the audit letter that there was no reason to report by exception as it was determined that there were no weaknesses in the councils' arrangement to demonstrate value for money. Both councils had very similar reports and there no matter that were wished to be highlighted.

**Resolved:** Both councils voted unanimously to accept the audit report.

## **29 Treasury management outturn report - 2021/22**

The committee considered the treasury outturn report by the head of finance. The report highlighted that in terms of performance both councils exceeded their budget, however, this is primarily due to the rise in interest rates. Performances exceeded benchmarks across both councils and all counterparty limits were met, with no breaches of potential indicators within the context of the strategy it was set in.

**Resolved:** Committee voted unanimously to receive the report.

## **30 Internal audit activity report quarter two 2022/23**

The report had no actions to bring to the committee's attention. The committee were given an update on the progress of audits and were informed that nine planned audits and four follow up audits had been completed and that there were no limited assurance audits.

**Resolved:** Committee voted unanimously to accept the report.

## **31 Internal audit management report quarter two 2022/23**

The report was discussed alongside the previous item in the committee. The internal audit manager confirmed that nine planned audits from the current audit year internal audit plan were in progress and there were no specific concerns to raise to the committee's attention.

**Resolve:** Committee voted unanimously to accept the report.

## **32 Internal Audit - Progress Update**

The internal audit manager provided a verbal progress update on the internal audit plan for the year. The internal audit manager confirmed that a mid-year review of the internal audit plan is underway, to ensure it remains flexible and reactive to changing risks and events. Any changes to the internal audit plan will be formally presented to the committee at the next meeting.

**Resolve:** Committee thanked officers for the report

## **33 Statement of accounts 2021/22 - verbal update**

Officer gave an update on the 2021/22 Statement of Accounts. It was noted that less councils had made the 31 July deadline for accounts to be put online, both

South and Vale councils' accounts were slightly late on the deadline. The external audit would commence later on this year or early next year.

**Resolve:** Committee thanked officers for the report.

The meeting closed at 7.05 pm

Chair

Date

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**Prudential limits (indicators) as at March 2022**

Prudential indicators as at 31 March 2022				
	Vale		South	
	Original estimate £m	Actual position £m	Original estimate £m	Actual position £m
<b>Authorised limit for external debt</b>				
Borrowing	30	0	30	0
Other long-term liabilities	0	0	0	0
	<b>30</b>	<b>0</b>	<b>30</b>	<b>0</b>
<b>Operational boundary for external debt</b>				
Borrowing	25	0	25	0
Other long-term liabilities	0	0	0	0
	<b>25</b>	<b>0</b>	<b>25</b>	<b>0</b>
<b>Investments</b>				
<b>Interest rate exposures</b>				
Limits on fixed interest rates %	100%	82%	100%	77%
Limits on variable interest rates £k	50	27	50	46
<b>Maximum principal sums invested &gt; 364 days</b>				
Upper limit for principal sums invested > 364 days £k	40	26	70	36
<b>Limit to be placed on investments to maturity</b>				
1 - 2 years	NA	NA	NA	NA
2 - 5 years	NA	NA	NA	NA
5 years +	NA	NA	NA	NA

**Prudential indicators – explanatory note**

**Debt**

There are two limits on external debt: the ‘Operational Boundary’ and the ‘Authorised Limit’. Both are consistent with the current commitments, existing plans and the proposals in the budget report for capital expenditure and financing, and with approved treasury management policy statement and practices. They are both based on estimates of most likely, but not worst case, scenario.

The key difference is that the Authorised Limit cannot be breached without prior approval of the Council. It therefore includes more headroom to take account of eventualities such as delays in generating capital receipts, forward borrowing to take advantage of attractive interest rates, use of borrowing in place of operational leasing, “invest to save” projects, occasional short-term borrowing to cover temporary revenue cash flow shortfalls as well as an assessment of risks involved in managing cash flows.

The Operational Boundary is a more realistic indicator of the likely position.

**Interest rate exposures**

The maximum proportion of interest on borrowing which is subject to fixed/variable rate of interest.

## **Investments**

### **Interest rate exposure**

The purpose of these indicators is to set ranges that will limit exposure to interest rate movement. The indicator required by the Treasury Management Code considers the net position of borrowing and investment and is based on principal sums outstanding.

### **Principal sums invested**

This indicator sets a limit on the level of investments that can be made for more than 364 days.