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**GOVERNANCE COMMITTEE**  
**MINUTES OF THE MEETING HELD ON 14 FEBRUARY 2022**

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**Present:** Councillors Fuller (Chair), D Galton (Vice-Chair), Bunday, Leggett, Magee, J Payne and Shields

31. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

**RESOLVED:** that the minutes for the Committee meetings on 16 November 2021 and 10 January 2022 be approved and signed as a correct record.

32. **INTERNAL AUDIT PROGRESS REPORT**

The Committee received and noted the report of the Chief Internal Auditor detailing the Internal Audit Progress report for the period 1 November 2021 to 24 January 2022.

The Committee noted the Travel and Expenses Exceptions Raised figures but heard that the error rate was low, when compared to the large number of expenses submitted. However, it was requested that a more detailed report on application and monitoring of expenses under the expenses policy be included as a future agenda item.

33. **CORPORATE PLAN AND PROJECTS GOVERNANCE REPORT**

The Committee received and noted the report of the Executive Director – Business Services detailing the latest governance progress regarding key programmes and initiatives outlined in the Corporate Plan 2021-25.

It was noted that for future reports, the use of coloured printed appendices to show Rag Ratings in the Corporate Plan would be useful.

34. **AUDITOR'S ANNUAL REPORT**

The Committee received and noted the report of the External Auditor detailing the Auditor's Annual Report showing key findings across the range of the auditor's work and responsibilities under statute and the Code, in relation to the 2020/21 audit.

The Committee noted that under new requirements of the Code regarding value for money, the report also included a commentary on the Council's arrangements regarding financial sustainability, governance, and improving economy, efficiency and effectiveness.

35. **TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2022/23 TO 2025/26**

The Committee considered the report of the Executive Director for Finance, Commercialisation and S151 Officer seeking approval of the Treasury Management Strategy and Indicators for 2022/23 to 2025/26.

The Committee particularly noted paragraph 11 of the report which detailed the core elements of the strategy.

## **RESOLVED:**

- (i) That the Council's Treasury Management (TM) Strategy and Indicators for 2022/23 to 2025/26, as detailed in appendix 1 of the report be approved;
- (ii) That at the time of writing this report it was noted that it had been assumed that the budget proposals within the Medium Term Financial Strategy 2022/23 to 2025/26, Revenue Budget 2022/23 and Capital Programme 2020/21 to 2026/27 report, to be submitted to Council on the 23 February 2022, would be approved. Should the recommendations change and have any impact on the Prudential Indicators this would be reported to Council on 23 February 2022;
- (iii) That the Executive Director – Finance and Commercialism would report any amendments and in year revisions to the TM Strategy as part of quarterly financial and performance monitoring; and
- (iv) That the proposal to continue to explore an alternative Treasury Strategy to generate additional income that could support local services, whilst maintaining a prudent approach be endorsed.

## 36. **FINANCIAL MANAGEMENT CODE**

The Committee received and noted the report of the Executive Director for Finance, Commercialisation and S151 Officer reporting on the introduction of the new Code of Practice on Financial Management and the responsibilities within it. The Committee further received and noted the principles included in the Code and the self assessment shown in Appendix 1, including the action plan to ensure alignment to the Code.

The Committee noted that the Code was designed to support good practice in financial management and to assist with demonstrating financial sustainability. The Committee particularly noted the principles of good financial management as set out in paragraph 8 of the report.