

Minutes of the Audit Committee

28 September 2022

-: Present :-

Councillor Loxton (Chairman)

Councillors Brooks, Douglas-Dunbar, Hill, Johns, Kennedy (Vice-Chair) and O'Dwyer

16. Minutes

The Minutes of the meetings of the Audit Committee held on 27 July and 3 August 2022 were confirmed as a correct record and signed by the Chairman.

17. Treasury Management Mid - Year Review 2022/23

Members noted the Treasury Management Mid-Year Review for 2022/23. The Director of Finance advised Members that since the report had been written 'the world had changed' following the announcements of the Chancellor of the Exchequer and subsequent changes in the stock market, interest rates on borrowing, gilts and the pound. Members were informed that from a Council perspective all historic borrowing was on fixed interest rates. The recent interest rate rise would impact the Council if any new borrowing was required. The Council was also fairly 'cash rich' with no need to borrow until next year. At which point hopefully financial markets and systems would have calmed down.

The immediate issue for the Council was the capital program, if rates were to stay at the current level capital projects would need to be assessed on case-by-case basis. Hence the recommendations contained within the Revenue and Capital Budget Monitoring report being considered by Council on 13 October 2022.

The Director of Finance explained to Members that for the purposes of treasury management the current volatility wouldn't change the treasury management function this year, so there was time for financial markets to stabilise.

Members raised questions in respect of:

- Table 4, total of 'Net Movement £m' should be a total of 8.4 and not 8.5;
- The impact of inflation on the Private Finance Initiative;
- The revised CIPFA Treasury Management Code of Practice and Prudential Code for Capital Finance in respect of reviewing investments/assets before determining the need for borrowing;
- What was meant by 'internal borrowing'; and
- Valuation of regeneration properties.

18. Torbay Council Audit Progress Report and Sector Update

The Committee noted a report that set out a summary of emerging national issues and developments within the accounting and audit sector. Members were advised that it was anticipated that the audit of the 2021/22 accounts would be completed at the end of the year with the findings presented to Audit Committee in January 2023. The Audit Manager further advised that it was hoped that the 2020/2021 Accounts would be signed off as soon as an override had been granted respect of IS19.

19. HR Investigations and Whistleblow

Members noted the report that provided a high-level summary of the number of HR and Whistleblow investigations in the year 2022. Members requested that future reports include figures for the Council's subsidiary companies.

Chairman/woman