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GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 16 NOVEMBER 2020

Present: Councillors Keogh (Chair), Kataria (Vice-Chair), G Galton, Harwood, Professor Margetts and Windle

Apologies: Councillors White

18. **APOLOGIES**

Apologies were received from Councillor White.

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

RESOLVED: that the minutes for the Committee meeting on 28 September 2020 be approved and signed as a correct record.

20. **REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT MIDYEAR 2020/21**

The Committee considered the report of the Executive Director Finance and Commercialism providing a review of prudential limits and treasury management mid year 2020/21.

The Committee noted that since the beginning of the pandemic, the Government had given advanced grants to local authorities which had been beneficial in meeting costs and it was noted that Southampton City Council was performing above average in benchmarking scores when compared to other local authorities.

The Committee discussed the way in which financial matters were reported and recommended that an All Member Briefing on treasury management was provided in order to share further information on background issues and risk factors.

RESOLVED:

- (i) That the treasury management activities for 2020/21 and performance against Prudential Indicators be noted;
- (ii) That the continued proactive approach to treasury management which had led to reductions in borrowing costs and safeguarded investment income during the year be noted;
- (iii) That approval be given to the removal of the overall limit for investments in Money Market Funds from 50% of total investment, as detailed in paragraph 16 of the report;
- (iv) That delegated authority continued to be given to the S151 Officer to make any future changes which benefitted the authority and to report back at the next Treasury update; and
- (v) That an all Member Briefing be recommended to share further information on treasury management background issues and factors.

It was noted that Councillor Professor Margetts voted against Resolution (iv).

21. **RISK MANAGEMENT REPORT 2020**

The Committee received and noted the report of the Executive Director Finance and Commercialism detailing the Council's risk management report 2020.

The Committee noted that the introduction of Covid risk management had been a significant issue and this was an evolving piece of work.

22. **ANNUAL GOVERNANCE STATEMENT 2019-20**

The Committee considered the report of the Executive Director Finance and Commercialism seeking approval of the Council's draft Annual Governance Statement 2019-20 and in particular noted the impact of the Covid 19 pandemic on governance.

RESOLVED: that approval be given to the draft Annual Governance Statement 2019-20.

23. **STATEMENT OF ACCOUNTS 2019/20**

The Committee considered the report of the Executive Director Finance and Commercialism seeking approval of the Statement of Accounts 2019/20 and changes made to the draft accounts identified during the audit.

RESOLVED:

- (i) That the changes to the Statement of Accounts 2019/20 as a result of the annual audit as detailed in paragraphs 5 to 7 in the report and appendix 1 be noted;
- (ii) That the audited Statement of Accounts 2019/20 be approved;
- (iii) That the rationale for not correcting the audit difference relating to the net pension liability as set out in paragraph 8 be approved; and
- (iv) That approval be given for the Executive Director Finance and Commercialism (S151 Officer), in consultation with the Chair of Governance Committee, to make further changes to the Statement of Accounts 2019/20 that may arise during completion of the audit and that authority be delegated to the S151 Officer and Chair of Governance Committee to sign the final Statement.

24. **EXTERNAL AUDIT 2019/20 AUDIT RESULTS**

The Committee considered the report of the External Auditor detailing audit results for 2019/20.

The Committee noted that the External Auditor was satisfied with the new arrangements that were now in place regarding any future whistleblowing allegations.

RESOLVED:

- (i) That the external auditor's Audit Results Report as detailed in the appendix of the report be approved; and
- (ii) That the letter of representation be approved.

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