

**Committee and Date**

Audit Committee

20<sup>th</sup> July 2023

10:00am

Item

Public



# Audit Committee Annual Assurance Report to Council 2022/23

<b>Responsible Officer:</b>	James Walton		
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<b>Cabinet Member (Portfolio Holder):</b>	Lezley Picton, Leader of the Council Brian Williams, Chairman of the Audit Committee Gwilym Butler, Portfolio Holder for Finance and Corporate Resources		

## 1. Synopsis

A key part of the Audit Committee's role is to report annually to Full Council on the Committee's findings, conclusions and recommendations. Audit Committee has some concerns but on balance can provide reasonable assurance.

## 2. Executive Summary

- 2.1 Attached to this report is the Audit Committee's Annual Assurance Report to Council for 2022/23. This provides Council with independent reasonable assurance that it has in place adequate and effective governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects and maintains consistently

- 2.2 The Audit Committee recognises and is concerned about the limitations identified in the internal control framework as reported in the Chief Audit Executive's Opinion and the potential impact on value for money but on balance, can provide reasonable assurance, founded on those reports, explanations and assurances received, throughout the year.

### 3. Decisions

- 3.1 Audit Committee is asked to consider and comment on the contents of the draft Annual Assurance report for 2022/23 before forwarding to Council with a recommendation to consider, comment upon and accept this report.

#### Recommendation to Council

- 3.2 Council is asked to consider and comment on the contents of the Annual Assurance report for 2022/23 before recommending accepting this report.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. The Audit Committee's Annual Assurance Report is part of the overall internal control arrangements and risk management process. The Audit Committee objectively examines and evaluates the adequacy of the control environment through the reports it receives and in turn can provide assurances to Council on its governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that inform the Annual Governance Statement
- 4.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change requirements or consequences of this proposal.

### 5. Financial Implications

- 5.1. There are no direct financial implications from this report. In assessing the internal control environment, risk management and governance aspects of the Council, the Audit Committee can provide a perspective on the overall value for money of these.

### 6. Climate Change Appraisal

- 6.1. This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaption. However, the work of the Committee will look at these aspects relevant to the governance, risk management and control environment.

## 7. Background

- 7.1. A key part of the Audit Committee's role is to report annually to Full Council on the Committee's findings, conclusions and recommendations; providing its opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements. In addition, the Audit Committee should report to Council where they have added value, improved or promoted the control environment and performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose and functions.
- 7.2. The Audit Committee has a well-established role within the Council, and it is important that an Annual Assurance report based on the work of the Committee is produced and recommended to Council. In compiling this assurance report, information provided at the Audit Committee meeting on 20th July 2023 has also been considered.
- 7.3. In addition, this report has been reviewed to ensure its continuing compliance with CIPFA's Audit Committees, Practical Guidance for Local Authorities and Police, 2018 edition. This requires the Audit Committee to be held to account on a regular basis by the Council specifically in relation to whether the;
- committee has fulfilled its agreed terms of reference;
  - committee has adopted recommended practice;
  - development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities;
  - committee has assessed its own effectiveness, or been the subject of a review, and the conclusions and actions from that review and,
  - what impact the committee has on the improvement of governance, risk and control within the Council.
- 7.4. The annual assurance report to Council for 2022/23, attached to this report, is an aid to addressing the key areas where the Committee should be held to account.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

- CIPFA's Audit Committees, Practical Guidance for Local Authorities and Police, 2022 edition
- Audit Committee reports 2022/23

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**Local Member:** N/A

**Appendices**

**Appendix A - Draft Audit Committee Annual Assurance Report 2022/23**

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## APPENDIX A

### AUDIT COMMITTEE ANNUAL ASSURANCE REPORT FINANCIAL YEAR 2022/23

#### STATEMENT FROM THE CHAIRMAN OF THE AUDIT COMMITTEE

1. Governance in and of the public sector continues to be high profile with the Chartered Institute of Public Finance and Accountancy (CIPFA) supporting good practice in local government. In Shropshire we have a Code of Corporate Governance which is reviewed annually in line with the best practice issued by CIPFA and SOLACE; we have also produced an Annual Governance Statement, again in line with best practice and legislative requirements. Being well managed and well governed are important attributes in helping to improve performance and in reducing the risk of failing to achieve our objectives and providing good service to our community.
2. Shropshire Council has an Audit Committee that is long established in seeking to maintain and improve our governance procedures. The Committee is a key component of the Council's corporate governance arrangements and a major source of assurance of the Council's arrangements for managing risk, maintaining an effective control environment and reporting on internal and external audit functions and financial and non-financial performance.
3. This year the Committee has held seven planned meetings including the meeting held on 20<sup>th</sup> July 2023. We have received and considered a substantial number of reports across key areas of the Council's activity (see Annex A).
4. Membership of the Audit Committee for 2022/23 was made up of the following Councillors: Brian Williams (Chairman), Simon Harris (Vice Chairman), Rosemary Dartnall, Nigel Lumby and Roger Evans. Substitutes were invited to attend and contribute at all meetings and training.
5. In February of this year, in line with recommended good practice, we recruited our first external independent member Jim Arnold, a highly successful businessman living in Shrewsbury, and we shall look forward to the good advice and experienced contributions which he will bring to the committee.
6. The benefits to the Council of operating an effective Audit Committee are:
  - Maintaining public confidence in the objectivity and fairness of financial and other reporting.
  - Reinforcing the importance and independence of internal and external audit and any other similar review process; for example, reviewing and approving the Annual Statement of Accounts and the Annual Governance Statement.
  - Providing a sharp focus on financial reporting both during the year and at year end, leading to increased confidence in the objectivity and fairness of the financial reporting process.
  - Assisting the co-ordination of sources of assurance and, in so doing, making management more accountable.

- Providing additional assurance through a process of independent and objective review.
  - Raising awareness within the Council of the need for governance, internal control and the implementation of audit recommendations.
  - Providing assurance on the adequacy of the Council's risk management arrangements and reducing the risk of illegal or improper acts.
7. The Committee continues to have a professional and arm's length relationship with Grant Thornton, the Council's external auditors, who attend all meetings of the Committee to offer their advice where needed.
8. The Committee undertakes a substantial range of activities and works closely with both internal and external auditors and the Chief Finance Officer (Executive Director of Resources /Section 151 Officer) in achieving our aims and objectives. We have put together a work and development plan for the year to enable key tasks to be considered and completed.
9. As Chair of the Audit Committee, I see training as a key priority for members to undertake our roles effectively. The Committee continues to undertake a full and extensive programme of training and this year has been no exception. Training has been received in relation to:
- Audit Committee self-assessment and effectiveness of the Audit Committee
  - Strategic risk management
  - Public health governance update
  - Treasury Management
  - Climate change
  - Update on the Statement of accounts

Members also have access to CIPFA's Better Governance Forum network which provides specific information in the form of regular briefings, training events, and an informative web site.

### **Details of Reports/Information Received**

10. **Annex A** provides a summary of the key reports and information received by the Audit Committee at its meetings. These appear categorised in the areas which, under the Terms of Reference, Audit Committee have a responsibility to consider and report upon. They are
- Governance;
  - Risk management framework;
  - Controls, including specific focus on:
    - Contracts and partnerships
    - Fraud, corruption and whistleblowing
    - Value for money
- A detailed audit work plan has been agreed for the current year.
11. Following receipt of the reports the Audit Committee:
- Resolved that there were reasonable arrangements for corporate governance and where improvements are required there is a clear

improvement plan with dedicated lead officers that will be monitored by Members.

- Resolved that the risk management and assurance framework was fit for purpose and operating as intended.
- Recognise the increased risks in the control environment and resolved that there is still a need with pressures on resources and following the Council's response to COVID and changes to major systems, to ensure continual monitoring by management and members alike on the internal control environment. Members focus will remain on areas critical to the Council, i.e. internal control environments in respect of the embedding of ERP software, IT management and cyber security, major contracts and commercial activities.
- Resolved that there were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).
- Resolved that there was evidence of effective arrangements in place to support Value for Money but recognised the links to good financial management and sound internal controls in minimising opportunities for waste and fraud and maximising income and use of all assets, and the need to ensure continual monitoring by management and members alike given the reported direction of travel of the internal control environment.
- Resolved that Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.

12. The Chief Audit Executive has offered limited assurance for the 2022/23 year on the Council's framework for governance, risk management and internal control. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected. Management of Coronavirus has introduced unprecedented pressures and responses, and this inevitably has impacted upon her opinion. Managers' priorities have been diverted to business continuity pressures and this has removed capacity to plan and deliver improvements to known internal control processes, leading to maintained and increased risks in some areas that may impact on delivery of the Council's objectives. The year has continued to be challenging with the embedding of key fundamental line of business systems (financial and human resources), changes of key managerial posts, alongside a challenge to deliver savings, increase income and respond to changing Coronavirus pressures, at times on a daily and weekly basis.

### **Audit Service Staff**

13. Following the retirement of Ceri Pilawski, the long serving Audit Manager in October 2022 and a restructuring under James Walton, the Executive Director of Resources (section 151 officer), the key Audit staff were Barry Hanson, Head of Policy and Governance and his deputy, Internal Audit Manager, Katie Williams.

14. Without the support of all Audit staff and, in particular, of the officers mentioned above, it would not be possible for the Audit Committee to be as highly effective as peer comparisons show us to be. My thanks and that of my fellow committee members are given to all our Audit Service officers.
15. I have been Chairman of the Audit Committee for most of the last eighteen years since its first formation in 2005 and I am pleased to say that the quality of my colleagues of whichever party, in terms of financial knowledge and subject interest, is the best I have experienced in that time and I am grateful to them for their contribution to the effectiveness of the Committee's work.

### **Annual Statement of Assurance**

16. Based on:
- The work carried out by the Internal and External Auditors and their reports presented to this Committee;
  - Reports from service managers and;
  - The work carried out by the Section 151 Officer, Head of Policy and Governance and their reports presented to this Committee

The Audit Committee recognises and is concerned about the limitations identified in the internal control framework and the impact on value for money. However, on balance, the Audit Committee can provide reasonable assurance, founded on those reports, explanations and assurances received, that the Council has in place adequate and effective governance, risk management and internal control systems; internal, external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects.

### **RECOMMENDATION – Council is asked to accept this report**

Signed *Brian B. Williams* Date 21<sup>st</sup> June 2023

On behalf of the Audit Committee

**ANNEX A**

### **Summary of assurance reports received by Audit Committee**

#### **Governance**

- **Management report; Annual Governance Statement (AGS) and a review of the effectiveness of the Council's internal controls and Shropshire's Code of Corporate Governance**

Report of the Section 151 Officer on the effectiveness of the system of internal controls and the production of the Annual Governance Statement. In addition, he reported on compliance with the Corporate Governance Code as reasonable. It confirmed the Council's commitment to the principles of good corporate governance



and set out clear improvements targeted at managing known strategic risk areas for 2023/24.

➤ **Internal Audit – Annual review of Internal Audit, Quality Assurance and Improvement Programme (QAIP) 2022/23**

Report of the Section 151 Officer which provided Members with the results of the 2022 self-assessment of the Internal Audit Service against the requirements of the Public Sector Audit Standards, compliance against which demonstrates an effective Internal Audit service. There are no areas where the Internal Audit function is not complying with the Code and, whilst there are areas of partial compliance, these are not considered significant and do not compromise compliance with the code. It was noted the report should be read in conjunction with the Internal Audit Annual Report.

➤ **Annual review of Audit Committee terms of reference**

Report of the S151 Officer which ensures that the Council continues to provide an effective Audit Committee. Terms of Reference are considered and approved by members annually. There were no significant changes proposed in 2022.

➤ **Annual Audit Committee self-assessment**

Report of the Section 151 Officer which requested members to review and comment on compliance with the Chartered Institute of Public Finance and Accountancy's guidance on the function and operation of audit committees. There is significant compliance with the code and an improvement plan to address a few areas of partial compliance.

➤ **Internal Audit Charter**

Report of the Chief Audit Executive which set out the requirement for an annual review of the Internal Audit Charter which had been completed. The Charter demonstrates how Internal Audit complies with Public Sector Internal Audit Standards. The Audit Committee approves the Charter which incorporates the mission, code of ethics, definition and core principles of Internal Audit. There were no significant changes.

➤ **Draft Audit Committee annual work plan and future learning and development requirements 2023/24**

Report of the Chief Audit Executive which provided a proposed Audit Committee work plan and sought discussion and agreement around a learning and development plan for members to ensure they were well informed and appropriately skilled to fulfil their role. Therefore ensuring the integrity of the financial reporting and governance of the Council.

➤ **Annual Assurance report of Audit Committee to Council 2022/23**

Report of the Section 151 Officer in respect of the Audit Committee's Annual Assurance report to Council.

The Audit Committee resolved that there were reasonable arrangements for corporate governance and where improvements are required there is a clear improvement plan with dedicated lead officers that will be monitored by Members.

## Risk Management Framework

### ➤ **Management report: Risk Annual Report 2022/23 incorporating strategic risks update**

Report of the Risk and Business Continuity Manager who provided assurances on and an overview of the activity of the Risk, Insurance and Resilience Team during 2022/2023 with a synopsis of the current risk exposure of the Council in relation to strategic, operational and project risks. It also identified key activity for 2022/2023.

The report sets out the challenges and achievements accomplished by the Team during 2021/2022. During 2021/2022 the team included business continuity management and emergency planning and as a result we experienced an unprecedented workload due to significant weather events and the response to and recovery from Covid-19. Following a recent restructure, the team is now made up of Risk Management and Business Continuity, though continues to work closely and align undertakings with emergency planning and insurance. The team continues to strive to ensure that Shropshire Council embeds Opportunity Risk Management practices throughout all service areas.

A 'good' assurance level was achieved following a risk management audit and confirmed that robust policies and procedures were in place, including a shared site for all risk registers allowing for real time updating and reporting. The Opportunity Risk Management Strategy is reviewed annually and reported to the Executive Directors, Cabinet and Audit Committee and all operational risk registers have a named lead officer as the overall risk owner.

### ➤ **Management report: Strategic risks update**

The management of the strategic risks is a key process which underpins the successful achievement of our priorities and outcomes. Strategic risks are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

Reports during the year from the Risk and Business Continuity Manager set out the existing strategic risk exposure. There were currently 15 strategic risks on the strategic risk register. The risk score for inability to deliver a balanced budget has increased. Failure to safeguard vulnerable children risk has reduced, as has ICT Infrastructure resilience. A recruitment, Retention and Succession Planning risk has been added, and the risk relating to the ability to fund children's services has been split into two risks; one for Children's Social Care & Safeguarding and one for Learning & Skills.

Strategic risks are monitored to enable achievement of Council priorities and outcomes and are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

### ➤ **Internal Audit report of the review of Risk Management audit 2022/23**

Report of the Interim Audit Service Manager which summarised the detailed findings identified in the Internal Audit review of risk management of which the overall control environment had been assessed as Good, with minor control weaknesses identified. The focus of the review was on user compliance with processes around operational and project risks.

➤ **Draft Internal Audit Annual plan 2023/24**

Report of the Chief Audit Executive on the proposed risk based Internal Audit Plan for Audit Committee approval. Designed to evaluate the effectiveness of the Council's risk management, internal control and governance processes across all Directorates and report this in the Annual Governance Statement 2023/24. Given the need to respond flexibly to both the Council's demands and the available resources in the team, at different times throughout the year, the plan is designed to ensure that all externally contracted work for the service is completed and for Shropshire Council, must do areas of work are delivered alongside an element of high-risk audits. This leaves an unplanned element to be allocated as resources become available. Allocations will be made on risk priority matched to auditor skill sets from high risk areas within the Council not covered in the planned element. Members were also referred to the appendix, which set out those low risk areas that would not be considered for review by Internal Audit on a rolling basis, to allow Members to consider first line assurances, if required, from managers on these areas.

The Audit Committee resolved that the risk management and assurance framework was fit for purpose and operating as intended.

## Controls

➤ **Management Report: Highways Term Maintenance update (exempt)**

The Executive Director of Place provided an update on progress towards a resolution of the issues identified by Audit relating to the management of the Council's Term Maintenance Contract with its Highway's provider.

➤ **Management Report: IT Management update**

The Head of Automation and Technology provided an update which provided an update on the actions taken or planned to address the recommendations arising from various audit reports on the IT control environment.

➤ **Management Report: Information Governance Management update**

The Committee received the report of the Assistant Director Legal and Governance which outlined the Council's current position and progress made in responding to the Audits for Information Security Management and the IT Acceptable Usage Policy.

➤ **Management Report: Update on the Council's Cloud based services**

The Assistant Director Finance and Technology provided a report which identified the current use of cloud-based services by the Council and considered its use of these systems (including wider networks and data centres) to house its data and network systems. It focused on the approach to assurance for internal controls and risk management for these services. The report also considered the current position in terms of consistency of approach across different types of use of the cloud and the desirability of increased controls and risk management and consistency how these were being applied.

➤ **Management Report: Payroll update**

The Committee received the report of the Assistant Director, Workforce and Improvement at the November 2022 and February 2023 meetings which provided an update on the actions to address the recommendations arising out of the Payroll Audit for 2021/22.

➤ **Internal Audit performance report and revised annual audit plan 2022/23**

Report of the Chief Audit Executive provided Members with an update of the work undertaken by Internal Audit throughout the year. By September Members were informed that 26% of the revised plan had been completed. Performance was slightly lower than in previous years due to resourcing issues and delays in the commencement of the externally provided internal audit work.

By the year end the Chief Audit Executive informed members that 94% of the revised plan had been completed and Internal Audit continued to add value to the Council in supporting its business continuity processes and the delivery of bespoke pieces of work, including sharing best practice and providing advice on system developments.

Lower assurance levels and fundamental recommendations were separately identified throughout the year. Where appropriate, members requested management updates at subsequent meetings.

➤ **Internal Audit annual report 2022/23**

Report of the Chief Audit Executive on achievements against the revised internal audit plan for 2022/23 and the annual internal audit assurance. The Chief Audit Executive gave limited assurance for the year that the Council's framework for governance, risk management and internal control is sound and working effectively.

Revisions were made to the plan to reflect both changing resources and risks. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected. The year has continued to be challenging with the continued development of key fundamental line of business systems (financial and human resources), changes of key managerial posts, alongside a challenge to deliver savings, increase income and respond to delayed service impact from the pandemic.

The Audit Committee recognise the increased risks in the control environment and resolved that there is still a need to ensure continual monitoring by management and members alike on the internal control environment. Members focus will remain on areas critical to the Council, i.e. internal control environments in respect of the embedding of ERP software, IT management and cyber security, major contracts and commercial activities.

## **Controls: Fraud, Corruption and Whistleblowing**

➤ **Fraud, special investigation and Regulation of Investigatory Powers Act (RIPA) update (Exempted by categories 2, 3 and 7)**

Members are provided with exempt reports of the Principal Auditor providing an update on the current fraud and special investigations undertaken by Internal Audit and current RIPA activity.

➤ **Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities, including an update on the National Fraud Initiative**

Report of the Chief Audit Executive outlined the measures undertaken in the last year to evaluate the potential for the occurrence of fraud, and how the Council managed these risks with the aim of prevention, detection and subsequent reporting of fraud, bribery and corruption. It also provided an update on the action plan to ensure continuous improvement and an update to members in response to national and local issues. It was confirmed that the Strategy had been reviewed and updated to reflect both best practice and to continue to be aligned with the updated Fighting Fraud and Corruption Locally Strategy 2020. The Council can never be free from fraud activities, but continues to be focused on acknowledging, preventing and pursuing fraud, bribery and corruption and Audit Committee members reaffirmed the Council's Counter Fraud, Bribery and Anti-Corruption Strategy.

➤ **Annual Whistleblowing report**

Report of the Assistant Director of Workforce and Improvement which detailed the cases reported under the Whistleblowing arrangements. Assurance was provided as to the currency of the Whistleblowing Policy and its effectiveness.

The Audit Committee resolved that there were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).

### **Controls: Value for Money**

Sound internal controls lead to the effective, efficient and economic use of Council resources (VFM), assurances are taken from the robustness of the internal control environment, management of risks, soundness of governance and any additional reports add weight to these.

➤ **External Audit: Pension fund audit plan 2022/23**

Report of the Engagement Lead (Grant Thornton) setting out the Pension fund plan for the year ending 31 March 2023.

➤ **External Audit: Audit fee letter 2022/23**

Report of the Engagement Lead (Grant Thornton) setting out the audit fee for the year ending 31 March 2023.

The Audit Committee resolved that there was evidence of effective arrangements in place to support Value for Money but recognised the links to good financial management and sound internal controls in minimising opportunities for waste and fraud and maximising income and use of all assets, and the need to ensure continual monitoring by management and members alike given the reported direction of travel of the internal control environment.

### **Financial reporting**

➤ **External Audit: Shropshire County Pension Fund Audit Findings (Information) 2021/22**

Report of the Engagement Lead (Grant Thornton) summarised the findings for the year ended 31 March 2022 on the audit of the Pension Fund financial statements. It confirmed that there were no issues around the Fund's ability to continue as a going concern and that it was intended to issue an unqualified opinion to the Pensions Committee.

➤ **External Audit: Audit progress report and sector update**

Report of the Engagement Lead (Grant Thornton) which highlighted progress and provided a summary of emerging national issues and developments of relevance to the Council. Including changes to arrangements for securing Value for Money to be included in the Auditor's Annual Report. The Engagement Manager explained that there was a slight delay in reporting on the Whole of Government Accounts, due to a delay with the workbook.

In February 2023 he confirmed that the audit of the 2020/21 and 2021/22 financial statements had been substantially completed with the main area outstanding related to national guidance on accounting for Infrastructure assets.

➤ **Financial outturn report 2021/22**

Report from the Section 151 Officer providing details of the revenue outturn position for the Council and the full year capital expenditure and financing of the Council's capital programme.

➤ **Appointment of External Auditors**

In September 2022, the Section 151 Officer provided a report which updated Audit Committee on the appointment of external auditors for Shropshire Council from 2023/24 for a period of five years. He informed the Committee that Grant Thornton had been appointed as the Auditor for Shropshire Council and Shropshire County Pension Fund.

➤ **Approval of the Council's Statement of Accounts 2021/22 including a review of accounting policies**

July 2022: The Committee received the report of the Section 151 Officer which provided an overview of the Accounts for the year 2021/22 and details of the reasons for the most significant changes between the 2020/21 Accounts and the 2021/22 Accounts. He explained that the accounts were draft at this point in time and had been produced in line with the timetable. He drew attention to the delay to the amendments to the code relating to infrastructure assets which had implications for last years' accounts which were unable to be signed off until the code was published. All the work relating to the change had been done but could not be acted upon.

November 2022: The External Audit Engagement Lead presented their draft audit findings report for 2021/22.

February 2023: The 2021/2022 accounts were presented and approved by the Audit Committee but had not been signed off by External Audit due to delays on their part relating to infrastructure assets.

## Treasury Management

### ➤ **Annual treasury report 2021/22**

Report of the Section 151 Officer showed the borrowing and investment strategy for 2021/22, the outturn for the financial year and the investment performance of the Internal Minutes of Audit Committee held in September 2022 Treasury Team, confirming that activities align with the approved Treasury Management Strategy.

The Section 151 Officer reported that the internal Treasury team had outperformed their investment benchmark which had been the case for many years. He confirmed that the Council's Treasury activities during the year had been within the approved prudential and treasury indicators set and have complied with the Treasury Strategy

### ➤ **Treasury Strategy 2022/23 mid-year report**

Report of the Section 151 Officer which provided Members with an economic update for the first six months of 2022/23, along with reviews of the Treasury Strategy 2022/23 and Annual Investment Strategy, the Council's investment portfolio for 2022/23, the Council's borrowing strategy for 2022/23, any debt rescheduling taken and compliance with Treasury and Prudential limits for 2022/23.

### ➤ **Treasury Strategy 2023/24**

Report of the Section 151 Officer which proposed the Treasury Strategy for 2023/24. It set out the arrangements for how the council would appropriately manage its arrangements for banking, cash flow management, investments, and borrowing, supporting the delivery of the MTFs and The Shropshire Plan. He explained that the report set out the current market conditions that the Council were working within along with the prudential indicators which gave a measure of the financial viability from a capital point of view and a borrowing point of view for the organisation. He informed the Committee that going forward the treasury management function would sit with the Assistant Director of Finance and Technology (Deputy Section 151 Officer).

The Audit Committee resolved that Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards