

## **REPORT OF THE CORPORATE COMMITTEE No. 2, 2021-22**

### **FULL COUNCIL 1 MARCH 2022**

Chair: Councillor Peter Mitchell

Deputy Chair: Councillor Barbara Blake

#### **1. INTRODUCTION**

This report to Full Council arises from two reports presented at Corporate Committee on 1 February 2022.

The first report pertained to the External Audit Appointment which sought authority to opt in to the Public Sector Audit Appointments Ltd (PSAA) scheme to enable them to appoint the external auditor for the Council and for the Pension Fund.

The second report presented the Treasury Management Strategy Statement for 2022-23 which set out the Council's borrowing and investment strategies, along with the associated risks. The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice requires the Authority to approve a Treasury Management Strategy before the start of each financial year. The Treasury Management Strategy Statement is formulated by the Committee responsible for the monitoring of treasury management (Corporate Committee) before being approved by Full Council.

#### **2. EXTERNAL AUDIT APPOINTMENT**

We considered the attached report which set out that, in July 2016, the Secretary of State for Housing Communities and Local Government (MHCLG) specified Public Sector Audit Appointments Limited (PSAA) as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.

We noted that, in accordance with the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015 (the Regulations), the PSAA had formally invited all eligible bodies to join the national auditor appointment arrangements for the audit years 2018/19 to 2022/23 in its role as a specified appointing person. Haringey Council, alongside most of London Councils opted in. As the first appointing period was coming to an end, PSAA had formally invited all bodies to either opt in or out of this arrangement for the second appointing period of 2023/2024 to 2027/2028.

We considered the advantages and disadvantages of the scheme which were set out in the attached report and the Officer recommendation that the Council opted in to the PSAA scheme.

In response to a question, we were informed that most, if not all, London Boroughs were expected to sign up to the PSAA scheme.

### **3. RECOMMENDATIONS**

Full Council is recommended:

To opt in to the Public Sector Audit Appointments Ltd (PSAA) scheme to enable them to appoint the external auditor for the Council and for the Pension Fund.

### **4. TREASURY MANAGEMENT STRATEGY STATEMENT 2022-23**

We considered the Treasury Management Strategy Statement for 2022-23 which outlined the Council's strategy for managing its cash flows, borrowing, investments, and the associated risks in accordance with the CIPFA Treasury Management Code of Practice.

We noted that the report had been reviewed by the Scrutiny Committee with no formal comments, however, they had asked questions that the officers had agreed to provide responses in writing to them.

We were informed that the CIPFA Code of Practice suggested that this Treasury Management Strategy Statement should set out a three year position but that Haringey had decided to do this on a five year cycle so that the document could be more accurately aligned to the medium-term strategy and budget report. We also noted that the Public Work Loans Board (PWLB) was no longer lending to local authorities who were planning to buy assets for yield but that this would not impact the Council and it would still be possible to access the PWLB loans going forward.

We enquired about Lender's Option Borrower's Option (LOBO) loans and it was confirmed that the Council would repay the loans in line with the Council's LOBO loans policy and in consultation with the Council's advisors. We heard that there might be potential to repay some loans and that, if this was an option, this would be reviewed by the Council's advisors and brought back to the Corporate Committee for consideration.

We noted that paragraph 5.3 of the Treasury Management Strategy Statement should be amended to state that the COVID-19 pandemic 'had increased', rather than 'has increased' the risk that the Bank of England will set its Bank Rate at or below zero.

### **5. RECOMMENDATIONS**

Full Council is recommended:

To agree the proposed updated Treasury Management Strategy Statement for 2022-23 as attached to agenda item 14, 2022-23 Budget and Medium-Term Financial Strategy 2022/27 at Annex 4.