



AUDIT COMMITTEE REPORT

Report Title

TREASURY MANAGEMENT STRATEGY 2013-14 to 2015-16

AGENDA STATUS:

PUBLIC

Audit Committee Meeting Date:	14 January 2013
Policy Document:	Yes
Directorate:	Finance & Support
Accountable Cabinet Member:	Alan Bottwood

1. Purpose

1.1 To put the draft Treasury Management Strategy Report for 2013-14 to 2015-16 before Audit Committee for review prior to it being put to Cabinet and Council in February 2013 and to invite Audit Committee to put forward recommendations as they think appropriate.

2. Recommendations

2.1 That Audit Committee:

- a) Review the draft Treasury Management Strategy Report for 2013-14 to 2015-16 prior to it being put to Cabinet on 20 February 2013 and Council on 25 February 2013
- b) Put forward any recommendations that they think appropriate.
- c) Advise as to whether and how they would like any changes to the draft report subsequent to their review to be advised to them for consideration and comment.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The CIPFA Treasury Management Code of Practice requires the Council to nominate the body (such as an audit or scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices.
- 3.1.2 The Council has nominated the Audit Committee for this role (see Appendix A; Adoption of the CIPFA Code of Practice in Treasury Management in the Public Services). The role includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and for making recommendations to Council.

3.2 Issues

Treasury Management Strategy Report 2013-14 to 2015-16

- 3.2.1 The Council's draft Treasury Management Strategy Report 2013-14 to 2015-16 is attached at **Appendix 1**. This comprises a covering report and appendices (A to H). This report is timetabled to go to Cabinet on 22 February 2013 and to Council on 25 February 2013.
- 3.2.2 Audit Committee are asked to review the report and to put forward recommendations to Cabinet and Council as they think appropriate.
- 3.2.3 Some details included in the draft report will or may need to be updated prior to the report going to Cabinet. This is due to:
- The time gap between Audit Committee and Cabinet,
 - The interface between the content of this report and the Council's other budget setting reports, and
 - Developments related to the decision to deliver certain services, including treasury management, under the auspices of the LGSS Joint Committee, which may impact on this report.
- 3.2.4 Items that will almost certainly change are set out below. References are to the Cabinet report paragraphs and appendices:
- Economic background (Paragraph 3.2.1 and Appendix B)
 - Unallocated General Fund Reserves (Paragraph 3.2.13)
 - Counterparties meeting NBC investment criteria (Appendix F. Section 18 and Appendix G)
 - Current investment portfolio (Appendix F. Section 15)
 - Average rate of return on investments in 2012-13 (Appendix F. Section 21)

3.2.5 Other changes may arise. In particular:

- Developments regarding the governance and management of the treasury management function under LGSS may impact on the Schedules to the Treasury Management Practices at Appendix E.
- Any changes to the draft capital programme expenditure and/or financing plans will impact on the detailed figures included throughout the Treasury Management Strategy at Appendix F

3.2.6 Audit Committee are asked to advise whether and how they would like any changes made to the draft report subsequent to their review to be advised to them for consideration and comment.

3.3 Choices (Options)

3.3.1 Audit Committee have the option to comment on the areas considered in the report and to make recommendations to Officers and to Cabinet and Council.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The CIPFA Treasury Management Code of Practice requires the Council to nominate the body (such as an audit or scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. Council has nominated the Audit Committee for this role, which includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council.

4.1.2 Further background detail is included in the attached draft Cabinet report – Treasury Management Strategy 2013-14 to 2015-16

4.2 Resources and Risk

4.2.1 As set out in the attached draft Cabinet report – Treasury Management Strategy 2013-14 to 2015-16

4.3 Legal

4.3.1 As set out in the attached draft Cabinet report – Treasury Management Strategy 2013-14 to 2015-16

4.4 Equality

4.4.1 As set out in the attached draft Cabinet report – Treasury Management Strategy 2013-14 to 2015-16

4.5 Consultees (Internal and External)

4.5.1 As set out in the attached draft Cabinet report – Treasury Management Strategy 2013-14 to 2015-16.

4.6 Other Implications

4.6.1 No other implications have been identified.

5. Background Papers

As set out in the attached draft Cabinet report, Treasury Management Strategy 2013-14 to 2015-16

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