



AUDIT COMMITTEE REPORT

Report Title	TREASURY MANAGEMENT MID YEAR REPORT 2010-11
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AGENDA STATUS:

PUBLIC

Audit Committee Meeting Date:	8 November 2010
Policy Document:	No
Directorate:	Finance & Support
Accountable Cabinet Member:	David Perkins

1. Purpose

1.1 To put the draft Treasury Management Mid Year Report for 2010-11 before Audit Committee for review prior to it being put to Cabinet in December and to Council in January, and to invite Audit Committee to put forward recommendations as they think appropriate.

2. Recommendations

2.1 That Audit Committee review the draft Treasury Management Mid Year Report for 2010-11 prior to it being put to Cabinet in December and to Council in January, and put forward recommendations as they think appropriate.

3. Issues and Choices

3.1 Report Background

3.1.1 A report was brought to Audit Committee on 22 March 2010 that explained new regulatory requirements for the Council to place greater emphasis on the scrutiny of treasury management strategies and policies. Under these arrangements the Audit Committee has been nominated by Council as the body responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. This role 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.

3.2 Issues

Treasury Management Mid Year Report 2010-11

3.2.1 The Council's draft Treasury Management Mid Year Report for 2010-11 is attached at Appendix A. This comprises a covering report and annexes (A to J). This report is timetabled to go to Cabinet on 15 December 2010 and Council on 17 January 2011.

3.2.2 Audit Committee are asked to review the report and to put forward recommendations to Cabinet and Council as they think appropriate.

3.3 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 Council is required to adopt the latest CIPFA Treasury Management Code of Practice, and to set and agree the following policy and strategy documents:

- A Treasury Management Policy Statement
- Treasury Management Practices (TMPs) and TMP Schedules
- An annual Treasury Strategy incorporating:
 - The Capital Financing and Borrowing Strategy for the year including:
 - The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
 - The Affordable Borrowing Limit for the year as required by the Local Government Act 2003.
 - The Investment Strategy for the year as required by the CLG Guidance on Local Government Investments issued in 2004, and updated in 2010.
- A mid-year review report and an annual review report of the previous year.

These documents are reported to Cabinet and Council as part of the budget setting process or at appropriate points during the year.

4.1.2 The updated CIPFA Treasury Management Code of Practice (published in 2009) requires the Council to place greater emphasis on the scrutiny of treasury management strategies and policies. This includes the nomination of 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.

4.2 Resources and Risk

4.2.1 The risk management of the treasury function is considered as an integral part of day-to-day treasury activities, and is also specifically covered in the Council's Treasury Management Practices (TMPs), which are reviewed annually.

4.2.2 The mid year report for 2010-11 attached as an Appendix to this report includes an analysis of the risk implications of decisions taken and transactions executed during 2010-11.

4.3 Legal

4.3.1 The Council is obliged to carry out its treasury management activities in line with statutory requirements and associated regulations and professional guidance. The relevant legislative and regulatory documents are referred to within the report and annexes and listed in the background papers

4.4 Equality

4.4.1 Annual Equalities Impact Assessments are carried out on the Council's Treasury Strategy and the associated Treasury Management Practices (TMPs) and Schedules to the TMPs. These are reported to Cabinet and Council in February of each year.

4.5 Consultees (Internal and External)

4.5.1 Consultation on treasury management matters is undertaken as appropriate with the Council's treasury advisers, Sector, and with the Portfolio holder for Finance.

4.6 Other Implications

4.6.1 No other implications have been identified.

5. Background Papers

Statute, Regulation and Guidance

The Treasury Management Mid Year Report at Appendix A contains a full list of current statute, regulation and guidance relating to treasury management.

Reports to Audit Committee, Cabinet & Council

Treasury Strategy 2010-11 to 2012-13 – Report to Cabinet 24 February 2010 & Council 25 February 2010

Prudential Indicators for Capital Finance 2010-11 to 2012-13 – Report to Cabinet 24 February 2010 & Council 25 February 2010

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