

Audit Committee

Meeting to be held on 25th June 2012

Electoral Division affected: N/A

Review of Treasury Management 2011/12

Appendix A refers

Contact for further information:

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Executive Summary

The report set out in Appendix A is a review of the County Council's treasury management activities in 2011/12. Treasury management activities are regulated by the CIPFA Code of Practice (2011) and it is best practice to review on an annual basis treasury management activities. The review is reported to Cabinet and county council as part of the effective governance and oversight of treasury management activities.

This review outlines the treasury management activities of the county council throughout 2011/12 and includes:

- A review of the economic conditions during 2011/12 and the impact on the county council's borrowing and lending activities.
- Borrowing to finance capital expenditure.
- Investment of cash balances
- Monitoring of prudential indicators for 2011/12
- Update on progress towards the action plan following the recommendations of the Audit Commission Review of Treasury Management 2010-11
- An update on the investment frozen in Landsbanki hf.

Recommendations

The committee is recommended to note the review of treasury management for 2011/12.

Background and Advice

In accordance with requirements of the CIPFA Code of Practice on Treasury Management 2011, the county council produces an annual treasury management strategy, quarterly reports on treasury management activity to Audit Committee and an annual review of treasury management. These include the prudential indicators that regulate the operation of the borrowing and lending activity of the county council

and are also set to ensure that the county council's capital investment plans are affordable, prudent and sustainable. This report outlines a review of the borrowing and lending activity during 2011/12 and monitors this activity against the prudential indicators set in the treasury strategy for 2011/12

Consultations

Sterling Consultancy Services provides advice on treasury management.

Implications:

N/A

This item has the following implications, as indicated:

Risk management

The county council's treasury strategy and review set out a policy in respect of borrowing and lending activity and how risks associated with these activities are managed and monitored.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Treasury Management Policy and Strategy 2011/12	Feb 2011	Andy Ormerod – TM Ext 34740
CIPFA: Treasury Management in the Public Services – Code of Practice	2011	Andy Ormerod – TM Ext 34740

Reason for inclusion in Part II, if appropriate

N/A