

Audit and Governance Committee

Meeting to be held on 26th September 2012

Electoral Division affected: None

Update on Treasury Management Activity

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 during the current financial year to the end of August. Treasury management activities are regulated by the CIPFA Code of Practice and it is best practice to review treasury management activities on a regular basis. This report will form the basis of a half yearly review to be reported to Cabinet and County Council as part of the effective governance and oversight of treasury management activities.

This review includes:

- A review of the economic conditions during 2012/13
- An assessment of the appropriateness of treasury strategy to the current and predicted economic environment
- Borrowing to finance capital expenditure
- Investment of cash balances
- Comparison of current borrowing levels with 2012/13 prudential indicators.

Recommendation

The Committee is recommended to note the review of treasury management activities for 2012/13 to date.

Background and Advice

In accordance with requirements of the CIPFA Code of Practice on Treasury Management 2009, the County Council produces an annual treasury management strategy, an annual review of treasury management, and quarterly reports on treasury management activity to Audit Committee. This quarterly report outlines a review of the borrowing and lending activity during 2012/13 to date and sets this

activity against the current economic background including risk management strategies to protect the capital value of the County Council's reserves and balances.

Consultations

Sterling Consultancy Services provides advice on treasury management.

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 2012/13	Feb 2012	Andy Ormerod Ext 34740
CIPFA TM Code of Practice	2011	Andy Ormerod Ext 34740