

Audit and Governance Committee
Meeting to be held on 14 January 2013

Electoral Division affected: <u>None</u>

Update on treasury management activity

Appendices 'A' and 'B' refer

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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 third quarter of the 2012/13 financial year. 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 to ensure the effective governance and oversight of treasury management activities.

This review outlines the treasury management activities of the County Council between September and November 2012 and includes:

- A review of the economic conditions and the impact on the County Council's borrowing and lending activities.
- Summaries of borrowing and investment transactions.
- Monitoring of Prudential Indicators
- An update on the investment in Landsbanki hf.

Recommendation

The Committee is asked to note the report on recent treasury management activities in Appendix 'A' and Appendix 'B'

Background and Advice

At the meeting of the Cabinet on 9 July 2009 it was agreed that in order to strengthen members' oversight of the County Council's treasury management activities, the Audit Committee should monitor and scrutinise regular updates on treasury management issues. Reports on treasury activity are discussed on a monthly basis with the County Treasurer and the content of these reports is used as a basis for this report to the Committee. The aim of the report is to inform members of the general economic environment surrounding treasury management activities and to set out the position on the borrowing and lending activities of the County Council.

The quarterly report attached at Appendix 'A' is the review of treasury management activity for the third quarter of the 2012/13 financial year.

Consultations

Arlingclose Limited provides advice on treasury management.

Implications:

N/A

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 Strategy Statement 2012/13	County Council 24 Feb 2012	Andy Ormerod County Treasurer's Dept X34740
Investment Strategy and Approach.	Cabinet 5 Jan 2012	Andy Ormerod County Treasurer's Dept X34740