

Audit and Governance Committee
Meeting to be held on 24 June, 2013

Electoral Division affected: N/a

Review of Treasury Management 2012/13
Appendix A refers

Contact for further information:
Mike Jensen, 01772 534742, Treasury,
Mike.jensen@lancashire.gov.uk

Executive Summary

The report set out in Appendix A is a review of the County Council's treasury management activities in 2012/13. 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 2012/13 and includes:

- A review of the economic conditions during 2012/13 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 2012/13
- An update on the recovery of the Investment in Landsbanki hf.

Recommendations

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

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 and Governance 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 2012/13 and monitors this activity against the prudential indicators set in the treasury strategy for 2012/13

Consultations

Arlingclose Limited 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 2012/13	Feb 2012	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