

AUDIT COMMITTEE

24th January, 2012

PRESENT - Councillor Baldwin (in the Chair); Councillors Johnson and McEwan and Mr. J. Morton (4)

APOLOGIES –

ABSENT –

OFFICERS – Brian James, Head of Corporate Assurance and Elaine Hufford, Finance Manager, Risk and Treasury, Resources Group.

ALSO IN ATTENDANCE –

A30. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

A31. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2012/13 – The Director of Resources submitted a report (previously circulated) requesting that this Committee reviews and scrutinises the Council’s Treasury Management Strategy 2012/13 and its associated policies and the Treasury Management Prudential Indicators and make any necessary amendments or comments thereon prior to approval by Cabinet and Council.

The submitted report outlined the Council’s Prudential Indicators for 2012/13 – 2014/15 and set out the expected treasury operations for this period and it was reported that the Council’s capital expenditure plans, treasury management and prudential borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, prudent, affordable and sustainable and were an integral part of the Council’s Revenue and Capital Medium Term Financial Plan.

The report also included a Treasury Management Strategy for 2012/13 covering the Councils debt and investment projections, estimates and limits on future debt, expected movements in interest rates and the Councils borrowing and investment strategies for future years. Key objectives of the investment strategy were outlined noting that the primary objective being safeguarding of the repayment of principal and interest due to the Council, ensuring liquidity of those investments and finally the rate of return on the investment. No significant changes to the previous strategy were proposed. With the key objectives in mind a suite of benchmarks monitoring security, liquidity and the yield of investments were agreed.

RESOLVED – (a) That this Audit Committee is satisfied with the Prudential Indicators and Treasury Management Strategy, as presented in the submitted report, and that the report be forwarded to Cabinet for its onward referral to Council for consideration.

(b) That details of outturn against benchmarks set for the Security, Liquidity and Yield of Investments be reported to this Audit Committee in future in the Mid-year and Annual Outturn reports.