

AUDIT COMMITTEE

31st January, 2014

PRESENT - Councillor Baldwin (in the Chair); Councillor Johnson (2)

APOLOGIES – Councillor McEwan

ABSENT –

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

ALSO IN ATTENDANCE – Greg Wilson, PriceWaterhouseCoopers

A31. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

A32. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2014/15 – The Director of Resources submitted a report (previously circulated) requesting that this Committee reviews and scrutinises the Council's Treasury Management Strategy 2014/15 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 2014/15 – 2016/17 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 Plans.

The report also included a Treasury Management Strategy for 2014/15 covering the Council's debt and investment projections, estimates and limits on future debt, expected movements in interest rates and the Council's 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, however, there were minor changes to the rating criteria which might affect the counterparty list. With the key objectives in mind a suite of benchmarks monitoring security, liquidity and the yield of investments were agreed.

RESOLVED – 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.