

REPORT OF AUDIT COMMITTEE

(Meeting held on 8 February 2013)

1. TREASURY MANAGEMENT STRATEGY (REPORT F) (MINUTE 36).

The Audit Committee has considered the Council's prudential indicators for 2013/14 – 2015/2016 and the expected treasury operations for that period. The prudential indicators provide a framework to cover the affordability, sustainability and prudence of capital expenditure, external debt and the Council's treasury and investment strategies for each financial year; the minimum revenue provision policy sets out how the Council will pay for General Fund capital assets through revenue each year; the treasury management statement sets out how the Council's treasury service will support the capital expenditure and financing decisions; and the investment strategy sets out the Council's criteria for choosing investment counter-parties and limiting exposure to risk of loss. These are now recommended for approval.

The Council will only borrow for short-term cash flow requirements in 2013/14. Work is on-going on formulating a plan to optimise yield but also recognising an acceptable level of risk.

RECOMMENDED:

- (a) *That the prudential indicators and limits for 2013/14 to 2015/16 contained within Annex A of Report F to the Audit Committee, including the authorised limit prudential indicator, be agreed;*
- (b) *That the minimum revenue provision (MRP) policy statement contained within Annex A of Report F to the Audit Committee, which sets out the Council's policy on MRP, be agreed;*
- (c) *That the treasury management strategy 2013/14 to 2015/16, and the treasury prudential indicators contained within Annex B of Report F to the Audit Committee be agreed; and*
- (d) *That the investment strategy 2013/14, including the 2011 revised CIPFA Code of Practice, contained in the treasury management strategy (Annex B), and the detailed criteria included in Annex B1 of Report F to the Audit Committee, be agreed.*

Cllr A O'Sullivan
CHAIRMAN