

REPORT OF AUDIT COMMITTEE

(Meeting held on 22 January 2016)

1. TREASURY MANAGEMENT STRATEGY REPORT 2016/17 (MINUTE 36)

The Committee has considered the Council's prudential indicators for 2015/16 – 2017/18 that relate to the treasury management function. (A related report, detailing the prudential indicators for 2016/17–2018/19 for capital expenditure was considered by the Cabinet on 3 February 2016 and details appear elsewhere on the Council agenda).

The Treasury Management Strategy Statement sets out how the Council's treasury service will support the Council's financial decisions taken over the three year period from 2016/17 to 2018/19. The day-to-day treasury management function and the limitations on activity through treasury indicators are also set out in the statement.

There are a number of target indicators but the indicator that must not be breached is the authorised limit for external debt. This is the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term.

The Council's investment policy has regard to the Department for Communities and Local Government's Guidance on Local Government Investments, and the 2011 revised Chartered Institute of Public Finance and Accountancy treasury management in public services code of practice and cross sectoral guidance notes.

The investment strategy sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.

This strategy is shown in Section 5 of Appendix 1 to this report. The proposed investment strategy is relatively unchanged, with priority continuing to be on security of funds through a diversity of investments.

The above policies and parameters provide an approved framework within which officers undertake the day to day treasury activities.

Subject to the Council's agreement, the investment strategy will take effect from 23 February 2016.

RECOMMENDED:

That the Treasury Management Strategy 2016/17 – 2018/19, and the Treasury Indicators contained within Appendix 1 to this report, be approved.

**Cllr A O'Sullivan
CHAIRMAN**

Attachment: Appendix 1