



Minutes of the Audit Committee

Wednesday, 25 January 2012

-: Present :-

Councillor Hill (Chairman)

Councillors Addis, Brooksbank and Hytche

504 Apologies

It was reported that, in accordance with the wishes of the Conservative Group, the membership of the Committee had been amended for this meeting by including Councillor Hytche instead of Councillor Bent.

505 Treasury Management Strategy 2012/13 (Incorporating the Annual Investment Strategy 2012/13 and the Annual Minimum Revenue Provision Statement)

Members considered a report which set out the Treasury Management Strategy (TMS). The Chief Accountant advised Members that the CIPFA Code of Practice required the Council to have TMS with the overall objectives of the TMS to:

- Ensure sufficient funding is available for day-to-day activities and capital projects through effective cash flow management;
- Seek to reduce the impact on the revenue account of net interest costs through optimal levels of borrowing and investment levels; and
- Prioritise control of risks in investing cash and to then achieve maximum returns from those investments commensurate with proper levels of security and liquidity.

Members were further advised that following significant changes to the Capital Investment Plan the current level of borrowing was surplus to the capital financing requirements over the medium term. As a result the proposed borrowing strategy was to reduce the level of external borrowing over the next four years by a minimum target of £20 million. The Executive Head Finance advised the Committee that the strategy aimed to be flexible as it was felt the previous strategy had prevented officers from undertaking certain tasks.

Resolved:

- i) The Treasury Management Strategy for 2012/13 be endorsed and that the Council be recommended to:
- ii) that, the Council be recommended in line with the Council's Constitution

and Financial Regulations:

- iii) that the Chief Finance Officer be authorised to take any decisions on borrowing and investments. (Delegations to the Section 151 Officer, paragraph 3.1(a)); and
- iv) that the Chief Finance Officer be authorised to invest temporarily or utilise surplus monies of the Council; (Financial Regulations, paragraph 14.5);
- v) that the Council be recommended to approve the Annual Minimum Revenue Provision Policy Statement for 2012/13 as shown in Annex 7 to this report.

Chairman
