

COMMITTEE: AUDIT AND GOVERNANCE

DATE: 21ST SEPTEMBER 2011

SUBJECT: TREASURY MANAGEMENT - REFERENCE FROM THE FINANCE REVIEW GROUP

REPORT BY: DEMOCRACY MANAGER

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IMPLICATIONS:

LEGAL ☐

COMMUNITY ☐

SAFETY

EQUALITIES ☐

ENVIRONMENT ☐

FINANCIAL ☐

RISKS ☐

STAFFING ☐

OTHER

WARDS AFFECTED: NONE

PURPOSE

1. To invite the Audit and Governance Committee to take responsibility for monitoring and reviewing Treasury Management activities.

RECOMMENDATIONS

2. **The Committee is asked to take responsibility for monitoring and reviewing Treasury Management activities with immediate effect.**

BACKGROUND

3. It is a requirement of the Treasury Management Code of Practice, that Treasury Management activities be scrutinised on a number of occasions every year.
4. In 2010-11, following discussion involving the Head of Finance, the Head of Legal Services and the then Chair of the Finance Review Group (FRG), it was decided to include Treasury Management within the scope of the FRG.

5. However, it transpired the only occasion in 2010-11 the FRG was able to review Treasury Management, was on 2nd February 2011. This was due to the lack of capacity by the Group, given the sheer size of its main function scrutinising the Council's transformation projects, the budget setting process, and overseeing public consultation on the budget priorities.

REPORT

6. The re-constituted FRG in 2011-12, still faces a significant task examining business transformation, the budget setting process and budget consultation. On 5th July 2011, as capacity continues to be an issue, it was proposed the FRG considers inviting the Audit and Governance Committee to take responsibility for monitoring and reviewing Treasury Management.
7. To help it decide on the matter, on 10th August 2011 the FRG received a presentation on Treasury Management and its implications. Having received this overview, the consensus within the Group was that this function does in fact appear to fit more appropriately within the remit of the Audit and Governance Committee.
8. The Finance Review Group, therefore, resolved that the Audit and Governance Committee be invited to take responsibility for monitoring and reviewing Treasury Management, with immediate effect.

RISK IMPLICATIONS

9. There are no risk implications to this report.

FINANCIAL IMPLICATIONS

10. There are no financial implications to this report. This has been agreed with the Head of Finance on 5th September 2011.

LEGAL IMPLICATIONS

10. There are no direct legal implications to this report. This has been agreed with the Head of Legal Services on 26th August 2011.

LIST OF BACKGROUND PAPERS

LOCAL GOVERNMENT ACT 1972, SECTION 100D

Minutes of Finance Review Group meetings of 5th July and 10th August 2011