

**Audit & Governance**

**12 September 2023**

Report of the Chief Finance Officer

**Scrutiny of Treasury Management and Prudential Indicators Q1  
2022/23**

**Summary**

1. Audit & Governance Committee are responsible for ensuring effective scrutiny of the treasury management strategy and policies, as stated in the Treasury Management Strategy 2023/24 approved by full Council on 23 February 2023. The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance (“the Code”) stipulates that:
  - There needs to be a quarterly review of treasury management strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved.
  - Those charged with governance are also personally responsible for ensuring they have the necessary skills and training.
2. Attached at Annex 1 is the Treasury Management Q1 Review and Prudential Indicators 2023/24 report which will be presented to Executive on 14<sup>th</sup> September. This information provides Members with an update of treasury management activity for the first quarter of 2023/24.

**Recommendations**

3. (a) Audit & Governance Committee note and scrutinise the Treasury Management Review and Prudential Indicators 2023/24 at Annex A

Reason: That those responsible for scrutiny and governance arrangements are updated on a regular basis to ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

**Consultation**

4. Not applicable

## **Options**

5. It is a statutory requirement under Local Government Act 2003 for the council to operate in accordance with the CIPFA prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice “the Code”. No alternative options are available.

## **Council Plan**

6. Treasury management is an integral part of the council’s finances providing for cash flow management and financing of capital schemes. It aims to ensure that the council maximises its return on investments, (whilst the priority is for security of capital and liquidity of funds) and minimises the cost of its debts. This allows more resources to be freed up to invest in the Council’s priority areas as set out in the council plan. It therefore underpins all of the council’s aims.

## **Implications**

7. The implications are
  - Financial – the security of the Councils capital funds is a priority, maximising returns on investments is still key along with minimising the finance costs of debt.
  - Human Resources - there are no human resource implications to this report.
  - Equalities - there are no equality implications to this report.
  - Legal - there are no legal implications to this report.
  - Crime and Disorder - there are no crime and disorder implications to this report.
  - Information Technology - there are no information technology implications to this report.
  - Property –there are no property implications to this report.
  - Other – there are no other implications to this report.

## **Risk Management**

8. The treasury management function is a high-risk area because of the volume and level of large money transactions. As a result, the Local Government Act 2003 (as amended), the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice (the code) are all adhered to as required.

<b>Contact Details</b>			
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		Report approved	X 31.08.23
<b>Specialist Implications Officer(s)</b> None			
<b>Wards Affected:</b>		<b>All</b>	√

**For further information, please contact the author of this report**

**Background Working Papers**

None

**Annexes**

1. Treasury Management Q1 Review and Prudential Indicators 2023/24
2. Annex to above report – Prudential Indicators 2023/24