



**AUDIT COMMITTEE**

**24<sup>TH</sup> JULY 2018**

**AGENDA ITEM (10)**

**ANNUAL TREASURY MANAGEMENT REVIEW 2017/18, INCLUDING PERFORMANCE AGAINST PRUDENTIAL INDICATORS**

<b>Accountable Member</b>	Audit Committee
<b>Accountable Officer</b>	Mrs. Jenny Poole Chief Finance Officer 01285 623313 Jenny.Poole@cotswold.gov.uk

<b>Purpose of Report</b>	For Members to receive and discuss the report and to provide full Council with comments for consideration.
<b>Recommendation(s)</b>	<b>That, subject to any comments made by the Committee, the Council be recommended to approve the Annual Treasury Management Review 2016/17 and the associated Prudential Indicators.</b>
<b>Reason(s) for Recommendation(s)</b>	The revised CIPFA Treasury Management Code of Practice, adopted by Council on 25 <sup>th</sup> February 2010 requires the submission to Council of an annual report on the treasury management activities and results for the previous financial year. It is also a requirement of the Code to report during the year on activities undertaken and on variations from agreed policies/practices.

<b>Ward(s) Affected</b>	N/A
<b>Key Decision</b>	No
<b>Recommendation to Council</b>	Yes

<b>Financial Implications</b>	None
<b>Legal and Human Rights Implications</b>	None
<b>Environmental and Sustainability Implications</b>	None
<b>Human Resource Implications</b>	None
<b>Key Risks</b>	There are risks of financial institutions failing given the current economic conditions. However, the risks are mitigated through application of the Council's Treasury Management Strategy.

	There are risks of interest rates remaining low over the medium term which impact upon the Council's ability to generate investment income. These risks are routinely considered in the Council's Treasury Management Strategy, the Medium Term Financial Strategy and the associated Budget.
<b>Equalities Impact Assessment</b>	Not Required

<b>Related Decisions</b>	Approval of Treasury Management Strategy Statement and Investment Strategy 2017/18 by Council on 21 <sup>st</sup> February 2017. Adoption of CIPFA Treasury Management Code of Practice by Council on 19 <sup>th</sup> February 2004, revised Code adopted by Council on 25 <sup>th</sup> February 2010
<b>Background Documents</b>	None
<b>Appendices</b>	<b>Appendix 'A'</b> - Treasury Management Outturn Report 2017/18

<b>Performance Management Follow Up</b>	Investment performance is reported as part of the quarterly performance monitoring arrangements. The annual strategy, mid-year performance report and annual report are considered by the Audit Committee and approved by Council.
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<b>Options for Joint Working</b>	The contract for the Council's Treasury Management Advisers was jointly procured.
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<b>Background Information</b>	
<p>1. The CIPFA Treasury Management Code of Practice requires the submission to Council of an annual report on the treasury management activities and results for the previous financial year. The Treasury Management Outturn Report for 2017/18 is attached at <b>Appendix 'A'</b>.</p> <p>2. The Council has complied with the requirements under CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.</p> <p>3. The Council maintained an average investment portfolio of £33.8m during 2017/18. The funds earned an average rate of return of 0.58%. The comparable performance indicator is the average three month LIBID rate which was 0.39%.</p> <p>4. The Council budgeted for £199,170 in treasury investment interest for 2017/18. Actual performance was on target at £198,874.</p> <p>5. Further detail is contained within the report at <b>Appendix 'A'</b>.</p>	

(END)