

COUNCIL 16 OCTOBER 2019

AUDIT COMMITTEE RECOMMENDATIONS

Details of recommendations to Council made at the Audit Committee meeting held on 11 July 2019 are set out below:

The Group Accountant (Technical) reported that the report covered treasury activity and prudential indicators for 2018/19. As at 31 March 2019, the Council's external debt was £4m (£4m in 2017/18) and investments totalled £36.1m (£37.7m in 2017/18) including call accounts and Money Market Funds. During 2018/19, the Council's cash balances had been invested in accordance with the Council's treasury management strategy. Interest of £0.887m (£0.911m in 2017/18) had been earned on investments, an average return of 2.1% (1.6% in 2017/18). There was one instance reported to this Committee on 12 December 2018 when the single institution limit of £2.5m had been breached overnight in the Council's own bank; otherwise all activity was within limits and in line with indicators.

RECOMMENDATION

That approval be given to:

- i) an increase from £1m to £1.5m in the limit on lending to subsidiary companies in the 2019/20 Investment Strategy.
- ii) a £0.5m limit on shareholding in its subsidiary companies in the 2019/20 Investment Strategy

Reasons for Recommendations

- i) The annual treasury report is a requirement of the Council's reporting procedures.
- ii) This report also covers the actual Prudential Indicators for 2018/19 in accordance with the requirements of the relevant CIPFA Codes of Practice.
- iii) Changes to the limits in the 2019/20 Investment Strategy are required to enable the housing companies agreed by Cabinet on 21 March 2019 to commence operations