

FLINTSHIRE COUNTY COUNCIL

REPORT TO: FLINTSHIRE COUNTY COUNCIL

DATE: TUESDAY, 13 NOVEMBER 2012

REPORT BY: HEAD OF FINANCE

SUBJECT: TREASURY MANAGEMENT MID YEAR UPDATE

1.00 PURPOSE OF REPORT

1.01 To present to Council the recommendations of the Cabinet of 16th October 2012 in relation to the Treasury Management Mid Year Report for 2012/13.

2.00 BACKGROUND

2.01 The Mid Year Report reviews the activity and performance of the treasury management operations during the period 1st April to 31st August 2012 and compares them with the Treasury Management Policy Statement.

2.02 The Cabinet approved the 2012/13 Mid Year Report at its meeting on 16th October 2012. This followed the recommendation of the Audit Committee which had considered the report in detail.

3.00 CONSIDERATIONS

3.01 The Treasury Management Mid Year Report 2012/13 is attached. In summary, the key points are:

- Performance during the period was broadly in line with the expectations of the Policy Statement 2012/13.
- The continuation of our low risk strategy of investing for a maximum term of 3 months, with consideration given to suitable longer term investments as appropriate.
- We continue to utilise AAA rated Money Market Funds – as at 31st August 2012, £22.1m was invested across 4 separate funds.
- Internal Audit reviewed the treasury management function and concluded that in their opinion the operation provides a substantial level of assurance.

- Responsibility for the Council's treasury management function is in the process of being transferred to the Strategy and Technical team in Corporate Finance.
- The treasury function operated within the limits detailed in the Treasury Management Policy and Strategy Statement 2012/13 with one exception; an investment was made with a counterparty that had recently been placed at risk of falling below the Council's criteria because it was on review for possible downgrade. The error was identified the very next day and immediate action was taken to recover the investment. The investment has now been returned, and internal controls have been improved to ensure that such an error will not happen again. Further details in paragraph 5.04 of the Mid Year Report.

3.02 Arrangements are being made for the annual Member Training/ Workshop on 29th January 2013.

4.00 RECOMMENDATIONS

4.01 That the Council approves the recommendation of the Cabinet in relation to the Treasury Management Mid Year Report 2012/13.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the Mid Year Report.

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 Sterling Consultancy Services as Treasury Management Advisors.

11.00 CONSULTATION UNDERTAKEN

11.01 Sterling Consultancy Services as Treasury Management Advisors.

12.00 APPENDICES

12.01 Treasury Management Mid Year Report 2012/13.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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