

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Wednesday, 10th February 2010 at 5.00 pm in the Reception Suite, Civic Offices, Telford

PRESENT: D.Wright (Chairman), I.T.W.Fletcher (Vice-Chairman), R.K.Austin and W.L.Tomlinson.

OFFICERS PRESENT: Paul Clifford – Corporate Director, Ken Clarke – Head of Finance, Pauline Harris – Corporate Finance Manager, Bernie Morris – Finance Manager: Capital & Treasury and Andrew Roberts – Democratic Services Officer.

AUC-57 APOLOGIES FOR ABSENCE

Councillors J.A.Dixon and L.Lomax.

AUC-58 DECLARATIONS OF INTEREST

None

AUC-59 SCRUTINY OF THE TREASURY MANAGEMENT STRATEGY

The joint report of the Chief Finance Officer and the Head of Finance was received by the Committee which presented the Treasury Management Strategy which included the proposed borrowing limits and prudential indicators, the Minimum Revenue Provision Policy and the Annual Investment Strategy for 2010/11, all of which were required to be formally approved by Council.

Members were reminded that the draft Treasury Management Strategy had been updated following the previous meeting that had been held on 2nd February in view of the comments that had been made by the Committee. The Head of Finance confirmed that all of the comments that had been made by the Committee had been accepted in full and had been incorporated within the revised document and Members were referred to the highlighted amendments in red. The Head of Finance stressed again that there was a requirement to separate the scrutiny of the Treasury Management Strategy from the overall Council Budget decisions.

Councillor Tomlinson enquired of the Head of Finance as to whether he was content with the public release of the information that had been supplied beyond the initial three year period that had been outlined within the original documentation. The Head of Finance responded by stating that he was content with the information that had been supplied and that he further acknowledged that the Committee had been very effective in its scrutiny of the overall Treasury Management Strategy.

The Corporate Director whilst acknowledging the debates that had occurred in connection with the perceived view that the Treasury Management Strategy was linked closely to the overall Council budget – he again stressed that there was a need to separate the two as the Treasury Management Strategy only

indicated the various methods that the Council utilised in order to provide the required cashflow that would enable the Council to operate.

Councillor Tomlinson commented that his view was primarily based on the wording contained in the top paragraph on page 4 of the Strategy which referred to affordability, sustainability and prudence. In his view the debate centred on the total quantum of borrowing and to the extent that any possible future borrowing would place a strain on the overall budget position. He also stated that it was his view that sustainability would cover the required revenue budget that would be required to support the overall strategy and that in his opinion the Committee should have an opinion on the impact on the revenue budget implications of the Treasury Management Strategy.

Following a further discussion, it was;

RESOLVED – that

- (a) the Committee believed that the figures provided within the draft Treasury Management Strategy were prudent and robust;**
- (b) the total capital borrowing based on the additional information provided on the projected capital receipts was sustainable;**
- (c) the Committee agreed that the revenue cost of the borrowing requirement appeared to put a strain on the revenue budget in future years; and,**
- (d) the Committee agreed that they would closely monitor the Treasury Management Strategy through the quarterly update reports received by the Committee**

The meeting ended at 6.10 pm.

Chairman:

Date: