

## AUDIT COMMITTEE – 8 DECEMBER 2022

### PART I – DELEGATED

#### 9. DRAFT TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24 (DoF)

##### Summary

- 1.1 This report sets out the draft Treasury Management Strategy Statement (TMSS) for 2023/24. The final TMSS will be considered by Council alongside the Budget for 2023/24, Medium Term Financial Plan and Capital Strategy on 21 February 2023.
- 1.2 The report is presented to the Audit Committee as the body delegated by Council to undertake the role of scrutiny of treasury management strategy and policies.

##### Details

- 2.1 The Treasury Management Strategy Statement (TMSS), previously called the Treasury Management Policy, supports the delivery of the Council's Capital Strategy and provides additional detail on how the Council manages its Treasury Management Activity.
- 2.2 The TMSS details the policies, practices, objectives and approaches to risk management of its treasury management activities, which is to be monitored by the Audit Committee. The primary objectives are of the TMSS are:
  - Security - Safeguard the repayment of the principal and interest of its investments on time
  - Liquidity - Ensure adequate liquidity to meet obligations as they fall due
  - Yield - Investment return is the final objective and is considered after security and liquidity requirement have been satisfied.
- 2.3 This statement is reviewed and approved annually by Council alongside the Council's budget, Medium Term Financial Plan (MTFP) and Capital Strategy.
- 2.4 The Audit Committee is designated as the Committee to receive reports on the performance of the Treasury Management function. The Committee currently receives two reports per year: the Mid Term Review and Annual Performance Report. As the committee responsible for monitoring the performance of the function, the Committee is also asked to comment on the TMSS prior to its consideration and approval by Council. The draft TMSS is at Appendix 1.
- 2.5 The draft TMSS has been prepared in accordance with the Treasury Management Code of Practice which is statutory guidance prepared by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 2.6 Although the macro-economic environment has changed significantly since the current Treasury Management Policy was agreed for 2022/23, the principles of effective treasury management and primary objectives remain the same. Therefore, there are no changes proposed to the TMSS for 2023/24 other than adoption of the new title to reflect current terminology.

### **Policy/Budget Reference and Implications**

3.1 The recommendations in this report are within the Council's agreed policy and budgets.

### **4. Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications**

4.1 None specific.

### **5. Recommendation**

5.1 The Committee is asked to comment on the draft Treasury Management Strategy Statement 2023/24.

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### **Data Quality**

Data sources: None used in the preparation of the report

### **Background Papers**

None

### **APPENDICES / ATTACHMENTS**

Appendix 1 – Draft Treasury Management Strategy Statement 2023/24