

AUDIT COMMITTEE MINUTE 10 OF 21 JUNE 2012.

ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITIES FOR 2011/12.

David Northey, Head of Finance, provided the Committee with an update on the Annual Report on Treasury Management Activities for 2011/12. The Committee were informed that –

- (a) it had been a very difficult economic climate. PCC were continuing to recover outstanding monies from the Icelandic Bank;
- (b) with regard to the investment maturity profile, that detail was provided by Arlingclose who have placed us closer to the left when benchmarking us against other clients;

In response to questions raised it was reported that -

- (c) the position with the Icelandic Banks was improving;
- (d) the UK Santander Bank was separate to the Spanish parent and we had gained assurance from managers that they do not have the same exposure to Spanish banks;
- (e) Plymouth were benchmarked in the bottom left quadrant and Arlingclose clients were getting the same rate on investment with low level risk;
- (f) our money was deposited with UK banks and their ratings were being reduced and the risks attached were deteriorating. Other local authorities to improve their score invest in money market funds at a higher rating;
- (g) two thirds of money lost from investments with the Icelandic Banks had been paid back. Money was coming in and PCC was working with lawyers to continue recovery and were confident that it would be able to report soon on this matter and close down this issue;

Agreed that –

1. the Audit Committee note the Treasury Management annual report for 2011/12.
2. the report be referred to Full Council as required by the CIPFA Treasury Management Code of Practice (TMP note 6).

3. Audit Committee approve the Treasury Management Practices for 2012-13 as outlined at Appendix 3.

Note:

The full report in connection with this minute is available on the website

www.plymouth.gov.uk/democracy

or by contacting Democratic Support on 01752 304867