

COUNCIL, 14th July 2009 – AGENDA ITEM 5.2.1

REPORT OF THE AD HOC OVERVIEW & SCRUTINY COMMITTEE

EXTERNAL REVIEW INTO THE ADOPTION/APPLICATION OF THE COUNCIL'S TREASURY MANAGEMENT STRATEGY WITH PARTICULAR REGARD TO DEPOSITS PLACED IN ICELANDIC BANKS

1. RECOMMENDATIONS

- 1.1 That Council notes and accepts the report of the external reviewers relating to the adoption/application of the Council's Treasury Management Strategy, with particular regard to deposits placed in Icelandic Banks.**
- 1.2 That Council requests the Cabinet Resources Committee to oversee the implementation of all necessary actions to address the issues of concern identified in the report.**
- 1.3 That Council instructs the Budget and Performance Overview & Scrutiny Committee to incorporate into its work programme the scrutiny of the implementation of those necessary actions.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Overview and Scrutiny Committees/Sub-Committees must ensure that the work of Scrutiny is reflective of the Council priorities.**
- 2.2 The six priority outcomes are –**
 - A successful city suburb**
 - Strong and healthy**
 - Promoting independence**
 - A bright future for children and young people**
 - Clean, green and safe**
 - More choice, better value**
- 2.3 The following are also priority improvement objectives –**
 - Converse with local people to increase their participation in democratic engagement**
 - Improve Member satisfaction with the Scrutiny process**

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Council, 19th May 2009, Agenda Item 13b, 'Supplementary Report of the Democratic Services Manager', Establishment of Ad Hoc Scrutiny Committee.**

- 3.2 Ad Hoc Overview & Scrutiny Committee, 9th June 2009, Agenda item 4, 'Appointment of External Review into the adoption/application of the Council's Treasury Management Strategy, with particular regard to deposits placed in Icelandic Banks'.
- 3.3 Ad Hoc Overview & Scrutiny Committee, 8th July 2009, Agenda item 5, 'External Review into the Adoption/Application of the Council's Treasury Management Strategy with Particular Regard to Deposits Placed in Icelandic Banks: Report of the External Reviewers'

4. RISK MANAGEMENT ISSUES

- 4.1 None.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 In addition to the terms of reference of the committee, and in so far as relating to matters within its remit, the role of the committee is to perform the overview and scrutiny role in relation to:
- The Council's leadership role in relation to diversity and inclusiveness; and
 - The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The cost for this exercise were met from balances.

7. LEGAL ISSUES

- 7.1 None specifically arising from this report.

8. CONSTITUTIONAL POWERS

- 8.1 The scope of Scrutiny committees is contained within Part 2, Article 6 of the constitution; the Terms of Reference of the Scrutiny Committees are in the Overview and Scrutiny Procedure Rules (Part 4 of the constitution).

9. BACKGROUND INFORMATION

- 9.1 At its meeting of May 19th 2009, Council established an Ad Hoc Overview & Scrutiny committee to appoint an independent external review body (comprising members with appropriate experience and expertise) to enquire into the adoption/application of the Council's Treasury Management Strategy with particular regard to deposits placed with Icelandic banks.
- 9.2 The Ad Hoc Overview & Scrutiny Committee met on June 9th 2009 and agreed to appoint Deloitte to carry out an external review of the Council's Treasury

9.3 The Committee met again on June 22nd 2009 and received an update from Deloitte on the progress of their review.

9.4 The Committee met for a final time on July 8th 2009 to receive the final report from Deloitte. The Committee agreed that the findings be reported to Council, together with the above recommendations for the implementation and scrutiny of changes relating to Treasury Management as identified by the external reviewers.

10. LIST OF BACKGROUND PAPERS

10.1 None.