



District Council of Yankalilla

Preparation of its Treasury Management Policy

Paul Newman

Independent Member & Chair of District Council of Yankalilla Audit Committee



Audit Committee

- Committee:
 - Paul Newman (Chairperson)
 - Cr. Malcolm Schlein
 - Cr. Andrew Gebhardt
 - Mayor Peter Whitford (ex officio member)
- Supported by:
 - Corinne Garrett (Manager, Corporate Services)



Audit Committee

- 6 Meetings in 2007
- 22 Recommendations adopted by Council
- Key recommendations
 - External Audit Specification;
 - A Risk Assessment of Internal Financial Control Practices and Procedures be undertaken;
 - Increase use of CAD facility;
 - Aim to achieve a balanced or small surplus in the 2007/08;
 - Financial Sustainability Indicators, including 3 yr trend, be included in the Annual Business Plan;
 - **Revision of Contracts and Purchasing Policy;**
 - **Projects Approval Policy;**
 - **Treasury Management Policy.**



Treasury Management

- Approval of Borrowings
- Liquidity Risk
- Interest Rate Risk
- Minimize Debt



Treasury Management

Before

Approval of Borrowings

- Borrowings for specific projects
- Council approved each borrowing
- Borrowings undertaken before project commenced

Liquidity Risk

- Borrowing proceeds held on deposit at LGFA

Interest Rate Risk

- Long term fixed rate credit foncier

Minimize debt

- All provisions backed by cash



Treasury Management

After

Approval of Borrowings

- Budget process
- Project Plans
- Treasury plan

Liquidity Risk

- CAD

Interest Rate Risk

- CAD
- Long-term credit foncier

Minimize Debt

- Just in time borrowing
- Tied grants etc held as cash
- Small balance at local bank



Treasury Management

Benefits

- Council sets policy and total borrowings
- Management is responsible and accountable for treasury management
- \$90k Savings in 2007-8