

Audit Committee	Agenda Item:
Meeting Date	20 June 2011
Report Title	Treasury Management Practices
Portfolio Holder	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance
SMT Lead	Nick Vickers, Head of Finance
Head of Service	Nick Vickers, Head of Finance
Lead Officer	Deborah Walton, Senior Accountant
Recommendations	1. To agree the proposed Treasury Management Practices.

1 Purpose of Report and Executive Summary

- 1.1 Treasury Management is defined as “The management of the local authority’s investments and cash flows, it’s banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.2 This report proposes updated Treasury Management Practices.

2 Background

- 2.1 The Council has to comply with the CIPFA Code of Practice on Treasury Management and the Head of Finance is responsible for this. The Head of Finance identified that the Treasury Management Practices (TMP’s) required under the CIPFA Code were not compliant with the new code and had not reflected actions required following a critical internal audit review.
- 2.2 The Head of Finance with the Chief Accountant and the Senior Accountant has revised the TMP’s and they have been fully reviewed by Arlingclose the Council’s treasury advisers.

3. Proposal

- 3.1 The Committee has the professional recommendation of the Head of Finance and Arlingclose to accept the revised TMP’s. It is still envisaged that Arlingclose will undertake an introductory training session for members of the committee at a suitable time for members.

4. Alternative Proposals

- 4.1 No alternative proposals have been considered and compliance with the CIPFA Code is mandatory.

5. Consultation Undertaken

5.1 Arlingclose have been consulted.

6. Implications

Issue	Implications
Corporate Plan	Supports the objective of Becoming a High Performing Council.
Financial, Resource and Property	The Council's Treasury Strategy is agreed annually as part of the budget process.
Legal and Statutory	Need to comply with CLG guidance on treasury management.
Crime and Disorder	It is important to follow the CIPFA/Treasury guidelines to avoid involvement with possible fraudulent and money laundering organisations
Risk Management and Health and Safety	Risk is controlled through adherence to specific guidance included in CIPFA's Treasury Management Code. The principle of security of funds over-rides investment performance considerations.
Equality and Diversity	No application
Sustainability	No application

7. Appendices

7.1 Appendix I: Treasury Management Practices.

8. Background Papers

8.1 The background papers are held by Finance and include:

- Prudential Code for Capital Finance in Local Authorities (Fully Revised Second Edition 2009) - CIPFA
- Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Notes (Fully Revised Second Edition 2009) – CIPFA
- Treasury Management in the Public Services Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (Fully Revised Third Edition 2009) - CIPFA