

REPORT OF: DIRECTOR OF RESOURCES

TO: ACCOUNTS AND AUDIT COMMITTEE

DATES: 25th JULY 2023

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TREASURY MANAGEMENT PRACTICES AND SCHEDULES - UPDATE

PURPOSE OF REPORT

The purpose of this report is to seek approval for the updated Treasury Management Practices (TMPs) and Schedules.

RECOMMENDATION

To approve the updated Treasury Management Practices and Schedules as set out in Appendix A and B.

REASONS FOR RECOMMENDATION

To demonstrate that the Council is conforming to best practice in relation to Treasury Management as detailed in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice.

ISSUE

1. One of the Terms of Reference of the Accounts and Audit Committee is “*to deal with detailed matters arising, relating to the Council’s accounts and audit procedures*”. The Treasury Management Practices and Schedules show how the treasury management function is carried out in the Council.
2. CIPFA published a revised Code of Practice in December 2011¹ and this Council has formally adopted the appropriate clauses as part of its treasury management activity and financial control framework.
3. For the purposes of the Code and accompanying guidance notes, CIPFA has adopted the following as its definition of treasury management activities:

The management of the organisation’s investments and cash flows, its 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 Treasury Management in the Public Services - Code of Practice and Cross-Sectoral Guidance Notes 2011

4. The Code has the support of a wide range of organisations. In the case of local authorities in England and Wales, the Code has a particular significance under the provisions of the Local Government Act 2003. This requires local authorities 'to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 in paragraph 24 require local authorities to have regard to this guidance.
8. CIPFA recommends that an organisation's treasury management practices (TMPs) include those of the following that are relevant to its treasury management powers and the scope of its treasury management activities:
- TMP1 Risk management
 - TMP2 Performance measurement
 - TMP3 Decision-making and analysis
 - TMP4 Approved instruments, methods and techniques
 - TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements
 - TMP6 Reporting requirements and management information arrangements
 - TMP7 Budgeting, accounting and audit arrangements
 - TMP8 Cash and cash flow management
 - TMP9 Money laundering
 - TMP10 Training and qualifications
 - TMP11 Use of external service providers
 - TMP12 Corporate governance
8. The TMPs listed in [Appendix A](#) set out the way in which policies and objectives will be achieved and how treasury management activities will be managed and controlled. The Committee last approved these in September 2013. The Schedules attached as [Appendix B](#) then demonstrates how the Council complies with each of the TMPs. It is considered timely to review and update them to reflect recent external developments in treasury management and internal operating practices.
9. The revised TMPs have been shared with the Council's Treasury Advisers, Sector, and their feedback has been taken into account in the updated documents.

IMPLICATIONS

Policy

There are no policy implications arising from the contents of this report.

Financial

There are no financial implications arising from the contents of this report.

Legal

There are no legal implications arising from the contents of this report.

Risk Management

In the current economic climate there is an inherent risk associated with treasury management. This review demonstrates that the Council has policies in place to minimize that risk.

Health and Safety:

There are no Health and Safety implications arising directly from the contents of this report.

Sustainability:

There are no sustainability implications arising directly from this report.

Community Safety:

There are no community safety issues arising directly from the contents of this report.

Equality and Diversity:

There are no equality and diversity issues arising from the contents of this report.

APPENDICES

Appendix A –Treasury Management Practices - Part 1: Main Principles

Appendix B –Treasury Management Practices – Part 2: Schedules

LIST OF BACKGROUND PAPERS: None