

For consideration by Cabinet 16 February 2010

**Adoption of the 2009 Code of Practice on Treasury Management:
Treasury Management Clauses to form part of Financial Regulations**

Changes are in *italics*:

- C1 The authority has adopted the key recommendations of CIPFA's Treasury Management in Public Services: *Code of Practice 2009 (the Code)* as detailed below:

Key Principle 1

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

Key Principle 2

Their policies and practices should make clear the effective management and control of risk and prime objectives of their treasury management activities *and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy and should ensure that priority is given to security and yield when investing funds.*

Key Principle 3

They should acknowledge that the pursuit of *value for money* in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

- C2 Accordingly, the Authority will create and maintain, as cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies and objectives *and approach to risk management* of its treasury management activities;
- suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

- C3 Full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, *a mid-year review* and an annual report after its close, in the form prescribed in its TMPs.

- C4 The Authority delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Cabinet (through the Council's Performance Management Framework), and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the Council's policy statement and TMPs and, if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

- C5 *The Authority designates Budget and Performance Panel to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.*