

REVISED TREASURY MANAGEMENT PRACTICES

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REASON FOR THE REPORT

The CIPFA Code of Practice on Treasury Management in Public Services recommends the creation and maintenance of Treasury Management Practices (TMPs). These provide information on the responsibilities, decision making and reporting arrangements in place for the treasury management function. The TMPs are regularly updated to ensure they reflect the current processes and procedures.

Previously the TMPs have been reviewed within the Finance functions, however, in line with the increased scrutiny of Treasury Management process, and the role of Audit Committee in approving the Annual Treasury management Strategy, it is now appropriate that Audit Committee are asked to also review the TMPs.

RECOMMENDATION

That Audit Committee scrutinise and review the Treasury Management Practices, updated August 2009, attached as Appendix A.

INFORMATION

The TMP's are produced in a format prescribed by CIPFA and divided into twelve categories. Each category focuses on a specific area and includes principles and schedules giving details of how the Council addresses the issues in each category.

As a matter of course the TMP's are reviewed on a regular basis to make sure they are up to date and reflect current practices as well as ensuring compliance with the latest guidance.

Following events in October 2008 there have been publications issued by CIPFA, Audit Commission and Communities and Local Government amongst others, relating to treasury management in the public sector. These have culminated in a consultation document being issued suggesting the revision of the CIPFA Treasury Management Code.

The four proposals included in the consultation document include; improving scrutiny, the approval process, training and reporting. These recommendations have been adopted and the TMP's have been updated to reflect these as well as other alterations within the treasury procedures.

In terms of improving scrutiny, one of the key changes includes enhancement of the role of scrutiny of treasury management strategies and procedures. It suggests it will be a public body's responsibility to identify an appropriate body or individual to have responsibility for the scrutiny function. This reflects the increased prevalence of Audit Committees and Scrutiny functions across the public services.

To move towards compliance with this recommendation the TMP's have been brought to the Audit Committee for scrutiny and review.

BACKGROUND DOCUMENTS

None