

### **The treasury management policy statement & clauses to be formally adopted**

The following clauses and the treasury policy statement were last approved by Council in February 2010. The revised CIPFA Code of Practice on Treasury Management was published on the 15 November 2011, the clauses to be formally adopted and the treasury policy statement remain the same under the revised Code and have been re-submitted for Council approval.

CIPFA recommends that the Council adopt the following four clauses:-

1. The Council will create and maintain, as the cornerstones for effective treasury management:
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
  - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

2. This 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.
3. The Council delegates responsibilities for the implementation and regular monitoring of its treasury management policies and practices to full Council, and for the execution and administration of treasury management decisions to the S151 Officer, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

## **Treasury Management Policy Statement**

The Council defines its treasury management activities as:

1. The management of the authority'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.
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and employing suitable comprehensive performance measurement techniques, within the context of effective risk management.