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## **CIPFA CODE OF PRACTICE ON TREASURY MANAGEMENT (2011 EDITION)**

To: **Constitutional Review Working Party – 13 March 2014**

Main Portfolio Area: **Finance**

By: **Sarah Martin – Financial Services Manager and Deputy S151 Officer**

Classification: **Unrestricted**

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**Summary:** **This report makes recommendations in line with the CIPFA Code of Practice on Treasury Management (2011 Edition)**

### **For Decision**

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#### **1.0 Introduction and Background**

- 1.1 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 in paragraph 24 require local authorities to have regard to the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Treasury Management (2011 edition) (the Code).
- 1.2 The Code also has the support of a wide range of organisations. For example, the Local Government Association has expressed strong support for the Code and encourages the good practice set out in the Code.
- 1.3 This Council follows the Code.

#### **2.0 Formal Requirements/Procedures**

- 2.1 As set out in the annex to this report, the Code recommends that certain clauses/delegations are confirmed by Council and that a policy statement and treasury management practices are confirmed by the Governance & Audit Committee.
- 2.2 The delegation of responsibility for the implementation and regular monitoring of treasury management policies and practices to the Governance & Audit Committee is consistent with the existing terms of reference of the Governance & Audit Committee as set out in the Council's constitution, in particular its authority:
  - 2.2.1 To consider the Council's arrangements for governance and agreeing necessary actions to ensure compliance with best practice; and
  - 2.2.2 To consider the Council's compliance with its own and other published standards and controls.
- 2.3 The delegation of responsibility for the execution and administration of treasury decisions to the s151 officer is consistent with the existing authority of the Chief Executive as Financial officer as set out in the Council's constitution, in particular her authority to:

- 2.3.1 Conduct and carry out the functions and responsibilities of the Chief Financial Officer pursuant to the Local Government Finance Act 1988 and to be the person with responsibility for the administration of the Council's financial affairs pursuant to Section 151 of the Local Government Act 1972 including the provision of proper and effective systems of accountancy, treasury management and internal audit (delegation number CFO201C);
- 2.3.2 Deal with the management of all transactions relating to the cash and financing resources of the Council in accordance with recognised practices (delegation number CFO202C); and
- 2.3.3 Arrange for the investment of the Council's funds in accordance with annually approved Treasury Management Code of Practice and to be responsible for the Council's banking arrangements including authority to act in all dealings with the Council's bankers (delegation number CFO205CE).

### **3.0 Corporate Implications**

#### **3.1 Financial**

- 3.1.1 There are no financial implications arising directly from this report.

#### **3.2 Legal**

- 3.2.1 There are no legal implications arising directly from this report.

#### **3.3 Corporate**

- 3.3.1 This report evidences that the Council continues to carefully manage its treasury function in line with best practice.

#### **3.4 Equity and Equalities**

- 3.4.1 There are no equity or equality issues arising from this report.

### **4.0 Recommendation(s)**

- 4.1 Following approval by the Governance & Audit Committee at its meeting on 11 December 2013, that the Constitutional Review Working Party at its meeting on 13 March 2014:
  - 4.1.1 Considers and approves this report and annex 1.
  - 4.1.2 Approves the clauses to be adopted as set out in annex 1, and agrees that they be submitted to the Standards Committee, Cabinet and then Council for formal adoption.
  - 4.1.3 Approves the consequential changes to the responsibilities of the Section 151 Officer in relation to Treasury Management, as set out at Annex 2.

### **5.0 Decision Making Process**

- 5.1 For approval by the Constitutional Review Working Party, Standards Committee, Cabinet and then Council as set out in section 4 above.

<b>Future Meetings:</b>	<b>Date:</b>
Standards Committee	1 April 2014
Cabinet	3 April 2014
Council	24 April 2014

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Reporting to:	Sue McGonigal, Chief Executive and S151 Officer

### **Annex List**

Annex 1	CIPFA Code of Practice on Treasury Management (2011 Edition)
Annex 2	Extract from Financial Procedure Rules Appendix C: Financial Procedure Note: Risk Management and Control of Resources – Section 9, Treasury Management

### **Corporate Consultation Undertaken**

Finance	N/A
Legal	Harvey Patterson, Corporate & Regulatory Services Manager