

2010/11 TREASURY MANAGEMENT PRACTICES AND SCHEME OF DELEGATION

Legislative Background

- 1.1 The Revised CIPFA Treasury Management Code of Practice 2009 requires the Council to produce its treasury management scheme of delegation. The Council has adopted the Revised CIPFA Treasury Management Code of Practice and Cross- Sectoral Guidance Notes 2009. In doing so has stated how it adheres to these principles by stating the manner in which the Council will manage and control its treasury management activities.
- 1.2 Key principles are as follows:
- That there should be in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities;
 - That policies and practices should make clear that the effective management and control of risk. This Council will continue to balance risk against return and ensure that at all times ensure that security of capital is paramount in its treasury management activities; and
 - The Council acknowledges the pursuit of value for money and identify suitable performance measures.

Treasury Management Scheme of Delegation

- 1.3 The Assembly will receive reports and be responsible for:
- Approval of annual or revised Treasury management strategy;
 - Approval of the annual Treasury Management Outturn report;
 - Approval of the Council's adopted clauses, treasury management policy statement and treasury management practices; and
 - Delegates responsibilities for the implementation and regular monitoring of its treasury management policies and practices to the Executive.
- 1.4 The Executive will be responsible for:
- Approval of the division of responsibilities and make recommendations to the Assembly;
 - receiving and reviewing regular monitoring reports including the mid year Treasury Management Report and acting on recommendations; and
 - reviewing changes to the treasury management policy and procedures and making recommendations to the Assembly.
- 1.5 The Public Accounts and Audit Committee is responsible for the scrutiny of treasury management.
- 1.6 The S151 Officer is the responsible Officer for treasury management in the Council. Detailed responsibilities for Officers in the Council is included further in this report in

TMP 5 .

- 1.7 Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities.

TMP 1 - Treasury risk management

TMP 2 - Best value and performance measurement

TMP 3 - Decision-making and analysis

TMP 4 - Approved instruments, methods and techniques

TMP 5 - Organisation, clarity and segregation of responsibilities, and dealing arrangements

TMP 6 - Reporting requirements and management information arrangements

TMP 7 - Budgeting, accounting and audit arrangements

TMP 8 - Cash and cash flow management

TMP 9 - Money laundering

TMP 10 - Staff training and qualifications

TMP 11 - Use of external service providers

TMP 12 - Corporate governance

1. **TMP1 - RISK MANAGEMENT**

1.1. *General Statement*

It is the responsibility of the S151 Officer and relevant delegated officers, to design, implement and monitor all arrangements for the identification, management and control of treasury management risk and report at least annually on the adequacy/suitability thereof. The S151 Officer will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect. This will be done in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements.

1.2 Managing Treasury Management Risks

The Council identifies treasury risk within its business planning process. Risks identified are managed, given sufficient priority and contained. The Council's Finance department as part of its business planning process has in place the following:

- Well documented records of the standing of counterparties it does or may deal with in the form of a counterparty listing produced weekly and continues to access independent sources of advice and information in the form of Sector's daily credit rating mail shots which amalgamates information from the three rating agencies;
- Keep an effective cash and cash flow forecasting and monitoring system which identifies the extent to which the Council is exposed to the effects of potential cash flow variations;
- The Council accesses financial market commentaries and reviews on the likely future courses of interest rate, exchange rates and inflation through its treasury adviser. In doing this the Council is able to access information on changes in credit ratings;
- The Council fully analyses and records processes pursued in executing transactions to enable the council keep an audit trail;
- The Council keeps comprehensive records of its treasury management contractual liabilities, responsibilities and investments with counterparties; and
- The Council received daily PWLB rates and other information about the fluctuations in the market of its investments, borrowings and other financing. This allows it to make informed assessment of the potential to invest or borrow.

The following risks have been included in the Council's Finance risk matrix. These are monitored corporately in addition to monitoring of treasury management risks by the treasury team.

| Details of Risk or Opportunity Including Consequences | Controls |
|---|---|
| Movement in interest rates, receipts and payables leading to fluctuations in interest receipts and payables that could impact on budgetary position | Active Management of Investments and borrowing |
| Counterparty risk – the risk that investments are made in institutions that are not creditworthy | Limits are set for counterparties in terms of both credit ratings and % of funds invested in the Treasury Management Strategy |
| Regular review of treasury management | Regular quarterly meetings |
| Bank bankruptcy leading to destabilisation of the Council's supporting infrastructure | Review at contract time for new bankers Procurement process will include due diligence Regular quarterly liaison meetings |
| Failure to submit grant claims within set deadlines lead to loss of reputation and potential reduction in income | Continuing monitoring to identify where submissions are not made by deadlines Regular monitoring |
| Failure to pay creditors correct sum in timely manner leading to penalties in interest payments | Provide service departments with list of late payments |

1.3. Liquidity

The Council will ensure it has adequate, though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its service objectives.

1.4. Interest Rates

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements. The Council will achieve the above objectives by the prudent use of its approved financing and investment instruments, methods and techniques primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates, exchange rates or inflation. These policies will be established each year through the approval by the Council of the indicators required under *The Prudential Code for Capital Finance in Local Authorities*.

It is not Council's policy not to use financial derivatives and other instruments for interest rate management.

1.5. Exchange rates

The nature of the Council's activities means that it is unlikely that it will be exposed

to exchange rate risks. It could, however, arise from the receipt of income or the incurring of expenditure in a currency other than sterling.

Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered, with professional advice, to comply with this full cover hedging policy. Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity unless the Council has a contractual obligation to make a payment in the same currency at a date in the future. In this instance, the currency will be held on deposit to meet this expenditure commitment.

1.6. Inflation

The effects of varying levels of inflation, insofar as they can be identified as impacting directly on its treasury management activities, will be controlled by the Council as an integral part of its overall exposure to inflation. Inflation both current and projected will form part of the debt and investment decision-making criteria both within the strategy and operational considerations. During periods of unexpected, potentially advantageous changes in the level or structure of inflation. The key consideration is that investments reap the highest real rate of return while taking into consideration risk, with debt costing the lowest real cost, consistent with other risks mentioned within this section.

1.7. Credit and Counter-party Policies

The Council regards a prime objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counter-party lists and limits reflect a prudent attitude towards organizations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4. It also recognises the need to have, and will therefore maintain, a formal counter-party policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements. This is set out in Schedule 1.

1.8. Refinancing

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the money so raised are managed with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable as can reasonably be achieved in the light of market conditions prevailing at the time. It will actively manage its relationships with its counter-parties in these transactions in such a manner as to secure this objective and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above. The affordability of the revenue consequences of capital financing will be assessed through compliance *The Prudential Code for Capital Finance in Local Authorities*.

1.9. Legal and Regulatory

This Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1 (credit and counterparty risk management), it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged. The Council recognises that future legislative or regulatory changes may impact on

its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council. The Council will report such changes in its annual treasury management strategy.

1.10. Fraud, Error and Corruption, and Contingency Management

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

1.11. Market Value of Investments

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect it from the effects of such fluctuations.

2. TMP 2 - VALUE FOR MONEY AND PERFORMANCE MEASUREMENTS

2.1. The Revised Code of Practice advocates the principle that all public service organisations should create appropriate measures by which the performance of their treasury management activities can be measured in order to judge whether they are gaining value for money from the resources devoted to these activities.

2.2. Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement. It set annual challenging benchmarks for its fund managers and internal team. It measures and reports performance against benchmark on a monthly basis as well as annually. As required in the Revised Code, the Council will include in its Mid Year report how it has performed against set benchmark. The Council is also a member of the CIPFA benchmarking Club.

2.3. The Council's policy is to appoint full-time professional cash/external investment fund managers to manage surplus funds beyond the core funds that it manages itself. It will comply with the Local Organisations (Contracting out of Investment Functions) Order 1996 [SI 1996 No 1883]. The Code of Practice places an obligation on the organisation to monitor the performance of the fund managers. The Council has appointed Sector Treasury Services Limited to assist in this respect.

3. TMP 3 - DECISION-MAKING AND ANALYSIS

3.1. The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The factors that should be taken into account are set in Schedule 3.

4. TMP 4 - APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- 4.1. The Council will undertake its treasury management activities within the limits and parameters defined in TMP1 Risk Management.
- 4.2. From April 2004 the choice of instruments has been determined the Annual Investment Strategy that complies with guidance issued by the Secretary of State.

5. TMP 5 - ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

- 5.1. The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.
- 5.2. The principle on which this will be based is a clear distinction between those charged with setting treasury management policies the S151 Officer and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury manager and relevant treasury management staff. This is achieved by the *Statement of Duties/Responsibilities for Each Treasury Post* set out in Schedule 3
- 5.3. If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Treasury Manager will ensure that the reasons are properly reported in accordance with TMP6 and the implications properly considered and evaluated.
- 5.4. The Treasury Manager will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover.
- 5.5. The Treasury Manager will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.
- 5.6. The Treasury Manager will fulfil all delegated responsibilities in accordance with the organisation's policy and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.
- 5.7. It is also the responsibility of the Treasury Manager to ensure that the Organisation complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

6. TMP 6 - REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGMENTS

- 6.1. The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of

changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

- 6.2. As a minimum, the Council will receive:
- an annual report on the strategy and plan to be pursued in the coming year;
 - an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs; and
 - An annual investment strategy setting out the procedures for determining the use of each class of investment and appropriate limits to be applied to each class.
- 6.3. The content of these reports is set out in TMP 6.

7. TMP 7 - BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

- 7.1. The S151 Officer will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Best Value and Performance Measurement, and TMP4 Approved instruments, methods and techniques. The Treasury Manager will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.
- 7.2. The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.
- 7.3. The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

8. TMP 8 - CASH AND CASH FLOW MANAGEMENT

- 8.1. Unless statutory or regulatory requirements demand otherwise, all monies in the hands of The Council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes.
- 8.2. Cash flow projections will be prepared on a regular and timely basis, and the Treasury Manager will ensure that these are adequate for the purposes of monitoring compliance with TMP1 liquidity risk management.
- 8.3. Each month the Council will report on whether there has been any breach of limits. The Council's cashflow will:

- Review and maintain adequate overdraft facilities and maintain contingency arrangements;
- Maintain optimum arrangements for managing and investing surplus cash;
- Review its pricing and charging policy;
- Make effective use of clearing bankers' services, particularly concerning the clearance of funds and low cost funds transmission; and
- Monitor the level of debtors and creditors to enable corrective action for cash flow purposes.

9. TMP 9 - MONEY LAUNDERING

- 9.1. The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staffs involved in this are properly trained.

10. TMP 10 - STAFF TRAINING AND QUALIFICATIONS

- 10.1. This Council recognises the importance of ensuring that all staff involved in the treasury management functions are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.

Statement of Professional Practice

- 10.2. The S151 Officer has a professional obligation to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staffs are appropriately trained.
- 10.3. Other staff involved in treasury management activities who are members of various professional accounting bodies must also comply with the CIPFA Statement of Professional Practice, the Provisions of the Money Laundering Regulations 2007 and 2009 CIPFA Guidance on Combating Financial Crime.

11. TMP 11 - USE OF EXTERNAL SERVICE PROVIDERS

- 11.1. The Council recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. However the Council as required by the Revised Code of Practice will ensure that the skills of the in-house team should be maintained in order to ensure that the services provided can be challenged and ensure that undue reliance is not placed on the external service providers.
- 11.2. When the Council employs such service providers, it will ensure it does so for reasons that will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender

arrangements, the Council's procurement and legislative requirements will always be observed.

- 11.3. The Council will consider direct dealing with its counterparties in the first instance, however where it is advantageous or cost effective to use the services of a broker, the services of brokers where appropriate, however these services are not subject to a tender process.

12. TMP 12 - CORPORATE GOVERNANCE

- 12.1. The Council has adopted and has implemented the key recommendations of the Revised Code of Practice on Corporate Governance. As part of this, the Council will:

- Publish its treasury management strategy on its website
- Establish clear treasury management policies, separate roles and ensure that relationships within and outside the organisation are properly managed.
- Ensure equality in treasury management dealings and keen competition
- Management and administration of treasury management will be robust, rigorous and disciplined
- The S151 Officer will be responsible for ensuring that systems are in place

- 12.2. This, together with the other arrangements which will be detailed in the schedule to the TMP's, are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

TREASURY MANAGEMENT PRACTICE SCHEDULES

SCHEDULE 1

Criteria to Be Used For Creating/ Managing Approved Counterparty Lists/Limits

The S151 Officer will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising time, type, sector and specific counterparty limits.

The S151 Officer is responsible for applying the stated credit rating criteria for selecting approved counterparties, and will add or delete counterparties as appropriate to / from the approved counterparty list when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers.

Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.

The following organizations are to be approved organizations for investment purposes:-

- UK Local Authorities;
- UK Clearing banks and Building Societies which meet the Council's minimum credit rating;
- Any foreign bank on the Bank of England's Banking Act 1987: Authorised Institutions List which meet the Council's minimum credit rating criteria. The Council's internal treasury team does not invest in foreign banks.; and
- Any other body approved in The Local Authorities (Capital Finance) (Approved Instruments) Regulations 1990.

In practice, the in-house team will only invest in UK institutions. External fund manager can invest in foreign banks provided they operate within the criteria set in the Council's treasury management strategy.

The maximum period and level for investments will set by the S151 Officer.

SCHEDULE 2

Issues to be addressed in decision making.

In respect of every decision made the organisation will:

- Above all be clear about the nature and extent of the risks to which the organisation may become exposed;
- Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained;
- Be content that the documentation is adequate both to deliver the organisation's objectives and protect the organisation's interests, and to deliver good housekeeping;
- Ensure that third parties are judged satisfactory in the context of the organisation's creditworthiness policies, and that limits have not been exceeded; and
- Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

In respect of borrowing and other funding decisions, the organisation will:

- Evaluate the economic and market factors that might influence the manner and timing of any decision to fund;
- Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
- Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
- Consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets.

In respect of investment decisions, the organisation will:

- Consider the optimum period, in the light of cash flow availability and prevailing market conditions; and
- Consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

SCHEDULE 3

STATEMENT OF DUTIES/RESPONSIBILITIES OF EACH TREASURY POST

The S151 Officer

The responsibilities of this post will be to: -

- In setting the prudential and treasury management indicators, the S151 Officer will be responsible for ensuring that all matters are taken into account and reported to the Council so as to ensure the Council 's financial plans are affordable, prudent and sustainable in the long term;
- Establish a measurement and reporting process that highlights significant variations from expectations;
- Recommend clauses, treasury management policy / practices for approval, reviewing the same regularly , and monitoring compliance;
- Submit regular treasury management policy reports to the Assembly and Executive of the Council as appropriate;
- Submit budgets and budget variations;
- Receive and review management information reports;
- Review the performance of the treasury management function and promote best value reviews;
- Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensure the adequacy of internal audit, and liaising with external audit;
- Ensuring that the system is specified and implemented; and
- Recommend the appointment of external service providers.

The S151 Officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments.

The S151 Officer may delegate his power to borrow and invest to members of his staff. The Group Manager Accounting and Technical, Treasury & Pensions Manager, Treasury Accountant or staff authorised to act as temporary cover for leave and sickness. All transactions must be authorised by at least two of the named officers above.

The S151 Officer and the Divisional Director Legal and Democratic Services (as the Monitoring Officer) will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the S151 Officer to be satisfied, by reference to the Divisional Director Legal and Democratic Services and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations

It is also the responsibility of the S151 Officer to ensure that the Organisation complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

Treasury Manager

The responsibilities of this post will be: -

- Adherence to agreed policies and limits;
- Managing the overall treasury management function;
- Supervising treasury management staff;
- Ensuring appropriate segregation of duties;
- Monitoring performance on a day-to-day basis;
- Submitting management information reports to the S151 Officer;
- Maintaining relationships with third parties and external service providers and reviewing their performance; and
- Identifying and recommending opportunities for improved practices.

The Divisional Director Legal and Democratic Services (as Monitoring Officer)

The responsibilities of this post will be: -

- Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice; and
- Giving advice to the S151 Officer when advice is sought.

SCHEDULE 4

Information Requirements

Annual Treasury Management Strategy Statement

The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This Strategy will be submitted to the Executive for approval before the commencement of each financial year.

The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter -term variable interest rates.

The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

The Treasury Management Strategy Statement will include specific reference to the need to comply with the balanced budget requirement per the Local Government Finance Act

1992 Section 33. S32 also requires a local authority to calculate its budget requirement for each financial year including the revenue costs which flow from capital financing decisions. Considerations of these costs will be informed by the indicators that have to be calculated according the CIPFA's *Prudential Code for Capital Finance in Local Authorities*.

ANNUAL AND MID YEAR REPORTING ON TREASURY MANAGEMENT ACTIVITY

Annual and Mid Year reports will be presented at the earliest practicable meeting. These reports will include the following as appropriate:-

- a comprehensive picture for the financial year of all treasury policies, plans, activities and results;
- transactions executed and their revenue (current) effects;
- report on risk implications of decisions taken and transactions executed;
- monitoring of compliance with approved policy, practices and statutory / regulatory requirements;
- monitoring of compliance with powers delegated to officers;
- degree of compliance with the original strategy and explanation of deviations;
- explanation of future impact of decisions taken on the organisation;
- measurements of performance; and
- report on compliance with CIPFA Code recommendations.

SCHEDULE 5

Procedures for Establishing Identity / Authenticity of Lenders

The Council does not accept loans from individuals. Decision to borrow will be done in consultation with the Council's treasury management advisers. All loans are obtained from the PWLB or from authorised institutions under the Banking Act 1987: (the names of these institutions appeared on the Bank of England quarterly list of authorised institutions until 1.12.2001 when the Financial Services Authority (FSA) took over the responsibility for maintaining a register of authorised institutions. This register can be accessed through their website on www.fsa.gov.uk).