The effective identification, management and control of risk are the prime objectives of treasury management activities.

The responsible officer(s) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation’s objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out as schedules below.

1. Credit and Counterparty Risk Management

Credit and counterparty risk is the failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty’s diminished creditworthiness, and the resulting detrimental effect on the organisation’s capital or current (revenue) resources.

**Principle:** The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques approved by the Council. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

**Schedule:**

<table>
<thead>
<tr>
<th>Criteria for creating /managing approved counterparty lists/limits</th>
<th>The criteria for choosing categories, counterparties and limits for institutions is drawn up by the Head of Finance Strategy &amp; Accounting, Finance Strategy Capability Lead, Senior Finance Analyst (Treasury) and agreed by the Director of Finance.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Council’s treasury advisors also provide guidance and assistance in setting the criteria.</td>
</tr>
<tr>
<td></td>
<td>The detailed criteria is set out in the Treasury Management Annual Strategy Report (ASR), submitted to the Treasury Committee and approved by Council.</td>
</tr>
<tr>
<td></td>
<td>A full individual listing of counterparties is maintained on an ongoing basis and is held electronically in the Treasury Management shared drive. If applicable new counterparties which meet the criteria are added to the list.</td>
</tr>
<tr>
<td></td>
<td>The credit rating criteria will also apply to securities issued by financial and non-financial institutions, which in some instances, might be higher than that of the issuing institution.</td>
</tr>
<tr>
<td></td>
<td>Higher time and cash limits may be set for secured investments 9e.g. those with underlying collateral or which are by regulation excluded from being bailed-in/restructured in the event of financial distress). Where there is no investment-specific rating, but collateral upon which the investment secured is rated, then the higher of the collateral and counterparty rating will be used to determine time and cash limits.</td>
</tr>
</tbody>
</table>
During exceptional market conditions the Director of Finance may temporarily restrict investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. Similarly, time periods for investments may be restricted.

| Assessing Credit-worthiness of counterparties | Assessment includes consideration of credit ratings from three rating agencies (Standard & Poor, Moody and Fitch), other alternative assessments of credit strength and additional operational market information. Credit rating information is supplied by the Council’s treasury advisors on all active counterparties that comply with the Council’s credit rating criteria. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided almost immediately after they occur. The Council’s Treasury Advisor also undertakes analysis on the balance sheet structure of key banking institutions to help inform the potential restructure (i.e. bail-in) of a bank’s unsecured liabilities should this be required by the regulatory authorities. Full regard will also be given to other available information on the credit quality of the organisations in which the Council invests, including: ● Information on potential government support ● share prices ● credit default swap prices ● market developments and market sentiment ● other timely information provided by treasury advisors ● quality financial press ● real-time electronic operational financial information services. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria. |
| Approved methodology for changing limits and adding / removing counterparties | Changes to the criteria for choosing counterparties and limits for institutions must be approved by Council. Any counterparty that subsequently fails to meet the criteria is removed from the list immediately. Any existing investments that can be recalled or sold at no cost will be, and full consideration will be given to the recall or sale of other existing investments with the affected counterparty. Where a credit rating is placed on review for possible downgrade (also termed ‘rating watch negative’ or ‘credit watch negative’) so that it may fall below the minimum approved credit criteria, then only investments that can be withdrawn at no cost will be made with that organisation until the rating review has been completed and its outcome known. The policy does not apply for ‘negative outlooks’ which indicate a long-term direction of travel rather than a possibility of an imminent downgrade. |
2. Liquidity Risk Management

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation’s business/service objectives will be thereby compromised.

**Principle:** 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 business/service objectives. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

<table>
<thead>
<tr>
<th>Schedule:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily cash control;</td>
</tr>
<tr>
<td>Short-term investments;</td>
</tr>
<tr>
<td>Short-term borrowings.</td>
</tr>
<tr>
<td>The Council manages liquidity</td>
</tr>
<tr>
<td>risk by the setting and</td>
</tr>
<tr>
<td>approval of activity limits,</td>
</tr>
<tr>
<td>the approval of the treasury</td>
</tr>
<tr>
<td>and investment strategy</td>
</tr>
<tr>
<td>reports, as well as through</td>
</tr>
<tr>
<td>an effective cash management</td>
</tr>
<tr>
<td>and cash flow forecasting</td>
</tr>
<tr>
<td>system (see TMP8 Cash and</td>
</tr>
<tr>
<td>Cash Flow Management).</td>
</tr>
</tbody>
</table>

3. Interest Rate Risk Management

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation’s finances, against which the organisation has failed to protect itself adequately.

**Principle:** 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.

<table>
<thead>
<tr>
<th>Schedule:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed / Variable Interest Rate</td>
</tr>
<tr>
<td>Exposures</td>
</tr>
<tr>
<td>Limits are set out in the ASR</td>
</tr>
<tr>
<td>approved by Council.</td>
</tr>
<tr>
<td>Managing changes to interest rate</td>
</tr>
<tr>
<td>levels</td>
</tr>
<tr>
<td>Treasury Management officers</td>
</tr>
<tr>
<td>monitor and forecast interest</td>
</tr>
<tr>
<td>rates during the year and adjust</td>
</tr>
<tr>
<td>exposures appropriately. Interest</td>
</tr>
<tr>
<td>rate forecasts are also provided</td>
</tr>
<tr>
<td>by the Council’s treasury</td>
</tr>
<tr>
<td>management advisors.</td>
</tr>
<tr>
<td>Fluctuations in the levels of</td>
</tr>
<tr>
<td>interest rates during the course</td>
</tr>
<tr>
<td>of the financial year and their</td>
</tr>
<tr>
<td>impact on loans and investments</td>
</tr>
<tr>
<td>are monitored and reported as part</td>
</tr>
<tr>
<td>of the monthly budget monitoring</td>
</tr>
<tr>
<td>process.</td>
</tr>
<tr>
<td>Matching borrowing at variable</td>
</tr>
<tr>
<td>rates with investments similarly</td>
</tr>
<tr>
<td>exposed to changes in interest</td>
</tr>
<tr>
<td>rates will be considered as a way</td>
</tr>
<tr>
<td>of mitigating any adverse</td>
</tr>
<tr>
<td>budgetary impact.</td>
</tr>
<tr>
<td>The Council may determine it is</td>
</tr>
<tr>
<td>more cost effective in the short-</td>
</tr>
<tr>
<td>term to fund its borrowing</td>
</tr>
<tr>
<td>requirement through the use of</td>
</tr>
<tr>
<td>internal resources (‘internal</td>
</tr>
<tr>
<td>borrowing’) or through borrowing</td>
</tr>
<tr>
<td>short-term loans. The benefits of</td>
</tr>
<tr>
<td>such borrowing will be monitored</td>
</tr>
<tr>
<td>regularly against the potential</td>
</tr>
<tr>
<td>for incurring additional costs by</td>
</tr>
<tr>
<td>deferring borrowing or refinancing</td>
</tr>
<tr>
<td>in future years when interest rates</td>
</tr>
<tr>
<td>are expected to be higher.</td>
</tr>
<tr>
<td>Alternatively, the Council may</td>
</tr>
<tr>
<td>consider forward starting loans</td>
</tr>
<tr>
<td>where the interest rate is fixed</td>
</tr>
<tr>
<td>in advance but the cash is received</td>
</tr>
<tr>
<td>at a later date. This would enable</td>
</tr>
<tr>
<td>certainty of cost to be achieved</td>
</tr>
<tr>
<td>without suffering a ‘cost of carry’</td>
</tr>
<tr>
<td>in the intervening period.</td>
</tr>
</tbody>
</table>
For its investments, the Council also considers dealing from forward periods dependent upon market conditions. The Council’s counterparty term limits will apply and will include the forward period of the investment.

<table>
<thead>
<tr>
<th>Details of approved interest rate exposure limits</th>
<th>Limits are set out in the ASR approved by Council.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy concerning use of derivatives</td>
<td>The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. The use of derivatives is outlined in TMP4 - Approved Instruments, Methods and Techniques and the Council will seek proper advice before entering into arrangements for such products and will ensure it has the necessary knowledge and understanding of them before doing so.</td>
</tr>
</tbody>
</table>

### 4. Refinancing Risk Management

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

**Principle:** The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

**Schedule:**

<table>
<thead>
<tr>
<th>Debt profiling, policies and practices</th>
<th>The ASR includes treasury indicators for the maturity structure of debt and debt maturity repayment limits, which are the key parameters used to address this risk. Treasury Management officers address the operational risks within the approved parameters by monitoring the maturity profile of borrowings, and in the pursuit of long term financial stability amending the profile through either new borrowing or taking advantage of debt restructuring opportunities that may arise, and at all times considering forward borrowing and other techniques / practices to replace maturing debt. The Council will aim for diversification in order to spread risk and avoid over-reliance on any one source.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy on LOBO call options</td>
<td>The Council’s debt portfolio includes loans borrowed on a LOBO (Lender’s Option Borrower’s Option) basis. Prior to each call date, the Council will evaluate alternative funding sources for comparable interest rates/maturities. This will be discussed at quarterly treasury strategy meetings. If the Lender exercises the call option (directly or via the broker) for a revision to the terms of the loan, the Council will thoroughly evaluate the new terms and additionally seek advice from the Council’s advisor within the set timescale.</td>
</tr>
</tbody>
</table>
5. Legal and Regulatory Risk management

The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

**Principle:** The 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 it will ensure that there is evidence of counterparties’ powers, authority and compliance in respect of the transactions they may effect with the organisation, 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 organisation.

**Schedule:**

<table>
<thead>
<tr>
<th>References to relevant statutes and regulations</th>
<th>The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are:</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ CIPFA’s Treasury Management Code of Practice and subsequent amendments <em>(the most recent Code is the 2011 edition).</em></td>
<td>▪ CIPFA’s Treasury Management Code of Practice and subsequent amendments <em>(the most recent Code is the 2011 edition).</em></td>
</tr>
<tr>
<td>▪ CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments <em>(the most recent Code is the 2011 edition).</em></td>
<td>▪ CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments <em>(the most recent Code is the 2011 edition).</em></td>
</tr>
<tr>
<td>▪ CIPFA Standard of Professional Practice on Treasury Management</td>
<td>▪ CIPFA Standard of Professional Practice on Treasury Management</td>
</tr>
<tr>
<td>▪ The ODPM’s (now CLG’s) Guidance on Local Government Investments in England issued March 2004 and subsequent amendments</td>
<td>▪ The ODPM’s (now CLG’s) Guidance on Local Government Investments in England issued March 2004 and subsequent amendments</td>
</tr>
<tr>
<td>▪ The CLG’s statutory Guidance on Minimum Revenue Provision (MRP)</td>
<td>▪ The CLG’s statutory Guidance on Minimum Revenue Provision (MRP)</td>
</tr>
<tr>
<td>▪ CLG’s Self-Financing Policy Documentation and subsequent amendments</td>
<td>▪ CLG’s Self-Financing Policy Documentation and subsequent amendments</td>
</tr>
<tr>
<td>▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883</td>
<td>▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883</td>
</tr>
<tr>
<td>▪ LAAP Bulletins</td>
<td>▪ LAAP Bulletins</td>
</tr>
<tr>
<td>▪ Accounts and Audit Regulations 2003, as amended together with CLG’s Guidance</td>
<td>▪ Accounts and Audit Regulations 2003, as amended together with CLG’s Guidance</td>
</tr>
<tr>
<td>▪ The Localism Act 2011</td>
<td>▪ The Localism Act 2011</td>
</tr>
<tr>
<td>▪ The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets</td>
<td>▪ The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets</td>
</tr>
<tr>
<td>▪ Council’s Constitution including:-</td>
<td>▪ Council’s Constitution including:-</td>
</tr>
<tr>
<td> ▪ Standing Order relating to Contracts</td>
<td> ▪ Standing Order relating to Contracts</td>
</tr>
<tr>
<td> ▪ Financial Regulations</td>
<td> ▪ Financial Regulations</td>
</tr>
<tr>
<td> ▪ Scheme of Delegation</td>
<td> ▪ Scheme of Delegation</td>
</tr>
</tbody>
</table>
6. Fraud, Error and Corruption, and Contingency Management

The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

**Principle:** 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.

**Schedule:**

<table>
<thead>
<tr>
<th>Fraud and Corruption policy</th>
<th>The Council’s policy to counter fraud, corruption and other financial irregularities is reviewed annually and approved by the Audit Committee each year.</th>
</tr>
</thead>
</table>
| Systems and procedures employed | Segregation of duties minimises the possibility of fraud and loss due to error, and is detailed in TMP5.  
Treasury Management systems are documented in the Treasury Management Manual (TMM), which includes details of procedures and limits that apply to Treasury Management activities and the day to day operation of the on-line banking system.  
Standard Settlement Instructions (SSI) are maintained, listing named officers who have the authority to transact loans and investments. Brokers and counterparties with whom the Council deals direct are provided a copy of the SSI.  
A list of named officers with authority to borrow from the PWLB and invest with the Debt Management Agency Deposit Facility is also maintained with the PWLB/DMADF. |
| Contingency Management | The TMM, TMP’s and Treasury Management records are maintained on the Council’s computer network. Daily back-ups are taken, and if necessary network back-ups can be used by ICT department to restore files.  
The business continuity response plan is held electronically, and printed copies are retained offsite by key staff. |

7. Market Risk Management

The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

**Principle:** The 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 itself from the effects of such fluctuations.

**Schedule:**

| Exposure to investments whose capital value may fluctuate | The Council may consider investment instruments subject to fluctuation in capital movements, as appropriate in line with the ASR and on advice from its treasury advisors. |
**TMP2 – PERFORMANCE MEASUREMENT**

**Principle:** The 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.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation’s stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule below.

**Schedule:**

| Policy concerning methods for testing value for money | The following services will be subject to periodic evaluation and market testing if appropriate, in order to pursue continuous improvement, having regard to a combination of value for money, efficiency and effectiveness.  
  - Banking  
  - Cash management  
  - Financial Information  
  - Money-broking  
  - Treasury Management Consultants / advisors |
| Policy concerning methods for performance measurement | Performance measurement calculates the effectiveness of treasury activity in delivering the strategic objectives set in the ASR, taking into account general trends in interest rates during the year.  
Any comparison of the Council’s treasury portfolio against recognised industry standards, market indices and other portfolios is intended to:  
(i) allow the Council the opportunity to assess the potential to add value through changes to the existing ways in which its portfolio is managed; and  
(ii) permit an informed judgement about the merits or otherwise of using new treasury management techniques or instruments.  
In drawing any conclusions the Council will bear in mind that the characteristics of its treasury operations may differ from those of other councils, particularly with regard to the position on risk. |
| Methodology to be applied for evaluating the impact of treasury management decisions | Monitoring of the outcome of treasury management activity performance indicators and limits are reported in accordance with TMP6.  
The Council’s Treasury Management advisers review the existing investment and debt portfolio quarterly, and all transactions that have occurred in the interim, in order to ensure that best practice has been achieved.  
The Council’s Treasury Management advisors compare the performance of the Council’s investments with their client base and London Borough clients. |
| Methodology to be employed for measuring the performance of the Council’s treasury management activities | Mid-year review and annual report will include:  
a) Total debt including average rate and maturity profile  
b) The effect of new borrowing and/or maturities on the above  
c) The effect of any debt restructuring on the debt portfolio  
d) An analysis of any risks inherent within the debt portfolio  
e) Total investments including average rate, credit and maturity profile |
Schedule

practices to be pursued in reaching decisions are detailed in the schedule below.

- Those processes addressed.
- Issues to be managed for treasury.
- Delegated powers
- Recordkeeping
- Benchmarks and calculation methodology with regard to risk and return
- TMP3 – DECISION-MAKING and ANALYSIS

**Principle:** 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 issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule below.

**Schedule:**

<table>
<thead>
<tr>
<th>Recordkeeping</th>
<th>The Council will maintain a record of all major treasury management decisions, electronically, and/or in hard copy format.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processes to be pursued</td>
<td>The Council’s strategy for the application of its treasury policy is set out in the ASR. The processes to be followed will be in keeping with TMP4 (Approved, Instruments, Methods and Techniques).</td>
</tr>
<tr>
<td>Delegated powers for treasury management</td>
<td>In compliance with CIPFA’s Treasury Management Code of Practice, the Council delegates the execution and administration of treasury management decisions to the Director of Finance.</td>
</tr>
</tbody>
</table>
| Issues to be addressed | In exercising these powers, those to whom the treasury activity has been delegated will:  
  - be clear about the nature and extent of the risks to which the Council may become exposed and put in place effective mechanisms for risk management and mitigation  
  - 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 documentation is appropriate both to deliver the Council’s objectives and protect the Council’s interests, and to deliver good housekeeping  
  - ensure that counterparties are judged satisfactory in the context of the Council’s creditworthiness policies, and that limits have not been exceeded  
  - be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive.  

In exercising Borrowing and Funding decisions, the Council will:

- consider the ongoing revenue liabilities created, and the implications for the Council’s future plans and budgets
- 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
- consider the use of internal resources and/or, the most appropriate periods to fund and repayment profiles to use
• where applicable, monitor regularly the benefits of internal borrowing against the potential for incurring additional costs by deferring borrowing into future years.

The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

In exercising Investment decisions, will:
• Decide on the most favourable period for investment, in the light of cash flow availability and prevailing market conditions
• consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital
• Consider the credit risk associated with unsecured investments with banks and building societies.

### TMP4 - Approved Instruments, Methods and Techniques

**Principle:** The Council will undertake its treasury management activities by employing only those instruments, methods and techniques in accordance with the schedule below, and within the limits and parameters defined in TMP1 Risk Management.

**Schedule:**

<table>
<thead>
<tr>
<th>Approved investment instruments / methods / techniques</th>
<th>The Council will determine through the ASR which investment instruments, methods and techniques it will use, giving priority to the security and liquidity (in that order) of its invested monies. The investments will be categorised as ‘Specified’ or ‘Non Specified’ based on the criteria set out by the ODPM (now CLG) in its Investment Guidance March 2004 (as amended). The Council will determine through the ASR which instruments will be used in-house and which will be used by any appointed external fund manager(s).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved instruments / methods / techniques for raising finance</td>
<td>General powers to raise finance for both revenue and capital purposes is contained in the Local Government Act 2003. For treasury management purposes, finance will only be raised by the Council in accordance with the Act and limited to the approved instruments, methods and techniques set out in the ASR.</td>
</tr>
<tr>
<td>Policy concerning use of new financial instruments, methods and treasury management techniques.</td>
<td>The Council could from time to time, consider and determine new financial instruments, methods and treasury management techniques. However, these would require careful consideration whether officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments / methods / techniques (the risks of which may not be immediately or wholly transparent).</td>
</tr>
</tbody>
</table>
**TMP5 - Organisation, clarity and segregation of responsibilities, and dealing arrangements**

**Principle:** 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.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies 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 management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.

The responsible officer will also ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.

The delegations to the responsible officer in respect of treasury management are set out in the schedule below. The responsible officer will fulfil all such responsibilities in accordance with the organisation’s policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

**Schedule:**

<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>Full Council:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Committee:</td>
<td>● receiving and reviewing Treasury Management Annual Report, Mid-Year Report.</td>
</tr>
<tr>
<td></td>
<td>● Scrutiny of treasury management practices</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principles and practices concerning segregation of duties</th>
<th>The segregation of duties will be determined by the Head of Finance - Strategy &amp; Accounting.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Segregation of duties exists in that:</td>
</tr>
<tr>
<td></td>
<td>● the officer(s) responsible for closing treasury management deals is separate from officer(s) authorising payments and checking confirmations of deals.</td>
</tr>
<tr>
<td></td>
<td>● The reconciliation of the cash book to bank statements is carried out independently of the treasury function in order to maintain an adequate separation of duties.</td>
</tr>
</tbody>
</table>
# Treasury Management Organisation Chart

<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Director of Finance</strong></td>
<td>- Execution and administration of treasury management decisions. <em>(Delegated responsibility - Clause 3, Code of Practice for Treasury Management adopted by Council).</em>&lt;br&gt;- Approve treasury management policy and practices&lt;br&gt;- Approve treasury management strategy, annual and mid-year reports&lt;br&gt;- Approve division of responsibilities&lt;br&gt;- Review external audit reports and act on recommendations&lt;br&gt;- Approve the selection of external service providers and agreeing terms of appointment&lt;br&gt;- Ensuring adequacy of internal audit</td>
</tr>
<tr>
<td><strong>Head of Finance - Strategy &amp; Accounting</strong></td>
<td>- Review treasury management policy and practices&lt;br&gt;- Review treasury management strategy, annual and mid-year reports&lt;br&gt;- Ensure adequacy of treasury management resources and skills, and the effective division of responsibilities&lt;br&gt;- Review and monitor treasury management information reports&lt;br&gt;- Arrangements for absence cover&lt;br&gt;- Reviewing budget variation reports</td>
</tr>
<tr>
<td><strong>Finance Strategy Capability Lead</strong></td>
<td>- Recommend treasury management policy and practices for approval&lt;br&gt;- Review and monitor compliance with treasury management policy and practices&lt;br&gt;- Ensure that treasury management strategy, annual and mid-year reports are produced&lt;br&gt;- Review and monitor treasury management information reports&lt;br&gt;- Review performance of treasury management function&lt;br&gt;- Submitting budget variations&lt;br&gt;- Recommending the appointment of external service providers&lt;br&gt;- Debt rescheduling&lt;br&gt;- Authorising transmission of funds</td>
</tr>
<tr>
<td><strong>Senior Finance Analyst (Treasury)</strong></td>
<td>- Ensure that treasury management systems, procedures, controls and limits are regularly reviewed and updated</td>
</tr>
</tbody>
</table>
Produce Council’s treasury management strategy, annual and mid-year reports
Manage relationships with third parties and external service providers
Identify and recommend opportunities for improved practices
Liaise with internal and external audit
Oversee daily treasury management activities carried out by Finance Analyst (Treasury)
Execution of money market and capital market transactions

Finance Analyst (Treasury):
Adherence to agreed treasury policies and practices on day-to-day basis
Execution of money market and capital market transactions
Monitoring of cash flows, interest receipts
Transmission of funds
Recording treasury management transactions
Reconciling treasury management records
Produce and distribute information on activities and performance of Treasury Management function.
Monitor creditworthiness of counterparties
Verify brokerage / commission accounts

Absence cover arrangements
Cover in the absence of officers involved in treasury management cascades down as per responsibilities listed above.
Finance Analyst officers within the Strategy and Accounting resource pool are able to provide absence cover for daily treasury management activities.

Dealing limits per trade

<table>
<thead>
<tr>
<th></th>
<th>Senior Finance Analyst &amp; Finance Analysts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Investments</strong></td>
<td></td>
</tr>
<tr>
<td>- Money Market / Direct</td>
<td>✓</td>
</tr>
<tr>
<td>Up to £20M</td>
<td></td>
</tr>
<tr>
<td><strong>Long-Term Borrowing</strong></td>
<td></td>
</tr>
<tr>
<td>- Money Market / PWLB</td>
<td>✓</td>
</tr>
<tr>
<td>Up to £20M</td>
<td></td>
</tr>
<tr>
<td><strong>Short-Term Borrowing</strong></td>
<td></td>
</tr>
<tr>
<td>- Money Market / Direct</td>
<td>✓</td>
</tr>
<tr>
<td>Up to £20M</td>
<td></td>
</tr>
</tbody>
</table>

If possible authorisation should be obtained from the Director of Finance, Head of Finance Strategy & Accounting or Finance Strategy Capability Lead, prior to closing a deal where a limit will be exceeded. However, in cases where it would be impractical or in the absence(s) of the above, the deal may be closed, after which notification must be sent at the earliest opportunity for their attention with the relevant details as to why the limit was exceeded.

List of approved brokers
See TMP 11: External Service Providers

Policy on brokers’ services
It is the Council’s policy to obtain terms from at least two brokers. The Council will aim to maintain a spread of business between brokers in order to avoid relying on the services of any one broker.

Policy on taping of conversations
The Council does not tape conversations relating to treasury management activities.

Direct dealing practices
Direct dealing may be carried out with Council approved financial institutions and external pooled funds subject to counterparty, maturity and dealing limits. Prior to undertaking direct dealing, the Council’s dealer must be satisfied that they are dealing with an authorised dealer of the counterparty.
For each deal undertaken a dealing slip should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payments date(s), broker.

**Investments**
- Dealing slip authorising the investment and settlement
- Confirmation from broker/counterparty (where applicable)
- Contract notes for purchase and sale of shares/units in pooled funds from the fund’s manager/administrator
- Payment transmission document

**Loans:**
- Dealing slip authorising the loan
- Confirmation from broker/counterparty/PWLB (where applicable)
- Payment transmission document for repayment of loan

**Settlement transmission procedures**
- Settlements are made via the Clearing House Automated Payment System (CHAPS).
- All CHAPS payments require two officers to input and authorise. Under the dual administration system set up, an officer is unable to both input and authorise the same payment.
- Details of procedures are documented in the Treasury Management Manual.

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**TMP6 - REPORTING REQUIREMENTS and MANAGEMENT INFORMATION ARRANGEMENTS**

**Principle:** 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.

As a minimum:

**The Policy and Finance Committee will receive:**
- An annual report on the strategy and plan to be pursued in the coming year (for adoption by Full Council)

**The Audit Committee will receive:**
- A mid-year review
- 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.

**The Head of Finance Strategy & Accounting and Finance Strategy Capability Lead will receive** regular monitoring reports on treasury management activities and risks.

**The present arrangements and the form of these reports are outlined below.**
### Schedule:

<table>
<thead>
<tr>
<th>Content and Frequency of committee reporting requirements</th>
<th><strong>TREASURY MANAGEMENT ANNUAL STRATEGY REPORT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Submitted to the Policy and Finance Committee before the beginning of each financial year and then recommended to the Council for adoption. The report will include the following:</td>
</tr>
<tr>
<td></td>
<td>• Treasury Management risk</td>
</tr>
<tr>
<td></td>
<td>• Prospects for interest rates</td>
</tr>
<tr>
<td></td>
<td>• Borrowing and debt strategy</td>
</tr>
<tr>
<td></td>
<td>• Annual Investment strategy</td>
</tr>
<tr>
<td></td>
<td>• Investment Counterparty and Liquidity Framework</td>
</tr>
<tr>
<td></td>
<td>• Limits applying to Investments</td>
</tr>
<tr>
<td></td>
<td>• Treasury Management indicators and limits on activities</td>
</tr>
<tr>
<td></td>
<td>• Treasury Management performance indicators</td>
</tr>
<tr>
<td></td>
<td>• Treasury Management Policy Statement</td>
</tr>
<tr>
<td></td>
<td>• Approved instruments, methods and techniques (Criteria for Specified and Non-Specified Investments)</td>
</tr>
</tbody>
</table>

**MID-YEAR REVIEW ON TREASURY MANAGEMENT ACTIVITY**

A mid-year review of treasury management activity is presented to the Audit Committee. The main contents of the report will comprise:

• Economic Update
• Treasury Management activities undertaken
• Variations (if any) from agreed policies
• Interim performance report
• Credit and Counterparty Risk update
• Treasury Management Performance and Activity Indicators
• Treasury Management Practices

**ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITY**

An annual report after the close of each financial year is presented to the Audit Committee as soon as practicable, but before the end of September. The main contents of the report will comprise:

• Regulatory framework
• Treasury management risk
• Economic background
• Debt management activity
• Cash management and investment activity
• Credit and Counterparty Risk
• Treasury Management Performance and Activity Indicators
**TMP7 - BUDGETING, ACCOUNTING and AUDIT ARRANGEMENTS**

**Principle:** The responsible officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the 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 Performance measurement, and TMP4 Approved instruments, methods and techniques. The responsible officer 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.

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. The Council will also ensure that its auditors receive information requested, to demonstrate compliance with external and internal policies and approved practices.
Schedule:

<table>
<thead>
<tr>
<th>Statutory/regulatory requirements</th>
<th>Balanced Budget Requirement: The provisions of S32 and S43 of the Local Government Finance Act 1992 require the Council to calculate its budget requirement for each financial year including, among other aspects: (a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account; and (b) revenue costs which flow from capital financing decisions. S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting practices and standards</td>
<td>The Council’s financial statements are produced to conform to the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom, and the Service Reporting Code of Practice, both published by the Chartered Institute of Public Finance and Accountancy (CIPFA). These requirements are based on International Financial Reporting Standards.</td>
</tr>
<tr>
<td>Treasury-related information requirements of auditors</td>
<td>Auditors will be given access to all information and papers supporting the activities of the treasury management function, as are necessary for the proper fulfilment of their roles.</td>
</tr>
<tr>
<td>Costs for treasury management</td>
<td>The costs associated with treasury management are separately identified and as such form part of the Corporate and Democratic Core costs.</td>
</tr>
</tbody>
</table>

**TMP8 - CASH and CASH FLOW MANAGEMENT**

**Principle:** 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. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 [2] liquidity risk management. The present arrangements for preparing cash flow projections and their form are set out in the schedule below.

Schedule:

<table>
<thead>
<tr>
<th>Arrangements for preparing cash flow forecasts</th>
<th>Cash flow forecasts are prepared over three time horizons and are used to formulate the Council’s borrowing and investment strategy by identifying periods of surplus or shortfall of cash balances. The accuracy and effectiveness of the Council’s cash flows are dependent on the accuracy of estimating expenditure, income and their corresponding time periods. As the time horizon extends, it becomes more difficult to forecast with accuracy, and the usefulness of the forecast diminishes. Daily cash flows, show forecast and planned movements of cash on a daily basis, including the matching of known inflows and payments. A detailed annual cash flow is monitored and updated on a daily basis. It identifies the major inflows and outflows, and is prepared based on balance sheet analysis that incorporates the agreed revenue budget and capital programme for the financial year. An outline medium-term cash flow is prepared as part of the budget process, with projections for three further years, based on balance sheet analysis, that includes anticipated cash flows arising from the capital programme, the in-year capital financing requirement, and anticipated movements in reserves.</th>
</tr>
</thead>
</table>
### Content of cash flow projections

<table>
<thead>
<tr>
<th>Inflows:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Revenue Support Grant</td>
<td>▪ Precepts received</td>
</tr>
<tr>
<td>▪ Precepts received</td>
<td>▪ Non domestic rates receipts</td>
</tr>
<tr>
<td>▪ NNDR receipts from national pool</td>
<td>▪ Council tax receipts</td>
</tr>
<tr>
<td>▪ DSS / other government grants</td>
<td>▪ Cash for goods and services</td>
</tr>
<tr>
<td>▪ Council tax receipts</td>
<td>▪ DSS / other government grants</td>
</tr>
<tr>
<td>▪ Cash for goods and services</td>
<td>▪ Capital grants received</td>
</tr>
<tr>
<td>▪ Capital grants received</td>
<td>▪ Sale of fixed assets</td>
</tr>
<tr>
<td>▪ New short/long-term loans raised</td>
<td>▪ Maturing investments</td>
</tr>
<tr>
<td>▪ Maturing investments</td>
<td>▪ Interest received</td>
</tr>
<tr>
<td>▪ Interest received</td>
<td>▪ Discount on premature repayment of loans</td>
</tr>
<tr>
<td>▪ Discount on premature repayment of loans</td>
<td>▪ Waste management recharges</td>
</tr>
<tr>
<td>▪ Waste management recharges</td>
<td>▪ Transport for London</td>
</tr>
<tr>
<td>▪ Transport for London</td>
<td>▪ Other operating /capital cash receipts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outflows:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Salaries and payments on behalf of employees</td>
<td>▪ Housing Benefit paid</td>
</tr>
<tr>
<td>▪ Housing Benefit paid</td>
<td>▪ Precepts paid</td>
</tr>
<tr>
<td>▪ Precepts paid</td>
<td>▪ Business Rates Retention payments</td>
</tr>
<tr>
<td>▪ Business Rates Retention payments</td>
<td>▪ Payments to capital receipts pool</td>
</tr>
<tr>
<td>▪ Payments to capital receipts pool</td>
<td>▪ Purchase of fixed assets</td>
</tr>
<tr>
<td>▪ Purchase of fixed assets</td>
<td>▪ HMRC</td>
</tr>
<tr>
<td>▪ HMRC</td>
<td>▪ Loan repayments</td>
</tr>
<tr>
<td>▪ Loan repayments</td>
<td>▪ Interest paid</td>
</tr>
<tr>
<td>▪ Interest paid</td>
<td>▪ Premia on premature repayment of loans</td>
</tr>
<tr>
<td>▪ Premia on premature repayment of loans</td>
<td>▪ Short/long-term investments</td>
</tr>
<tr>
<td>▪ Short/long-term investments</td>
<td>▪ Capital element of finance lease rental payments</td>
</tr>
<tr>
<td>▪ Capital element of finance lease rental payments</td>
<td>▪ Interest element of finance lease rental payments</td>
</tr>
<tr>
<td>▪ Interest element of finance lease rental payments</td>
<td>▪ Other operating / capital cash payments</td>
</tr>
<tr>
<td>▪ Other operating / capital cash payments</td>
<td></td>
</tr>
</tbody>
</table>

### Bank statements procedures

The reconciliation of bank statements is carried out in the Finance Control section by officers not involved with day to day treasury management activities.

Where items are not posted to the general ledger automatically by a computerised sub-system, it is the responsibility of the end user/recipient to manually post them. This is to ensure a proper separation of duties.
**TMP 9 - MONEY LAUNDERING**

**Principle:** 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 staff members involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule below.

**Background Legislation:** The Proceeds of Crime Act (POCA) 2002 consolidated, updated and reformed criminal law in the UK in relation to money laundering. The principal offences relating to money laundering are:

- Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention use or control of criminal property
- Acquiring, using or possessing criminal property.

Other offences include failure to disclose money laundering offences, tipping off a suspect either directly or indirectly, and doing something that might prejudice an investigation.

Organisations pursuing relevant businesses were required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

In December 2007, the UK Government published the Money Laundering Regulations 2007, which replaced the 2003 Regulations.

CIPFA believes that public sector organisations should "embrace the underlying principles behind the money laundering legislation and regulations and put in place anti money laundering policies, procedures and reporting arrangements appropriate and proportionate to their activities".

**Schedule:**

<table>
<thead>
<tr>
<th>Anti money laundering policy</th>
<th>The Council’s Anti-money Laundering Policy and Procedures are published on the Council’s website (revised January 2016).</th>
</tr>
</thead>
</table>
| Procedures for establishing the Identity of Lenders and Borrowers | (a) In the course of its treasury activities, the Council will only borrow from permitted sources identified as set out in the ASR.  
(b) The Council will not accept loans from individuals.  
(c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list.  
(d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Bank of England / Prudential Regulation Authority’s website. |
| Responsible Officers | Any concern of a transaction possibly being linked to either money laundering or the proceeds of crime must be reported to the Head of Corporate Governance and Counter Fraud and Corruption Unit Manager. |
**TMP10 - TRAINING and QUALIFICATIONS**

**Principle:** The Council recognises the importance of ensuring that all staff involved in the treasury management function 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.

The responsible officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule below.

**Schedule:**

| Qualifications/ experience for treasury staff | It is essential for the Director of Finance, Head of Finance Strategy & Accounting and Finance Strategy Capability Lead to have full membership of a CCAB (or equivalent) accounting body.  

The Head of Finance Strategy & Accounting, Finance Strategy Capability Lead are also required to have:  

- knowledge and experience of money and capital market operations;  
- an awareness of available sources of funds and investment opportunities;  
- an ability to assess and control risk;  
- an appreciation of the implications of legal and regulatory requirements.  

The Senior Finance Analyst (Treasury) should have experience that demonstrates a high level of treasury management knowledge and expertise.  

The Finance Analyst (Treasury) should have proven experience in a financial service environment. |
|---|---|
| Details of approved training courses | The following list, although not exhaustive, lists courses/events the Council would expect its treasury personnel to consider for training:  

- **Training courses run by CIPFA and the Association of Corporate Treasurers and other appropriate organisations**  
- Workshops/seminars provided by Treasury Management Consultants  
- Workshops/training sessions provided by CIPFA Treasury Management Network  
- Attending CIPFA Conference  
- Specific training for those responsible for scrutiny of the treasury function  
- Internal training courses |
| Member requirements | The Head of Finance Strategy & Accounting and Finance Strategy Capability Lead will ensure that council members tasked with treasury management responsibilities, have access to training relevant to their needs and those responsibilities.  

Training will be provided to Members as part of their induction training and on-going Member Training Programme. |
**TMP11 - USE of EXTERNAL SERVICE PROVIDERS**

**Principle:** The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which 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, legislative requirements will always be observed. The monitoring of such arrangements rests with the responsible officer and details of the current arrangements are set out in the schedule below.

**Schedule:**

<table>
<thead>
<tr>
<th>Details of service providers and frequency for tendering services</th>
<th>a) <strong>Banking services:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>NatWest Bank and Barclays Bank PLC</td>
</tr>
<tr>
<td>Contract</td>
<td>Nat West: commenced 1 April 2007 for a period of five years (extended for an additional five years to 31 March 2017). <strong>New contract awarded to Lloyds Bank PLC, commencing 1 April 2017.</strong> Barcelona: commenced 1 April 2000. (Maintained for business continuity purposes).</td>
</tr>
</tbody>
</table>

| b) **Treasury advisor:** |
| --- | --- |
| Supplier | Arlingclose Ltd. |
| Contract | Commenced 1 July 2012 for an initial period of three years (extended for an additional two years to 30 June 2017). |

| b) **Treasury advisor:** |
| --- | --- |
| c) **Financial Information Service:** |
| Supplier | Thomson Reuters |

| d) **Brokers:** |
| --- | --- |
| It is considered good practice for the Council to have at least two brokers, and to maintain a spread of business between brokers in order to avoid relying on the services of any one broker. Costs will be established for services prior to using them. The choice of broker will take account of both price and quality of service. Brokers used by the Council are: |
| • ICAP plc |
| • BGC Brokers L.P. |
| • King & Shaxson |
| • Martin Brokers (UK) Ltd |
| • Tradition (UK) Ltd |
| • Tullett Prebon plc |
**Principle:** The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The arrangements detailed in the schedule below, 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.

**Schedule:**

| Principles and policies | The adoption by the Council of the CIPFA Treasury Management Code of Practice delivers the framework for demonstrating openness and transparency in the Council's treasury management function.  
| The principle and policies promoted in the Code; |
| | • establish the integrity of the function by clear treasury management policies, the separation of roles in treasury management and the proper management of relationships both within and outside the Council; |
| | • enhance accountability by a robust treasury management organisational structure, together with well-defined treasury management responsibilities and job specifications; and |
| | • lay the groundwork for fairness by promoting equality in treasury management dealings, absence of business favouritism and the creation of keen competition. |
| Documents available for public inspection (available on the Council's website). | | Annual Statement of Accounts  
| | • Treasury Management Code of Practice  
| | • Treasury Management Annual Strategy  
| | • Annual Treasury Management Report  
| | • Mid-year Treasury Management Review |