

15. TREASURY MANAGEMENT

15.1 ADOPTION OF CIPFA'S CODE OF PRACTICE

The Head of Finance and his staff shall observe the guidance laid down in the CIPFA Treasury Management in the Public Services – Code of Practice and Cross Sectoral Guidance Notes (Fully revised second edition 2009). Adoption of this Code was formally approved by Angus Council on 25 March 2010 (report 244/10 refers).

15.2 TREASURY MANAGEMENT PRINCIPLES

As part of the Code, CIPFA recommended that all public service organisations adopt 4 specific formal principles and that these be enshrined in appropriate governance documents. In this regard the following 4 clauses were formally adopted by Angus Council on 25 March 2010.

15.2.1 PRINCIPLE 1

Angus Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

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

15.2.2 PRINCIPLE 2

The full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

15.2.3 PRINCIPLE 3

This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Corporate Services Committee, and for the execution and administration of treasury management decisions to the Head of Finance who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

15.2.4 PRINCIPLE 4

This organisation nominates the Scrutiny and Audit Sub-Committee of the Strategic Policy Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

15.3 TREASURY MANAGEMENT POLICY STATEMENT

The Head of Finance shall prepare a Treasury Management Policy Statement which shall be adopted by the Council and thereafter shall be implemented and monitored by the Corporate Services Committee.

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15.4 TREASURY MANAGEMENT REPORTS

The following reporting arrangements have been adopted, in accordance with the requirements of the Code.

Report	Report To	Frequency
Treasury Management Policy Statement	Full council	Initial adoption in 2010
Treasury Management Strategy / Annual Investment Strategy	Full council	Annually before the start of the financial year
Treasury Management Strategy / Annual Investment Strategy – mid year report	Full council	Based on mid-year position - report presented in November
Treasury Management Strategy / Annual Investment Strategy – updates or revisions at other times	Full council	If / as required
Annual Treasury Outturn Report / Annual Investment Report	Full council	Annually by 30 September after the end of the financial year
Treasury Management Monitoring Reports	Corporate Services Committee	If / as required
Treasury Management Practices	Corporate Services Committee	Formal review every 2 years
Scrutiny of treasury management strategy	Scrutiny & Audit Sub-Committee	Annually before the start of the year *
Scrutiny of treasury management performance	Scrutiny & Audit Sub-Committee	Annually prior to Annual Outturn / Investment Report going to full Council

* - this may require a special meeting of the Sub-Committee.

15.5 THE CHIEF FINANCE OFFICER

All money in the hands of the Council shall be under the control of the officer designated for the purposes of Section 95 of the Local Government (Scotland) Act 1973 referred to in CIPFA's Code of Practice as the Chief Finance Officer. The Chief Finance Officer for Angus Council is the Head of Finance.

15.6 DELEGATED TREASURY MANAGEMENT POWERS

All executive decisions on borrowing, investment or financing are delegated to the Head of Finance who shall act in accordance with the Code and within the parameters of the strategy approved by Council.

15.7 DEPARTURE FROM THE CODE

Should the Head of Finance wish to depart in any material respect from the main principles of the Code or the approved strategy, the reasons should be disclosed in a report to the Council.

15.8 LOAN FINANCING

Any loan financing shall be subject to proper record keeping to ensure that the amount is repaid within the maximum permitted period using the appropriate repayment method.

**For clarification or any queries in respect of this section please contact
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