

Appendix D

Treasury Management and Bank Arrangements

1. TREASURY MANAGEMENT

Why is this important?

- 1.1 Many millions of pounds pass through the authority's books each year. This led to the establishment of codes of practice. These aim to provide assurances that the authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the authority's capital sum.

Key controls

- 1.2 That the authority's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and with the authority's treasury policy statement.
- 1.3 All monies held by the Council shall be under the control of the Chief Finance Officer who shall aggregate them for the purposes of Treasury Management.
- 1.4 All investments of money shall be made in the name of the Council and securities held in the custody of the Chief Finance Officer.

Responsibilities of the Chief Finance Officer

- 1.5 To arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the authority's treasury management policy statement.
- 1.6 To advise the relevant Portfolio Holder on the Treasury Management Policy Statement to be proposed to the Cabinet for adoption by Council.
- 1.7 To advise the relevant Portfolio Holder on suitable Treasury Management Practices to be proposed to the Cabinet for adoption.
- 1.8 To report annually on treasury management activities undertaken and results achieved to Cabinet.
- 1.9 To ensure that all investments of money are made in the name of the authority or in the name of nominees approved by the Full Council.
- 1.10 To ensure that all securities that are the property of the authority or its nominees and the title deeds of all property in the authority's ownership are held in the custody of the appropriate Chief Officer.
- 1.11 To effect all borrowings in the name of the authority and in accordance with the borrowing determinations approved by Council from time to time.
- 1.12 To act as the authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the authority.

Responsibilities of Chief Officers

- 1.13 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of Council, following consultation with the Chief Finance Officer.

Responsibilities of the Relevant Portfolio Holder

- 1.14 To propose to the Cabinet, on the advice of the Chief Finance Officer, the Treasury Management Policy Statement for adoption by Full Council.
- 1.15 To propose to the Cabinet for adoption, on the advice of the Chief Finance Officer, suitable Treasury Management Practices.
- 1.16 To propose to the Cabinet, on the advice of the Chief Finance Officer, the annual borrowing determinations under Section 45 of the Local Government and Housing Act 1989, before the commencement of each forthcoming financial year and at any such subsequent time during the financial year as is required, for adoption by Council. The Council must determine an overall borrowing limit for the year. In addition they must also determine a short term borrowing limit, and a limit on the proportion of the total amount of interest payable by the authority that is at a rate or rates that can be varied. The Council must make these determinations, and although they may subsequently be varied at any time, the Council must likewise determine variations.
- 1.17 To report annually to the Cabinet, on the advice of the Chief Finance Officer, about the treasury management strategy and plan to be adopted for the forthcoming financial year

2. LEASING AND OTHER FINANCIAL FACILITIES

Key Controls

- 2.1 The Chief Finance Officer is the only officer authorised to enter into an agreement for leasing and other financial facilities.

Responsibilities of the Chief Finance Officer

- 2.2 To evaluate and arrange all leasing and other financial facilities, excluding the short term hiring of equipment for periods of less than one year.

Responsibilities of Chief Officers

- 2.3 To consult the Chief Finance Officer about all proposals for the use of leasing and other financial facilities other than the short term hiring of equipment for periods of less than one year.
- 2.4 The Director of Corporate Services shall organise and administer all facilities relating to staff car leasing arrangements subject to 2.2 above and to the certification of individual leases by the Chief Finance Officer.

3. BANK ACCOUNTS AND CHEQUE SECURITY

Key Controls

3.1 The key controls for bank accounts and cheque security are:

- (a) The Chief Finance Officer is the only officer authorised to open, operate and close a bank account; and
- (b) The Chief Finance Officer and officers nominated by him are the only officers authorised to sign cheques and instigate or arrange other methods of payment.

Responsibilities of the Chief Finance Officer

- 3.2 To make arrangements for the opening, operation and closing of Bank, Building Society, Post Office, Giro Accounts and other appropriate accounts in respect of Council monies.
- 3.3 To make arrangements for the ordering, safe custody and issue of all cheque forms. All cheques issued shall be crossed "Account Payee" unless otherwise agreed by the Chief Finance Officer. The Chief Finance Officer shall also maintain adequate and effective systems for the receipt and control of returned cheques.
- 3.4 To make suitable arrangements for the machine signing of all computer generated cheques.
- 3.5 To nominate officers responsible for the hand countersigning of any cheque over £10,000, and all cheques drawn manually.
- 3.6 The Chief Finance Officer, or the officers nominated by him, shall certify alterations to cheques. Alterations to cheques shall, subject to the discretion of the Chief Finance Officer, be limited to the correction of the date and to the correction of a misspelling of the name of the payee.

Responsibilities of Chief Officers

- 3.7 To follow the instructions on banking issued by the Chief Finance Officer.

4. TRUST FUNDS AND UNOFFICIAL FUNDS

Responsibilities of Chief Officers

- 4.1 To arrange for all trust funds to be held, wherever possible, in the name of the authority. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Chief Finance Officer, unless the deed otherwise provides.
- 4.2 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.
- 4.3 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer, and to maintain written records of all transactions.

- 4.4 Unofficial funds (for example contributions towards the Chairman's Charity) shall be accounted for and kept separately from all Council monies.
- 4.5 Bank accounts for unofficial funds shall be operated through the Chief Finance Officer.
- 4.6 Receipts shall be issued for all sums collected for any unofficial fund except where deemed unnecessary after consultation with the Chief Finance Officer.
- 4.7 The Chief Finance Officer may consult with any Chief Officer on the form of records and the arrangements for the preparation of accounts for any unofficial fund and may carry out an audit thereon.
- 4.8 The Chief Finance Officer shall be consulted where there is doubt about the utilisation or operation of any unofficial fund.