

GOVERNANCE AND AUDIT COMMITTEE: 26 MARCH 2024

PROPOSED TREASURY MANAGEMENT PRACTICES - APRIL 2024 ONWARDS

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 9.2

Appendix 1 of this report is not for publication as it contains exempt information of the description in paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972

Reason for this Report

1. The Governance and Audit Committee Terms of Reference sets out their responsibility for seeking assurances that the Council has complied with the Treasury Management Strategy and Practices by demonstrating effective control of the associated risks and pursuing optimum performance consistent with those risks.
2. This report has been prepared to provide Governance and Audit Committee Members with the proposed Treasury Management Practices (TMP's) to apply from April 2024.

Background

3. The Council conducts its treasury management activities in accordance with a Treasury Management Code of Practice for public services, updated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2021. This requires the preparation of what are termed 'Treasury Management Practices' and the areas which these must cover are specified.
4. The purpose of TMP's is to demonstrate that the Council's Treasury Management activities are conducted in an open and transparent framework. These are reviewed periodically under delegation FS5 to the Corporate Director Resources.
5. These Treasury Management practices will continue to be revised during 2024/25 in line with technical or other updates.

Issues

6. The Council's proposed Treasury Management Practices are based on the requirements of the CIPFA Code and where relevant includes content as suggested by the Council's Treasury Management advisors in respect to Treasury investments. The document covers controls, processes and practices in the following twelve areas:-
- Treasury risk management.
 - Credit and counterparty risk management.
 - Liquidity risk management.
 - Interest rate risk management.
 - Exchange rate risk management.
 - Refinancing risk management.
 - Legal and regulatory risk management.
 - Fraud, error and corruption, and contingency management.
 - Market risk management.
 - Economic, Social and Governance
 - Performance management.
 - Decision-making and analysis.
 - Approved instruments, methods and techniques.
 - Organisation, clarity and segregation of responsibilities, and dealing arrangements.
 - Reporting requirements and management information arrangements.
 - Budgeting, accounting and audit arrangements.
 - Cash and cash flow management.
 - Money laundering.
 - Training and qualifications.
 - Use of external service providers.
 - Corporate governance.
7. The main changes compared to previous year are not material in nature and include updating for changes in the approved 2024/25 investment strategy; staff changes; review of risk register, insurance limits and terminology. Consultation has taken place on relevant sections of the practices with the Pension Fund, Internal and External Audit.

Reason for Recommendations

8. To note the proposed treasury management practices to apply from April 2024 which assists in the review and assessment of the risk management, internal control and corporate governance arrangements of the authority in relation to treasury activities.

Legal Implications

9. No direct legal implications arise from this report.

Financial Implications

10. There are no direct financial implications arising from this report.

RECOMMENDATIONS

11. Governance and Audit Committee to note the Treasury Management Practices to be implemented from April 2024.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES
26 March 2024

The following appendix is attached

Appendix 1 – Treasury Management Practices and Annexes – Valid from April 2024