

## 1 Adoption of CIPFA's Code of Practice

1.1 CIPFA recommends the adoption of, as part of the Council's Financial Procedure Rules, the following four clauses:

- a) This Council will create and maintain as the cornerstones for effective treasury management:
- Treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
  - Treasury management practices (TMPs), setting out the manner in which the organisation 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 circumstances of this Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- b) Full Council will receive reports on its treasury management policy and activities, including an annual strategy and plan in advance of the year, and an annual report after the year's close, in the form prescribed in its TMPs.
- c) The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Lead Member for Finance, Net Zero and Customer Delivery and for the execution and administration of treasury management decisions to the Executive Director of Resources, who will act in accordance with the Council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management. This delegation will extend to the Tri-Borough Director and the Tri-Borough Director's direct reports to approve investments within the limits authorised in this report.
- d) The Council nominates the Audit and Transparency Committee to be responsible for ensuring effective scrutiny of treasury management strategy and policies.

## 2. *Treasury Management Policy Statement*

2.1 The Council defines its treasury management activities as:

- the management of the Council's cash flows, borrowing and investments, its banking, money market and capital market transactions;
- the effective control of the risks associated with those activities; and
- the pursuit of optimum performance consistent with those risks.

- 2.2 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 2.3 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.