



**CAMBRIDGESHIRE
FIRE & RESCUE SERVICE**

Working together to improve community safety

TREASURY MANAGEMENT POLICY AND PRACTICES

This document details the policy of Cambridgeshire and Peterborough Fire Authority (the Authority) as implemented by Cambridgeshire Fire and Rescue Service (the Service/CFRS). It replaces all previous policy documents, Service Management and Administration Orders and forms relating to this subject and its content is based on legislation, nationally agreed terms and conditions and good practice.

If you have any queries about the Authority's policy, please contact Finance. Questions of procedure should be addressed to your line manager.

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1. Introduction

- 1.1 All money in the hands of the Fire Authority shall be aggregated for the purposes of treasury management, and shall be under the control of the Treasurer.
- 1.2 The Authority will prepare, adopt and maintain as the cornerstones for effective treasury management:
 - 1.2.1 A Treasury Management Policy Statement, stating the over-riding principles and objectives of its treasury management activities, And as an integral part of that statement,
 - 1.2.2 Treasury Management Practices, setting out the manner in which the Authority will achieve these principles and objectives, and prescribing how it will manage and control these activities.

2. Treasury Management Policy Statement

- 2.1 The Fire Authority defines the policies and objectives of its treasury management activities as follows:
 - 2.1.1 The management of the Authority's cash flows, 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;
 - 2.1.2 The Authority 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 the risk implications for the Authority.
 - 2.1.3 This Authority 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 best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

3. Treasury Management Practices

- 3.1 Risk Management
 - 3.1.1 **Liquidity**
 - 3.1.1.1 The Authority's bank accounts are maintained so that there are always adequate funds to cover the current day's financial transactions. On a monthly basis funds are transferred from the income account to finance all expenditure within the payments and salaries and wages bank accounts, via an electronic inter-account transfer process.
 - 3.1.1.2 Approved minimum cash balances and short-term investments are as follows:
 - a) Bank overdraft arrangements - A £250,000 overdraft at 1% over base has been agreed as part of the bank tender. The overdraft is assessed on a group basis for the Authority's accounts.
 - b) Short-term borrowing facilities - The Authority accesses temporary loans through the Public Works Loan Board (PWLb) and the financial market. The approved borrowing limit for short-term debt is 30% of total debt.

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- c) Insurance/guarantee - None.

3.1.2 Interest Rate

- 3.1.2.1 For details of approved interest rate exposure limits and guidelines/triggers for managing changes to interest rate levels, reference should be made to the annual treasury management strategy statement.

a) Minimum/maximum proportions of variable rate debt/interest

The maximum proportion of interest on borrowing which is subject to variable rate interest 100%

The minimum proportion of interest on borrowing which is subject to variable rate interest 0%

b) Minimum/maximum proportion of fixed rate debt/interest

The maximum proportion of interest on borrowing which is subject to fixed rate interest 100%

The minimum proportion of interest on borrowing which is subject to fixed rate interest 0%

c) Policies concerning the use of financial derivatives and other instruments for interest rate management (required).

- Forward dealing
Consideration will be given to dealing from forward periods dependent upon market conditions. When forward dealing is more than one week forward then the approval of the Treasurer is required.
- Callable deposits.
Presently the approved investment instruments do not permit the use of callable deposits.
- LOBOs (borrowing under Lender's Option/Borrower's Option).
- Use of LOBOs are considered as part of the annual borrowing strategy. The Treasurer must approve all borrowing for periods in excess of 364 days.

3.1.3 Exchange Rate

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- 3.1.3.1 The Authority may have exposure to exchange rate risk. This will mainly arise from the receipt of income or the incurring of expenditure in a currency other than sterling. The Authority will eliminate all foreign exchange exposures as soon as they are identified.
- 3.1.3.2 Where there is a contractual obligation to receive income or make a payment in currency other than sterling at a date in the future, forward foreign exchange transactions will be considered, with professional advice. Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity.
- 3.1.4 **Inflation**
- 3.1.4.1 During the current period of low and stable worldwide inflation there is little requirement for an active consideration of the impact of inflation. The key consideration is that investments reap the highest real rate of return, with debt costing the lowest real cost, consistent with other risks mentioned within this section.
- 3.1.4.2 Inflation both current and projected, will form part of the debt and investment decision-making criteria both within the strategy and operational considerations.
- 3.1.5 **Credit and Counterparty Policies**
- 3.1.5.1 The Treasurer will formulate a suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising time, type, sector and specific counterparty limits.
- 3.1.5.2 The Head of Finance and Corporate Development will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties. The complete list of approved counterparties will be included in the annual report and reported to the Fire Authority.
- 3.1.5.3 The Authority will use credit criteria in order to select creditworthy counterparties for placing investments with.
- 3.1.5.4 Credit ratings will be used as supplied from one or more of the following credit rating agencies:-
- Fitch Ratings
 - Moody's Investors Services
 - Standard and Poor's
- 3.1.5.5 Treasury Management Consultants will provide a monthly update of all ratings relevant to the Authority.

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3.1.5.6 The approved counterparty list is determined by the following criteria:-

ORGANISATION	CRITERIA	MAX AMOUNT	MAX PERIOD
UK Clearing Bank and UK Building Society	A1 or P1 short term backed up by AAA or AA long term credit rating. Assets over £15,000m if not rated.	25% of available funds up to £10m per institution.	1 year
UK Clearing Bank and UK Building Society	A1 or P1 short term backed up by an A long term Credit Rating. Assets over £5,000m if not rated.	25% of available funds up to £10m per institution.	1 year
UK Clearing Bank and UK Building Society	Non rated clearers. Assets over £1,000m	£2m	6 months
Government backed Institutions	Government Supported	25% of available funds up to £10m per institution.	1 year
Local Authorities	N/A	£2m	1 year
Non-UK bank and Institution	A1 or P1 short term backed up by AAA or AA long term credit rating. Assets over £15,000m if not rated.	£2m	1 year
Money Market Funds CNAV/LVNAV/VNAV	AAA	100% of available funds	Liquid

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3.1.5.7 The Authority will not invest in subsidiaries.

3.1.5.8 The maximum value for any one investment transaction will be £2,000,000

3.1.5.9 The maximum level of investment with any one group of counterparties will be £2,000,000.

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3.1.5.10 Credit ratings for individual counterparties can change at any time. The Treasurer is responsible for applying the stated credit rating criteria for selecting approved counterparties, and will add or delete counterparties as appropriate to/from the approved counterparty list when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers. This is delegated on a daily basis to the Head of Finance and Corporate Development.

3.1.5.11 The Treasurer will also adjust lending limits and periods when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers in accordance with the criteria in 1.5.1.6. This is delegated on a daily basis to the Head of Finance and Corporate Development.

3.1.6 Refinancing

3.1.6.1 The reasons for any debt rescheduling to take place will include:

- The generation of cash savings at minimum risk;
- To reduce the average interest rate;
- To enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility)

3.1.6.2 All rescheduling will be reported to the Fire Authority, at the meeting immediately following its action.

3.1.6.3 The Authority will not seek to limit refinancing exposure of the loan portfolio that matures in any one year owing to the current low borrowing levels.

3.1.6.4 A four year plan for capital expenditure for the Authority will be prepared as part of the budget planning strategy. The capital plan will be used to prepare a four year revenue budget for loan charges of principal repayments, interest and expenses that will take account of the plans for capital expenditure, loan repayments and forecasts of interest rate changes.

3.1.6.5 The revenue budget for loan charges is based on the capital plan. The main sources of borrowing for the Authority is the PWLB. The amount which can be borrowed in any one year is called quota and this is based on loan repayments and capital spend.

3.1.6.6 The Authority is required to set aside 100% of any capital receipts generated to finance new capital expenditure as an alternative to new borrowing (this is not an addition to the capital allocation).

3.1.7 Legal and Regulatory Practices

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- 3.1.7.1 The treasury management activities of the Authority shall comply fully with legal statute and the regulations of the Authority. These are:
- CIPFAs Treasury Management Code of Practice
 - Standard of Professional Practice on Treasury Management
 - The Non Investment Products Code (NIPs)
 - The Authority's Financial Regulations
 - The Authority's Scheme of Delegated Responsibilities.
- 3.1.7.2 Lending shall only be made to counterparties on the Authorised list. This list has been compiled with advice from the Authority's treasury advisers, who have fully researched the background and credit of counterparties using credit ratings of Fitch Ratings, Moody's Investor Services and Standard and Poor's plus balance sheet analysis.
- 3.1.7.3 The Treasurer shall take appropriate action with the Authority's Chief Fire Officer and the Chairman of the Fire Authority to respond and manage appropriately political risks such as change of majority Group, Leadership etc.
- 3.1.8 **Fraud, Error and Corruption, and Contingency Management**
- 3.1.8.1 Authority:
- Loan procedures are defined in the Authority's Financial Regulations.
 - All loans, including PWLB, are negotiated by the Treasurer or authorised persons.
 - Evidence of authority is shown for all CHAPS/BACS payments. The payment letter is signed and dated by the person authorising the transaction. A separate letter is written to the bank which is initialled by the person within the Finance and Contract Management Group checking the payment and by the person authorising the release of the payment.
 - A detailed register of loans and investments will be maintained. This will be updated to record all lending and borrowing, including the date of the transaction, brokerage fees etc. This will be independently checked to the financial ledger.
 - Adequate and effective cash flow forecasting records will be maintained to support the decision to lend or borrow.
 - Written confirmation from the institution will be received.
 - The CHAPS/BACS payment letter completed above will be retained on file.

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- All transactions placed through the brokers are confirmed by a broker note showing details of the loan arranged.
- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy. The amount paid on long-term loans by direct debit to lenders is checked.
- Interest rates generated and debt management expenses are compared with other local authorities and against the Treasury Strategy Statement.
- These interest and expense rates are input to the financial ledger.

3.1.8.2 Regularity

- All lending is only made to institutions on the Approved List.
- All loans raised and repayments made go directly to and from the institutions bank account.
- Authorisation limits are set for every institution (Refer Paragraph 3.1.5.6.)
- Brokers have a list of named officials authorised to perform loan transactions.
- There is adequate insurance cover for employees involved in loans management and accounting.
- The control totals for borrowing and lending are regularly reconciled with the financial ledger by the Senior Finance Officer as part of the monthly management accounts preparation process.
- There is a separation of duties in the Finance and Contract Management Group between the repayment of a loan and its checking and authorisation. The bank reconciliation is carried out regularly from the bank statement to the financial ledger.

3.1.8.3 Security

- The financial ledger and the banking systems can only be accessed by a password.
- CHAPS/BACS payments can only be authorised by a list of passwords that have been agreed with the current provider of our banking services.

3.1.8.4 Insurance Cover Details

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- The Fire Authority has 'Fidelity' guarantee cover with the protection arrangements of Fire & Rescue Indemnity Company (FRIC). This covers the loss of cash by fraud or dishonesty of employees.
- The Authority also has an 'Officials Indemnity' insurance policy with FRIC which covers loss to the Authority from the actions and advice of its officers which are negligent and without due care. This cover is limited to £5,000,000 for any one event .

4. Best Value and Performance Measurements

4.1 Methodology to be applied for evaluating the impact of Treasury Management decisions.

4.1.1 An efficiency review of the Treasury Management function will be undertaken on a three-year cycle.

4.1.2 The Authority's treasury management consultants will review the existing debt portfolio annually and all transactions that have occurred in the interim in order to ensure that best practice has been achieved.

4.2 Policy Concerning Methods for Testing Best Value in Treasury Management

4.2.1 Banking Services

- Banking services will be retendered or renegotiated before the expiry of three years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends. The process for advertising and awarding contracts will be in line with the Authority's Contract Standing Orders.

4.2.2 Money-broking services

- The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. Brokers will be used on the recommendation of the Treasury Consultants.

4.2.3 Consultants'/Advisers' Services

- Professional treasury management consultants and separate leasing advisory consultants have been appointed.

4.2.4 4.2.4 Policy on External Managers

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- The Authority's will use Link Treasury Services Ltd who will add our investment to other Authority's funds, in order to access investments that have a minimum deposit level higher than our investment limits. This will allow the Authority to access better interest rates. policy is not to appoint external investment fund managers. The reasons for this is that core/surplus funds do not exceed £10 million which is considered the minimum required for external management; in terms of both providing the fund manager with adequate resources for diversification and to justify the fee.

4.3 The following methods are to be employed for Measuring the Performance of the Organisation's Treasury Management Activities

- Performance measured against Annual Treasury Strategy Statement targets.
- Compliance to CIPFA Code of Treasury Management.
- Prudential Indicators.
- Expenses contained within approved budget.
- Review of benchmarking club data.

5 Decision Making Analysis

5.1 Funding, Borrowing, Lending and New Instruments/Techniques

5.1.1 The following records will be used relative to each loan or investment.

- Daily cash projections.
- Telephone rates.
- Dealing slips for all money market transactions - including rate changes.
- PWLB loan schedules.
- Prudential Indicators.
- European International Bank (EIB) loan schedules.
- Temporary loan receipts.

5.1.2 Processes to be pursued

- Cash flow analysis.
- Maturity analysis.

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- Ledger reconciliations.
 - Review of borrowing requirement.
 - Prudential Indicators.
 - Monitoring of projected loan charges and interest and expenses costs.
 - Collation of monthly performance information.
- 5.1.3 The following issues need to be taken into account to assist effective decision making:
- 5.1.3.1 In respect of every decision made the Authority will:
- a) Above all be clear about the nature and extent of the risks to which the organisation may become exposed.
 - b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained.
 - c) Be content that the documentation is adequate both to deliver the organisation's objectives and protect the organisation's interests, and to deliver good housekeeping.
 - d) Ensure that third parties are judged satisfactory in the context of the organisation's creditworthiness policies, and that limits have not been exceeded.
 - e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.
- 5.1.3.2 In respect of borrowing and other funding decisions the Authority will:

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- a) Evaluate the economic and market factors that might influence the manner and timing of any decision to fund.
- b) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships.
- c) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
- d) Consider the ongoing revenue liabilities created, and the implications for the Authority's future plans and budgets.

5.1.3.3 In respect of investment decisions the Authority will:

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

6 Approved Instruments, Methods and Techniques

6.1 The following are Treasury Management Activities

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Authority's capital financing and surplus funds activities;
- managing cash flow;
- banking activities;

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- leasing.

6.2 **Approved Instruments for Investments**

Where surplus funds are held they will be placed on short-term deposit with either the Authority's bankers, other local authorities or other banks or building societies as detailed on the Authority's approved list of counterparties.

6.3 **Approved Techniques**

- forward dealing up to 364 days
- LOBOs

6.4 **Approved methods and Sources of Raising Capital Finance**

Finance will only be raised in accordance with the Local Government and Housing Act 1989, and within this limit the Authority has a number of approved methods and sources of raising capital finance.

These are:

On Balance Sheet	Fixed	Variable
PWLB	•	•
EIB	•	•
Market (long-term)	•	•
Market (temporary)	•	•
Market (LOBOs)	•	•
Local temporary	•	•
Leasing (not operating leases)	•	•
Other Methods of Financing		
Government and EC Capital Grants		
PFI/PPP		
Operating leases		

All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Treasurer has

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delegated powers through this Policy and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

7 Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements

7.1 Index of Schedules

	Paragraph
Limits to responsibilities/discretion at Fire Authority/Executive level.	7.1.1
Principles and practices concerning segregation of duties.	7.1.2
Treasury management organisation chart.	7.1.3
Statement of duties/responsibilities of each treasury post.	7.1.4
Absence cover arrangements.	7.1.5
Dealing Limits.	7.1.6
List of approved brokers.	7.1.7
Policy on brokers services.	7.1.8
Policy on taping-recording of conversations.	7.1.9
Direct dealing practices.	7.1.10
Settlement transmission procedures.	7.1.11
Documentation requirements.	7.1.12

7.1.1 Limits to Responsibilities/Discretion at Fire Authority/Executive level

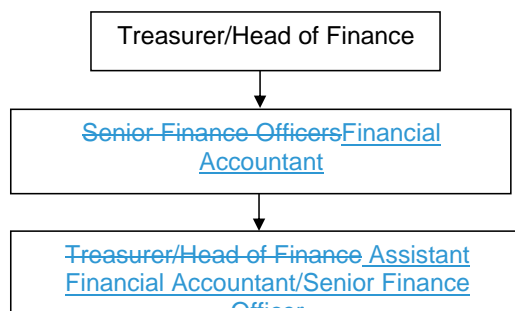
- a) The Fire Authority will receive and review reports on treasury management policies, practices and activities, the annual treasury management strategy and annual report on debt rescheduling.
- b) The Treasurer will be responsible for amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices.
- c) The Treasurer will approve the segregation of responsibilities.
- d) The Treasurer will receive and review external audit reports and put recommendations to the Scrutiny and Performance Committee.
- e) Approving the selection of external service providers and agreeing terms of appointment will be decided by the Treasurer in accordance with Financial Regulations.

7.1.2 Principles and Practices concerning segregation of duties

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- All new long-term borrowing is authorised by the Treasurer in conjunction with the Head of Finance ~~and Corporate Development~~.
- Transactions relating to pre-existing agreements are delegated to the Head of Finance ~~and Corporate Development~~.
- Short-term borrowing is authorised by the Head of Finance ~~and Corporate Development~~.

7.1.3 Treasury Management Organisation Chart



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7.1.4 Statement of duties/responsibilities of each treasury post

The Treasurer will:

- a) Recommend clauses, treasury management policy/practices for approval, reviewing the same on a regular basis, and monitoring compliance.
- b) Submit treasury management policy reports as required.
- c) Submit budgets and budget variations in accordance with Financial Regulations and guidance.
- d) Receive and review management information reports.
- e) Review the performance of the treasury management function and promote best value reviews.
- f) Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- g) Ensure the adequacy of internal audit, and liaising with external audit.
- h) Recommend the appointment of external service providers in accordance with the Authority's standing orders.

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The Treasurer has delegated powers through this policy to take the most appropriate form of investments in approved instruments.

The Treasurer may delegate their power to borrow and invest to members of his/her staff. The Treasurer, the Head of Finance and Corporate Development or the Senior Finance officer must conduct all dealing transactions, or staff authorised by the Treasurer to act as temporary cover for leave/sickness. All transactions must be authorised by at least two of the named officers above.

The Treasurer and the Monitoring Officer will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Treasurer to be satisfied, by reference to the Authority's legal department and external advisers as appropriate, that the proposed transaction does not breach any statute, external regulation or Authority's Financial Regulations.

It is also the responsibility of the Treasurer to ensure that the Authority complies with the requirements of The Non Investment Products Code (NIPs) for principals and broking firms in the wholesale markets.

The Head of Finance and Corporate Development will be responsible for:

- a) Execution of transactions.
- b) Adherence to agreed policies and practices on a day-to-day basis.
- c) Maintaining relationships with third parties and external service providers.
- d) Monitoring performance on a day-to-day basis.
- e) Submitting management information reports to the responsible officer.
- f) Identifying and recommending opportunities for improved practices.

The Chief Fire Officer will be responsible for:

- g) Ensuring that the Treasurer reports regularly to the Fire Authority on treasury policy, activity and performance.

The Monitoring Officer will be responsible for:

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- a) Ensuring compliance by the Treasurer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the Treasurer when advice is sought.

Internal Audit will be responsible for:

- a) Reviewing compliance with approved policy and procedures.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

7.1.5 Absence Cover Arrangements

In the absence of the Treasurer, the appropriate duties/responsibilities will be undertaken by the Director of Resources.

7.1.6 Dealing Limits

A maximum of £5million is set as a dealing limit.

7.1.7 List of Approved Brokers

A list of approved brokers is maintained within the Finance and Contract Management Group and a record of all transactions recorded against them.

7.1.8 Policy on Brokers' Services

It is the Authority's policy to rotate business between brokers.

7.1.9 Policy on taping-recording of conversations

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It is not Authority's policy to ~~tape-record~~ brokers conversations.

7.1.10 Direct Dealing Practices

Direct dealing practices will be used where additional benefits are forthcoming. A list of contacts will be maintained in liaison with the Authority's Treasury Consultants.

7.1.11 Settlement Transmission Procedures

CHAPS/BACS payment or BACS if requested.

7.1.12 Documentation Requirements

All CHAPS/BACS payment records will be recorded in the CHAPS/BACS payments file. Each individual loan will be updated on the register. All CHAPS/BACS payments will be independently confirmed. All loan payments will be reconciled to the financial ledger on at least a monthly basis.

8 Reporting Requirements and Management information Arrangements

8.1 Annual Treasury Management Strategy Statement

8.1.1 The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Fire Authority for approval before the commencement of each financial year.

8.1.2 The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this Authority may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.

8.1.3 The Treasury Management Strategy is concerned with the following elements:

- the current Treasury portfolio position;
- the prospects for interest rates;
- the limits placed by this organisation on treasury activities;

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- the expected borrowing strategy;
- the expected temporary investment strategy;
- the expectations for debt rescheduling;
- borrowing requirements;
- any extraordinary treasury issue.

8.1.4 The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

8.2 Policy on Interest Rate Exposure

8.2.1 It is a statutory duty under S.3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow and to set certain limits to control the risks associated with borrowing and investment.

8.2.2 The Authority must have regard to the Prudential Code when setting the various limits required of treasury management decisions and must ensure that the impact on capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax/rent levels is 'acceptable'.

8.2.3 The prudential limits are laid down in the annual Treasury Strategy Statement. The Treasurer is responsible for incorporating these limits into the annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits the Treasurer shall submit the changes for approval to the Policy and [Finance-Resources](#) Committee before submission to the Fire Authority for approval

8.3 Annual Report on Treasury Management Activity

8.3.1 An annual report will be presented to the Fire Authority at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following:-

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- a) a comprehensive picture for the financial year of all treasury policies, plans, activities and results;
- b) transactions executed and their revenue (current) effects;
- c) report on risk implications of decisions taken and transactions executed;
- d) monitoring of compliance with approved policy, practices and statutory/regulatory requirements;
- e) monitoring of compliance with powers delegated to officers;
- f) degree of compliance with the original strategy and explanation of deviations;
- g) explanation of future impact of decisions taken on the organisation;
- h) measurements of performance;
- i) report on compliance with CIPFA Code recommendations.

8.4 Management Information Reports

8.4.1 Management information reports will be prepared every month by the ~~Senior Finance Officer~~[Financial Accountant](#) and presented to the Head of Finance/Treasurer.

8.4.2 These reports will contain the following information:

- a) a summary of transactions executed and their revenue implications;
- b) measurements of performance including effect on loan charges
- c) degree of compliance with original strategy and explanation of variances.

8.5 Periodic Monitoring Committee Reports

8.5.1 The Fire Authority will receive and consider as a minimum:

- a) an annual treasury strategy before the commencement of the new financial year;

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- b) an annual treasury management activity before the 30 September after the year end to which it relates;
- c) the outcome of debt rescheduling undertaken as soon as possible after completion of the exercise.

9 Budgeting, Accounting and Audit Arrangements

9.1 Statutory/Regulatory Requirements

The Accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain which is recognised by statute as representing proper accounting practices.

9.2 Accounting Practices and Standards

Due regard is given to the Statements of Recommended Practice and Accounting Standards as they apply to Local Authorities in Great Britain. The Authority adopts in full the principles set out in CIPFAs 'Code of Best Practice and Guide for Treasury Management in the Public Services' (the 'CIPFA Code and Guide'), together with those of its specific recommendations that are relevant to this Authority's treasury management activities.

9.3 Budget Setting Exercise

A budget for interest, expenses and loan charge costs is prepared as part of a budget setting exercise.

10 Cash and Cashflow Management

10.1 Arrangements for Preparing/Submitting Cash Flow Statements

10.1.1 Information is collated from a number of sources by the Finance and Contract Management Group. It is entered into an excel spreadsheet and monitored.

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10.2 Procedures for Banking of Funds

- 10.2.1 All money received by an Officer on behalf of the Authority will without unreasonable delay be paid to the Authority's banking accounts. No deductions may be made from such money save to the extent that the Treasurer may specifically authorise.

10.3 Practices Concerning Prepayments to Obtain Benefits

- 10.3.1 All prepayments must be authorised by the appropriate budget holder in accordance with the scheme of delegation.

11 Staff Training and Qualifications

- 11.1 Details of staff training needs will be identified as part of the training needs analysis undertaken during staff appraisals.
- 11.2 Treasury Management seminars will be attended as appropriate.

12 Use of External Service Providers

12.1 Details of Contracts with Service Providers, including Bankers, Brokers, Consultants, Advisers

- 12.2 Name of supplier of service is Barclays Bank. The branch address is:

Corporate Banking
Barclays Bank plc
[PO Box 8859 - 11 St Andrews Street](#)
[Mortlock House](#)[Cambridge](#)
[Vision Park](#)
[Histon](#)
[Cambridge](#)
[GB4 9DE](#)

- a) Contract commenced 1 April 1998.
- b) Cost of service is variable depending on schedule of tariffs and volumes.
- c) Payments due quarterly.

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12.3 Consultants'/advisers' services

12.3.1 Treasury/Leasing Consultancy Services

- a) Name of supplier of service is [Sector Treasury Services-Link Treasury Services](#) Limited. Their address is:

[40 Dukes Place The Registry
London SE3 4, Beckenham Road
EC3A 7NH BR3 4TU](#)

Tel: [0870 402 7878 0207 2047677](#)

- ~~b) — Contract commenced 1 February 2006 and runs for 3 years.~~

- ~~c) b) — Cost of service is £4,000-£3,000 per year.~~

- ~~d) — Payments due once a year in February.~~

12.3.2 Other Consultancy Services

Other Consultancy services may be employed on short-term contracts as and when required.

13 CORPORATE GOVERNANCE

13.1 List of Documents to be made available for Public Inspection

Annual Accounts

Annual Budget

4 Year Capital Plan

Treasury Management Policy

Treasury Management Strategy

Annual Treasury Report

Access to Fire Authority minutes at Libraries