Appendix 7

CIPFA Treasury Management Code of Practice - Revision

Key Changes to the Code

- Enhancing Scrutiny Role - it will be a public body's responsibility to identify an appropriate body or individual to have responsibility for the scrutiny function which may be a committee such as a finance scrutiny committee or audit committee.

- Minimum Reporting Requirements – the need for an interim/mid-year report to Council in addition to the existing requirements for Treasury Management Strategy to be approved prior to the start of the financial year and a report presented after the end of the financial year detailing operational activity throughout the year.

- Member Training – the Section 151 Officer to be responsible for ensuring that appropriate training is made available to those Members responsible for Treasury Management

- Treasury Management Indicators – certain Prudential Indicators relating to Treasury Management are now to be include in the TM Strategy

Key Changes to Guidance Notes

- Emphasis on not over relying on credit ratings - that organisations should not solely rely on credit ratings when choosing a counterparty, but should use all available market information.

- Diversification policy - a sound diversification policy will include country, sector and group limits

- Clarification that responsibility for TM must remain in organisation – this only applies where external fund managers are used.

- Statement that policies and procedures must be followed – clarification that officers involved in treasury management must follow the treasury management policies and procedures

NB. It is understood that CIPFA intends to provide additional guidance on certin issues via the publication of TM Bulletins. These issues include:

- Treasury Management Advisors – roles and responsibilities

- Skills Matrix – for officers and Members

- Generally available market information – identification of potential sources