

**FORMAL RESOLUTIONS ADOPTING THE UPDATED TREASURY
MANAGEMENT CODE – RECOMMENDED FOR APPROVAL**

1. As set out in paragraphs 7 – 9 of the main report, CIPFA's updated Treasury Management in the Public Services Code of Practice invites local authorities to formally recognise the code by adopting a number of resolutions. Except for additional monitoring and scrutiny, the resolutions are similar to those adopted in February 2002 when the code was last updated.
2. *Southwark Council adopts CIPFA's updated Treasury Management in the Public Services Code of Practice published November 2009 and further agrees:*
 - a. *The council assembly shall receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.*
 - b. *The council assembly invites the Constitutional Steering Panel to consider which committee or Panel is best placed to monitor and scrutinise treasury management further.*
 - c. *The council assembly delegates all strategic, executive, execution, administrative and operational decisions, including the creation and maintenance of treasury management practices to the finance director, who shall act in accordance with the treasury policy statement, referred to below, and if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.*
 - d. *The council shall create and maintain:*
 - *a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.*
 - *suitable 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.*

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- e. *Southwark Council's adopts the treasury management policy statement and treasury management practices as set out below:*

i) TREASURY MANAGEMENT POLICY STATEMENT

- treasury management is the management of the council's investments and cash flows, 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.

- 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 shall be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and recognise that effective treasury management shall 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.

ii) TREASURY MANAGEMENT PRACTICES

- The council's treasury management practices (TMP) shall include:

TMP1 Risk management

TMP2 Performance measurement

TMP3 Decision-making and analysis

TMP4 Approved instruments, methods and techniques

TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements

TMP6 Reporting requirements and management information arrangements

TMP7 Budgeting, accounting and audit arrangements

TMP8 Cash and cash flow management

TMP9 Money laundering

TMP10 Training and qualifications

TMP11 Use of external service providers

TMP12 Corporate governance