

# Service Document Procedure: Treasury Management Practices



**Buckinghamshire**  
**FIRE & RESCUE SERVICE**  
*we save lives*

To:	Document Type:	✓	Document Summary:
All Staff but particularly finance staff, senior officers and Members.	Policy		Handbook that covers the rules and procedures to follow in line with BMKFA treasury management strategy, policies and procedures.
	Assessment		
	Procedure	✓	Includes all operational and authorisation aspects of investment and borrowing, banking and cash management, including division of duties and authorisation.
	Guidance Note		
	Technical Note		
	Information		
	Safety Critical		In particular it sets out third party and level of investment restrictions in conjunction with the prevailing treasury management strategy.
<b>Financial Instructions:</b>			
<b>Please note that as Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed, always check for latest version.</b>			

## ~~1. Document History~~

### 1. Changes since the last version

1.1 Version 1 – Treasury Management operations commencing 1<sup>st</sup> April 2013.

1.2 Version 2 – Revisions in-line with the revised Annual Investment Strategy 2018/19 and latest Finance team structure.

**Please note that as Service Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed. Always check the intranet for the latest version.**

## **2. Introduction and Responsibility**

2.1 These instructions are part of the financial control framework, which exists both to ensure the proper application and control of public money and to safeguard officers involved in financial processes.

2.2 The framework includes the Authority's Standing Orders as to Contracts, The Treasury Management Strategy, Financial Regulations and Instructions and any manuals of guidance or financial policy statements issued by the Authority.

2.3 The Chief Finance Officer, issues these practices and procedures.

2.4 References to "officer" include all employees of the Authority.



## **Treasury Management Practices**

### **Buckinghamshire & Milton Keynes Fire Authority**

<b>1.</b>	<b>TMP 1 Risk Management .....</b>	<b>3</b>
<b>2.</b>	<b>TMP 2 Performance Measurement.....</b>	<b>6</b>
<b>3.</b>	<b>TMP 3 Decision-Making And Analysis.....</b>	<b>6</b>
<b>4.</b>	<b>TMP 4 Approved Instruments, Methods and Techniques .....</b>	<b>7</b>
<b>5.</b>	<b>TMP 5 Organisations, Clarity and Segregation of Responsibilities, and Dealing Arrangements .....</b>	<b>7</b>
<b>6.</b>	<b>TMP 6 Reporting Requirements and Management Information Arrangements.....</b>	<b>8</b>
<b>7.</b>	<b>TMP 7 Budgeting, Accounting and Audit Arrangements.....</b>	<b>8</b>
<b>8.</b>	<b>TMP 8 Cash and Cash Flow Management .....</b>	<b>9</b>
<b>9.</b>	<b>TMP 9 Money Laundering .....</b>	<b>9</b>
<b>10.</b>	<b>TMP 10 Training and Qualifications .....</b>	<b>9</b>
<b>11.</b>	<b>TMP 11 Use of External Service Providers .....</b>	<b>10</b>



<b>12.</b>	<b>TMP 12 Corporate Governance .....</b>	<b>10</b>
<b>13.</b>	<b>SCHEDULE A – Risk Management .....</b>	<b>11</b>
<b>14.</b>	<b>SCHEDULE B – Performance Management .....</b>	<b>25</b>
<b>15.</b>	<b>SCHEDULE C – Decision Making and Analysis .....</b>	<b>28</b>
<b>16.</b>	<b>SCHEDULE D – Approved instruments, methods and techniques.</b>	<b>30</b>
<b>17.</b>	<b>SCHEDULE E – Organisation, clarity and segregation of responsibilities, and dealing arrangements .....</b>	<b>32</b>
<b>18.</b>	<b>SCHEDULE F – Reporting requirements and management information .....</b>	<b>41</b>
<b>19.</b>	<b>SCHEDULE G – Budgeting, accounting and audit arrangements..</b>	<b>45</b>
<b>20.</b>	<b>SCHEDULE H – Cash and cash flow management .....</b>	<b>47</b>
<b>21.</b>	<b>SCHEDULE I – Money Laundering .....</b>	<b>49</b>
<b>22.</b>	<b>SCHEDULE J – Training and qualifications .....</b>	<b>52</b>
<b>23.</b>	<b>SCHEDULE K – Use of external service providers .....</b>	<b>53</b>
<b>24.</b>	<b>SCHEDULE L – Corporate Governance.....</b>	<b>55</b>

### TMP 1 Risk Management

The Section 112 Officer, in accordance with the procedures set out in TMP6 *Reporting requirements and management information arrangements* will:

- ❖ design, implement and monitor all arrangements for the identification, management and control of treasury management risk,
- ❖ report at least annually on the adequacy/suitability thereof, and
- ❖ report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation’s objectives in this respect

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in **Schedule A**.

#### **1.1 Credit and Counterparty Risk Management**

Credit and counter-party risk is the risk of failure by a third party to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the third party’s diminished creditworthiness, and the resulting detrimental effect on the Authority’s capital or revenue resources.



The Fire Authority regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in *TMP4 Approved Instruments Methods and Techniques* and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

## **1.2 Liquidity Risk Management**

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Authority's business/service objectives will be thereby compromised.

The Section 112 Officer will ensure that the Authority has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The Authority will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

## **1.3 Interest Rate Risk Management**

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Authority's finances, against which the authority has failed to protect itself adequately.

This Section 112 Officer will manage exposure to fluctuations in interest rates with a view to containing interest costs, and securing interest revenues, in accordance with the amounts provided in the budgetary arrangements as amended in accordance with *TMP6 Reporting requirements and management information arrangements*.

These objectives will be achieved by the prudent use of the Authority's approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

## **1.4 Exchange Rate Risk Management**



The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Authority's finances, against which the organisation has failed to protect itself adequately.

Not applicable as the Authority's policy is to invest in UKGBP Sterling deposits only.

## **1.5 Refinancing Risk Management**

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Authority for those refinancing, both capital and revenue, and/or that the terms are inconsistent with prevailing market conditions at the time.

The Authority will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Authority as can reasonably be achieved in the light of market conditions prevailing at the time.

The Authority will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

## **1.6 Legal and Regulatory Risk Management**

The risk that the Authority itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

The Section 112 Officer will ensure that all of the Authority's treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing the Authority's credit and counterparty policy under TMP1[1.1] *Credit and counterparty risk management*, the Section 112 Officer will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Authority, particularly with regard to duty of care and fees charged.

The Section 112 Officer recognises that future legislative or regulatory changes may impact on the Authority's treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Authority.



## **1.7 Fraud, Error and Corruption, and Contingency Management**

The risk that the Authority fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

The Authority will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements to these ends.

## **1.8 Market Risk Management**

The risk that, through adverse market fluctuations in the value of the principal sums the Authority borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

The Authority will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

## **TMP 2 Performance Measurement**

### **Evaluation and Review of Treasury Management Decisions**

The Fire Authority is committed to the pursuit of value for money and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of on-going analysis of the value it adds in support of the Authority's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and or the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in **Schedule B**.

## **TMP 3 Decision-Making And Analysis**

The Authority will maintain full records of its treasury management decisions and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past and for demonstrating that reasonable steps



were taken to ensure that all issues relevant to those decisions were taken into account at the time.

The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in **Schedule C**.

## TMP 4 Approved Instruments, Methods and Techniques

The Section 112 Officer will undertake the Authority's treasury management activities by employing only those instruments, methods and techniques outlined in **Schedule D** and within the limits and parameters defined in TMP 1 *Risk Management*.

## TMP 5 Organisations, Clarity and Segregation of Responsibilities, and Dealing Arrangements

The Authority considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of risk of fraud or error and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner and that there is at all times clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions and the audit and review of the treasury management function.

If and when the Authority intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 112 Officer will ensure that the reasons are properly reported in accordance with TMP 6 *Reporting requirements and management information arrangements* and the implications properly considered and evaluated.

The Section 112 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements for absence cover. The Section 112 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. Present arrangements are detailed in *Schedule E*.

The Section 112 Officer will ensure there is proper documentation for all deals and transactions and that procedures exist for the effective transmission of funds. The present arrangements are detailed in **Schedule E**.

The delegations to the Section 112 Officer and the treasury officers in respect of treasury management are set out in **Schedule E**. The responsible officer will fulfil



all such responsibilities in accordance with the Authority's policy statement and TMP's and, if a CIPFA member, *the Standard of Professional Practice on Treasury Management*.

## TMP 6 Reporting Requirements and Management Information Arrangements

The Section 112 Officer will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting the Council's treasury management activities; and on the performance of the treasury management function.

As a minimum the Fire Authority via Executive Committee will receive:

- ❖ An annual report on the strategy and plan to be pursued in the coming year
- ~~❖ A mid-year review~~
- ❖ An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Authority's treasury management policy statement and TMP's.
- ~~❖ Regular monitoring reports on treasury management activities and risks~~

The Overview and Audit Committee will have responsibility for the scrutiny of treasury management policies and practices and will receive quarterly reports on treasury management activity and performance.

The Authority will report the treasury management indicators as detailed in the local authority guidance notes.

The present arrangement and form of these reports are detailed in **Schedule F**.

## TMP 7 Budgeting, Accounting and Audit Arrangements

The Section 112 Officer will prepare and the Authority will approve and if necessary from time to time will amend an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function together with the associated income. The matters to be included in the budget will at a minimum be those require by statute or regulation, together with such information as will demonstrate compliance with TMP 1 *Risk management*, TMP 2 *Performance measurement* and TMP 4 *Approved*





*instruments, methods and techniques.* The form the Authority's budget will take is set out in **Schedule G**.

The Section 112 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP 6 *Reporting requirements and management information arrangements*.

The Authority will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standard, and with statutory and regulatory requirements in force for the time being.

## TMP 8 Cash and Cash Flow Management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this ~~Council~~Authority will be under the control of the Section 112 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis and the Section 112 Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP 1 (1.2) *Liquidity risk management*. The present arrangements for preparing cash flow projections and their form are set out in **Schedule H**.

## TMP 9 Money Laundering

The Authority is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this area are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are set out in **Schedule I**.

## TMP 10 Training and Qualifications

The Fire Authority recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills to complete their role effectively.

The Fire Authority operates a ~~Professional Development Review~~Training Needs Analysis system, which identifies the training requirements of individual members of staff engaged on treasury related activities. This will also apply to those staff that from time to time cover for absences from the treasury management team. The Section 112 Officer will recommend and implement the necessary arrangements.



The Section 112 Officer will ensure that Authority members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

Present arrangements are detailed in **Schedule J**.

### TMP 11 Use of External Service Providers

The Fire Authority recognises that responsibility for treasury management decisions remains with the Authority at all times. It recognises that there may be potential value of employing external providers of treasury management services in order to acquire access to specialist skills and resources. When it employs such service providers it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits.

It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subject to regular review. AndFurthermore, it will ensure, where feasible and necessary, that a spread of service providers is used to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Section 112 Officer and details of the current arrangements are set out in **Schedule K**.

### TMP 12 Corporate Governance

The Authority is committed to the pursuit of proper corporate governance throughout its business and services and to establishing the principles and practices by which this can be achieved. Accordingly the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Authority has adopted and has implemented the key principles of the Code of Practice on Treasury Management. This, together with the other arrangements detailed in **Schedule L** to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 112 officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.



## SCHEDULE A – Risk Management

### Credit and Counterparty Risk

The Fire Authority applies the creditworthiness service provided by [Sector.Link Asset Services](#). This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- ❖ ~~credit~~Credit watches and credit outlooks from credit rating agencies
- ❖ CDS spreads to give early warning of likely changes in credit ratings;
- ❖ ~~sovereign~~Sovereign ratings to select counterparties from only the most creditworthy countries.
- ❖ This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority as a basis to determine the suggested duration for investments. The Authority will therefore use counterparties within the following durational bands:

- ~~❖ Yellow — 5 years~~
- ~~❖ Purple — 2 years~~
- ~~❖ Blue — 1 year (only applies to nationalised or semi-nationalised UK Banks)~~
- ~~❖ Orange — 1 year~~
- ~~❖ Red — 6 months~~
- ~~❖ Green — 3 months~~
- ~~❖ No colour — not to be used~~

<u>Colour Rating (UK Counterparties)</u>	<u>Colour Rating (Non UK Counterparties)</u>
<u>Yellow - 5 Years and 6 Months</u>	<u>Yellow - 5 Years</u>
<u>Purple - 2 Years and 6 Months</u>	<u>Purple - 2 Years</u>
<u>Blue - 1 Year and 6 Months (only applies to nationalised or semi-nationalised UK Banks)</u>	<u>Blue - 1 Year</u>
<u>Orange - 1 Year and 6 Months</u>	<u>Orange - 1 Year</u>
<u>Red - 1 Year</u>	<u>Red - 6 Months</u>
<u>Green - 9 Months</u>	<u>Green - 3 Months</u>



No colour not to be used (except for building societies on our counterparty list which the Authority can invest with for a maximum duration of 365 days limited to a maximum investment of £2 million per counterparty)

No colour not to be used

The ~~Sector~~Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Authority use will be

- ❖ a short term rating (Fitch or equivalents) of short term rating F1
- ❖ long term rating A-
- ~~❖—viability rating of A- and;~~
- ~~❖—a support rating of 1~~

There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used, depending on the advice provided by our external advisors. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the ~~Sector~~Link creditworthiness service.

- ❖ if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- ❖ in addition to the use of credit ratings the Authority will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use:

- ❖ market data and market information,
- ❖ information on government support for banks and;
- ❖ the credit ratings of that supporting government.
- ❖ quality financial press

The Authority will also consider investing in AAA rated money market funds during



the year.

## **Country Limits**

~~The Authority has determined that it will only use approved counterparties based within the United Kingdom at present.~~

In 2014/15, the Authority determined that it would not only use approved counterparties based within the United Kingdom during the year but allowed a limited number of counterparties from outside of the UK to be used. Although none of these counterparties have been used to date, these will remain on the lending list.. In addition, any counterparty rated at least 'Green' by Link should be added to the counterparty list regardless of location. The primary purpose of this is not to increase yield, but to provide additional diversity to the portfolio to effectively manage risk. A number of non-UK banks are ranked higher than some of the UK banks on the Authority's current counterparty list. Therefore, the Authority proposes to limit the duration of all non UK investment in line with Link's recommended limits and remove the limit of 100 days set in previous years for non-UK banks.

## **Counterparty Limits**

~~The~~As per the 2017/18 AIS, the Authority has determined that the maximum balance that can be invested with a single counterparty at any point in time will be £5m or no more than 30% of the portfolio, whichever up to a limit is the greater of £5 million.

There are two exceptions to this limit in the 2017/18 AIS will continue to be Lloyds, where the maximum balance that can be invested will be a limit of £7.5 million. Of this £7.5 million, no more than £5 million will be invested in non-instant access (call) accounts.

The rationale for this is that Lloyds are the Authority's main banking provider, and as part of the contract will pay credit interest on all balances at a rate of Base Rate minus 0.10% (currently giving an effective rate of 0.65%). This means that:

- A higher rate can be achieved than on most other instant-access accounts
- The staff time taken to move money between our main bank account and other instant access account is reduced
- The banking charges associated with the movement of the money between accounts is reduced
- The additional risk exposure to the Authority is minimal as all amounts over the current £5 million limit would be available for withdrawal immediately should circumstances require

The other exception relates to non-rated building societies on our counterparty listing whereby the maximum balance that can be invested will be limited to £2 million for a maximum duration of 365 days.



## Specified and Non Specified Investments

In accordance with CLG's Guidance for Local Government Investments in England and The Local Authorities (Capital Finance and Accounting) (Amendment) Regulations SI 534 No 2004, the Authority will determine, through its Annual Treasury Strategy report, the 'Specified' and 'Non-Specified' investments it will use for its surplus funds.

- Specified investments – these are investments with high security and high liquidity. All specified investments are in sterling and have a maturity of no more than ~~one year~~ five years. They will be with the UK government, a local authority, a parish council or with an investment scheme or body of “high credit quality” (as judged against the Creditworthiness Policy detailed earlier in this paper). Specified investments currently available to the Authority are deposits with the Debt Management Office, banks, building societies and other local authorities, as well as investments in money market funds.
- Non-specified investments – any type of investment that ~~is not a specified investment. The Authority does not plan to make any non-specified investments during the year.~~ does not meet the specified investment criteria. A maximum of £5 million will be held in aggregate in non-specified investments for longer than 364 days – up to a maximum of five years and 6 months as denoted by the yellow banding on the Link creditworthiness policy detailed earlier in this paper. In addition, property funds are also classified as non-specified investments and a maximum of £3 million will be held in aggregate [subject to further approval from the Fire Authority].

## Liquidity Risk

### **Amounts of approved minimum cash balances and short-term investments**

The Treasury Management section shall seek to minimise the balance held in the Fire Authority's main bank ~~accounts~~ account at the close of each working day. ~~Generally However, a total balance of £50k will up to £2.5m may be held across all in the main accounts. Borrowing or lending shall be arranged in order to achieve current account. The Authority will receive interest on this aim balance from its banking provider.~~

### **Details of:**

#### ~~a. Standby facilities~~

~~At the end of each financial day any unexpected surplus funds are transferred to an instant access call account which is available from the Fire Authority's main bank. The balance on this account is instantly accessible if the group bank account becomes overdrawn.~~



**b.a. Bank overdraft arrangements**

An overdraft of £75k has been agreed as part of the banking services contract. The overdraft is assessed on an individual account basis for the Fire Authority's accounts, so that no single account should be in an overdrawn position at the end of the day.

**e.b. Short-term borrowing facilities**

The Fire Authority accesses temporary loans through approved brokers on the London money market. The approved borrowing limit for short-term debt is £1m.

**d.c. Insurance/guarantee facilities**

There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

**e.d. Special payments**

The proposed BACS run will be reviewed each week for any special payments above the level anticipated. This will then be factored into the cash flow forecast going forwards.

**Interest Rate Risk**

***Details of approved interest rate exposure limits***

Upper limits on fixed and variable interest rates means that from the total portfolio of investments, no more than 20% of investments held by the Authority at any one time can be agreed at variable interest rates. There is no limit to the number of investments held at fixed interest rates.

***Trigger points and other guidelines for managing changes to interest rate levels***

It is ~~not~~ anticipated that there ~~will~~may be ~~any change~~ small stepped changes to the Bank of England base rate during ~~2013/14~~2018/19. If the rate were to move, the investment strategy would be reviewed in light of this. PWLB rates are reviewed periodically to determine whether there are any opportunities for early repayment on advantageous terms.

Upper limit for fixed interest rate exposure

Indicator	Actual	Estimate	Estimate	Estimate
	<del>2011/12</del> <u>2017/18</u>	<del>2012/13</del> <u>2018/19</u>	<del>2013/14</del> <u>2019/20</u>	<del>2014/15</del> <u>2020</u>
Upper limit on fixed interest	100%	100%	100%	100%



rate exposures				
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Upper limit for variable interest rate exposure

<b>Indicator</b>	<b>Actual 2011/12 2017/18</b>	<b>Estimate 2012/13 2018/19</b>	<b>Estimate 2013/14 2019/20</b>	<b>Estimate 2014/15 2020/21</b>	<b>Estimate 2015/16 2022</b>
Upper limit on variable interest rate exposures	20%	20%	20%	20%	20%

***Policies concerning the use of instruments for interest rate management***

*a. forward dealing*

Consideration will be given to dealing from forward periods dependent upon market conditions. When forward dealing is more than 1 month forward then the approval of the Section 112 Officer is required.

*b. callable deposits*

The Fire Authority will use callable deposits as part as of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Schedule of Specified and Non Specified Investments appended to the AIS.

*c. LOBOS (borrowing under lender’s option/borrower’s option)*

Use of LOBOs are not considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days must be approved by the Full Authority.

**Exchange Rate Risk**

Not applicable as the Authority’s policy is to invest in UK GBP sterling deposits only.

**Refinancing Risk**

***Debt/Other Capital Financing, Maturity Profiling, Policies and Practices***

The Fire Authority will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation





will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) to amend the maturity profile and /or the balance of volatility of the debt portfolio.

The CFA will be required to approve any early repayment of borrowing in advance.

### ***Projected Capital Investment Requirements***

The responsible officer will prepare a three year plan for capital expenditure for the Fire Authority. The capital plan will be used to prepare a three year revenue budget for all forms of financing charges.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

### ***Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing***

In considering the affordability of its capital plans, the Fire Authority will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the three following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this four year period. (Note: paragraph 30 of the Prudential Code gives examples of matters relevant to the consideration of affordability, although this is not an exhaustive list.)

The Fire Authority will use the definitions provided in the Prudential Code for borrowing (65), capital expenditure (66), capital financing requirement (67), debt (68), financing costs (69), investments (70), net borrowing (71), net revenue stream (72) and other long term liabilities (73).

### ***PFI, Partnerships, ALMOs and guarantees***

The Authority is not currently exposed to any of the above.

### **Legal and Regulatory Risk**

### ***References to Relevant Statutes and Regulations***



The treasury management activities of the Fire Authority shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Fire Authority. These are:

**English Authorities: -**

- Local Government Act 2003 and relevant statutory instruments
- Guidance on Investments ODPM 12.3.2004 (revised 1.4.10)
- Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006 Statutory Instrument No. 521
- S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- S.I. 2008 no. 414 (Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- S.I. 2009 no. 321 (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- S.I. 2009 no. 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009
- S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Revised Guidance on Investments CLG 1.4.2010
- Localism Act 2011
  
- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Fire Authority is likely to get into a financially unviable position.
  
- CIPFA’s Treasury Management Codes of Practice and Guidance Notes 2011,
- CIPFA Prudential Code for Capital Finance in Local Authorities revised 2011
- CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 2002
- CIPFA Standard of Professional Practice on Continuous professional Development 2005
- CIPFA Standard of Professional Practice on Ethics 2006
- The Good Governance Standard for Public Services 2004
- LAAP Bulletins
- Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice
  
- PWLB circulars on Lending Policy

## Service Document Procedure: Treasury Management Practices



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- The FX Global Code - (formerly known as The Non-Investment Products Code (NIPS) – (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.
- The UK Money Markets Code
  - Financial Services Authority's Code of Market Conduct
  - The Fire Authority's Standing Orders relating to Contracts
  - The Fire Authority's Financial Regulations
  - The Fire Authority's Scheme of Delegated Functions



***Procedures for Evidencing the Fire Authority's Powers/Authorities to Counterparties***

The Fire Authority's powers to borrow and invest are contained in legislation.

Investing: Local Government Act 2003, section 12

Borrowing: Local Government Act 2003, section 1

In addition, the Authority will make available on request the following: -

- a. the Scheme of Delegations which states which officers have the authority to carry out Treasury Management activities on behalf of the Authority
- b. the document which sets out which officers are the ~~authorized~~authorised signatories

***Required Information on Counterparties***

Lending shall only be made to counterparties on the Approved Lending list, as held within the TreasuryLive system. This list has been compiled using advice from the Fire Authority's treasury advisers based upon credit ratings supplied by Fitch, Moodys and Standard & Poors.

***Statement on the Fire Authority's Political Risks and Management of Same***

The Section 112 officer shall take appropriate action with the Fire Authority, the Chief Fire Officer and the Leader of the Fire Authority to respond to and manage appropriately political risks such as change of majority group, leadership in the Fire Authority, change of Government etc.

***Monitoring Officer***

The monitoring officer is the Director of Legal & Governance; the duty of this officer is to ensure that the treasury management activities of the Fire Authority are lawful.

***Chief Finance Officer (Section 112 Officer)***

The Chief Finance Officer is the Director of Finance and Assets; the duty of this officer is to ensure that the financial affairs of the Fire Authority are conducted in a prudent manner and to make a report to the Fire Authority if he has concerns as to the financial prudence of its actions or its expected financial position.



## **Fraud, Error and Corruption and Contingency Management**

The Fire Authority will:-

- a) seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- b) fully document all of its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- c) employees of the Authority will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

### ***Details of systems and procedures to be followed, including internet services***

#### **Authority**

- ❖ The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- ❖ All loans and investments are negotiated by the responsible officer or authorised persons.
- ❖ Loan procedures are defined in the Fire Authority's Financial Regulations.

#### **Procedures**

Detailed procedures covering electronic banking, CHAPS payments and the use of the treasury management system are available to authorised persons. The high level procedures are shown below:

- Electronic Banking
  - Balances are checked at the beginning of the day, and also late in the day to check for unexpected income;
  - ~~Balances are transferred between accounts to ensure that no account is overdrawn;~~
  - Any surplus cash is ~~either transferred to an instant access/notice account or~~ placed on a term deposit ~~or in a Money Market Fund or held on the Bank account as detailed.~~
- CHAPS payments
  - CHAPS payments are made via the HSBCnetLloyds electronic banking system;
  - All payments are input by an authorised officer, and then approved by a more senior officer before being released
- Accessing the Treasury Management System
  - There are three users, all with a unique username and password;



- The system records investments, loans and cash flows. It does not have the ability to enter into any new arrangements or make any payments;
- A full audit trail of all entries made on the system is recorded in real time.

## Investment and borrowing transactions

- ❖ A detailed register of all loans and investments is maintained in the TreasuryLive system.
- ~~❖ A written acknowledgement of each deal is sent promptly to the lending or borrowing institution where transactions are done directly with the organisation.~~
- ❖ Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the HeadDirector of Finance and Assets for resolution.
- ❖ All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the HeadDirector of Finance and Assets for resolution.
- ❖ Contract notes for transactions carried out by the external fund manager(s) will be received as executed and maintained on the TreasuryLive system.

## Regularity and security

- ❖ Lending is only made to institutions on the Approved List of Counterparties.
- ❖ The TreasuryLive system prompts the authorised persons that money borrowed or lent is due to be repaid.
- ❖ All loans raised and repayments made go directly to and from the bank account of approved counterparties or a custodian
- ❖ Counterparty limits are set for every institution that the Fire Authority invests with and are maintained on the TreasuryLive system.
- ❖ Brokers have a list of named officials authorised to agree deals.
- ❖ There is a separation of duties in the section between dealers and the checking and authorization of all deals.
- ❖ The Fire Authority's banksbank and all counterparties hold a list of Fire Authority officials who are authorised signatories for treasury management transactions.
- ❖ Payments can only be authorised ~~in a formal letter~~ by an authorisedagreed signatory, the list of signatories having previously been agreedlodged with the current provider of our banking services.
- ❖ The TreasuryLive system can only be accessed by a username and password.
- ❖ There is adequate insurance cover for employees involved in loans management and accounting.

## Checks



- ❖ The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
- ❖ The TreasuryLive system balances are proved to the balance sheet ledger codes at the end of each monthquarter and at the financial year end.
- ❖ A debt charge/investment income listing is produced every monthquarter when a review is undertaken against the budget for interest earnings and debt costs.

## **Calculations**

The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the TreasuryLive system. The TreasuryLive system automatically calculates periodic interest payments of PWLB and other long term loans. This is used to check the amount paid to lenders.

## **Emergency and Contingency Planning Arrangements**

### *Disaster Recovery Plan.*

If the offices where treasury management is normally undertaken are unavailable, emergency facilities will be provided ~~as part of the SLA with Buckinghamshire County Council for disaster recovery.~~ All finance employees now have their own laptops and therefore can carry out treasury functions securely from a location where they have access to the internet. If the electronic banking system is unavailable, balances and payment functionality are available from HSBCLloyds Bank via telephone or in-branch facilities.

All members of the treasury management team are familiar with this plan and new members will be briefed on it.

All computer files are backed up on the server to enable files to be accessed from remote sites. The TreasuryLive system is hosted by an external service provider. ~~A hardcopy file will be maintained to enable continuity of service if the system is unavailable.~~ This will be updated daily to show the total value of investments outstanding, dates of maturity and other significant cash flow items.

## **Insurance Cover Details**

### *Fidelity Insurance*

The Fire Authority has 'Fidelity' insurance cover with TravelersZurich Insurance Company Ltd. This covers the loss of cash by fraud or dishonesty of employees. This cover is limited to £5m for any one event.

### *Professional Indemnity Insurance*



The Fire Authority also has a 'Professional Indemnity' insurance policy with [TravelersZurich](#) Insurance Company Ltd which covers loss to the Fire Authority from the actions and advice of its officers which are negligent and without due care. This cover is limited to £2m for any one event.

### *Business Interruption*

The Fire Authority also has a 'Business Interruption' cover as part of its property insurance with [TravelersZurich](#) Insurance Company Ltd.

### **Market Risk**

#### ***Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (Gilts, CDs, Etc.)***

These are controlled through setting limits on investment instruments where the principal value can fluctuate. The limits are determined and set through the Annual Investment Strategy.





## SCHEDULE B – Performance Management

The approaches to be followed in evaluating treasury management decisions are:

-

- a. ~~monthly~~quarterly reviews and reporting carried out by the treasury management team
- b. regular reviews with our treasury management consultants
- c. annual review after the end of the year as reported to full Fire Authority
- d. ~~half yearly / quarterly / other~~ monitoring reports to ~~committee / full Fire Authority as applicable~~the Overview and Audit Committee
- e. comparative reviews
- f. strategic, scrutiny and efficiency value for money reviews

### ***Periodic reviews during the financial year***

The Director of Finance and Assets holds a treasury management review meeting with the ~~Head of Finance and the Technical~~Principal Accountant at least every quarter to review actual activity against the Treasury Management Strategy Statement and cash flow forecasts.

This will include :

- a) Total debt (both on-and off balance sheet) including average rate and maturity profile
- b) Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.

### ***Reviews with our treasury management consultants***

The treasury management team holds reviews with our consultants every 3-6 months to review the performance of the investment and debt portfolios.

### ***Annual Review after the end of the financial year***



An Annual Treasury Report is submitted to the Fire Authority each year after the close of the financial year which reviews the performance of the debt / investment portfolios. This report contains the following: -

- a. total debt and investments at the beginning and close of the financial year and average interest rates
- b. borrowing strategy for the year compared to actual strategy
- c. investment strategy for the year compared to actual strategy
- d. explanations for variance between original strategies and actual
- e. debt rescheduling done in the year
- f. actual borrowing and investment rates available through the year
- g. comparison of return on investments to the investment benchmark (7 day LIBID)
- h. compliance with Prudential and Treasury Indicators
- i. other matters of relevance at the time

### **Comparative reviews**

IfAs and when data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data used will be sourced from: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club
- Other relevant information

### **Benchmarks and Calculation Methodology**

#### *Debt management*

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

#### *Investment*

The performance of investment earnings will be measured against the following benchmarks: -

7 day LIBID

Bank of England Base Rate



It is expected that the overall rate of return on investments will exceed the above ~~measure~~measures.

Performance will also be measured against other local authority funds with similar benchmark and parameters managed by other fund managers.

### ***Policy Concerning Methods for Testing Value for money in Treasury Management***

*Frequency and processes for tendering:*-Tenders are normally awarded on a triennial basis. The process for advertising and awarding contracts will be in line with the Fire Authority's Contract Standing Orders.

#### *Banking services*

The Fire Authority's banking arrangements are to be subject to competitive tender every five years unless it is considered that there will be changes in the volume of transactions in the foreseeable future which renders a shorter period appropriate.

If tendering is not considered appropriate a specialist banking company must be appointed to ensure that the terms offered represent value for money.

#### *Money-broking services*

The Fire Authority will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

An approved list of brokers will be established which takes account of both prices and quality of services.

#### *Consultants'/advisers' services*

The Fire Authority's policy is to appoint full-time professional treasury management consultants and separate leasing advisory consultants (see also Schedule K).

### ***Policy on External Managers (Other than relating to Superannuation Funds)***

The Fire Authority's policy is not to appoint external investment fund managers.



## SCHEDULE C – Decision Making and Analysis

### Records to be kept

The Treasury section has a computerised TreasuryLive system in which all investment and loan transactions are recorded. Full details of the system are covered in the user manual. The following records will be retained electronically where relevant:

- Daily cash balance forecasts
- Money market rates obtained by telephone from brokers
- Dealing slips for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly
- PWLB loan confirmations
- PWLB debt portfolio schedules.
- Certificates for market loans, local bonds and other loans
- Contract notes received from fund manager(s)
- Fund manager(s) valuation statements

### Processes to be pursued

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc).

### **In respect of every treasury management decision made the Fire Authority will:**

- a) Above all be clear about the nature and extent of the risks to which the Fire Authority 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 Fire Authority's objectives and protect the Fire Authority's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the Fire Authority'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.
- f) In respect of borrowing and other funding decisions, the Fire Authority will:**
  - a) consider the on-going revenue liabilities created, and the implications for the organisation's future plans and budgets
  - b) evaluate the economic and market factors that might influence the manner and timing of any decision to fund
  - c) consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships
  - d) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.

**In respect of investment decisions, the Fire 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 Fire Authority to changes in the value of its capital;



SCHEDULE D – Approved instruments, methods and techniques

**Approved Activities of the Treasury Management Operation**

- . 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 Fire Authority’s capital financing and surplus funds activities;
- . managing cash flow;
- . banking activities;
- . leasing.

**Approved Instruments for Investments**

Please refer to the section on Specified and Non-Specified Investments

**Approved Techniques**

- . Forward dealing
- . The use of structured products such as callable deposits

**Approved Methods and Sources of Raising Capital Finance**

Finance will only be raised in accordance with the Local Government Act 2003), and within this limit the Fire Authority has a number of approved methods and sources of raising capital finance. These are:

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Local temporary	●	●
Overdraft		●
Internal (capital receipts & revenue balances)	●	●
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

**Other Methods of Financing**

- Government and EC Capital Grants
- Lottery monies
- PFI/PPP
- Operating leases

## Service Document Procedure: Treasury Management Practices



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Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The responsible officer has delegated powers in accordance with Financial Regulations, Standing Orders, the Scheme of Delegation to Officers Policy and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

### **Investment Limits**

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

### **Borrowing Limits**

See the Treasury Management Strategy Statement and Prudential and Treasury Indicators.



## SCHEDULE E – Organisation, clarity and segregation of responsibilities, and dealing arrangements

### ***Allocation of responsibilities***

#### **(i) Fire Authority**

- receiving and reviewing reports on treasury management policies, practices and activities.
- approval of annual strategy.
- approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices.
- budget consideration and approval.
- approval of the division of responsibilities.
- ~~receiving and reviewing regular monitoring reports and acting on recommendations.~~
- approving the selection of external service providers and agreeing terms of appointment.

#### **(ii) Overview and Audit Committee**

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- receiving and reviewing regular monitoring reports and acting on recommendations.
- 

### ***Principles and Practices Concerning Segregation of Duties***

The following duties must be undertaken by separate officers: -

Dealing	Negotiation and approval of deal. Receipt and checking of broker's confirmation note against loans diary. Approval of bank reconciliation
Accounting Entry	Production of transfer note. Processing of accounting entry
Authorisation/Payment of Deal	Entry onto system. Approval and payment.





***Treasury Management Organisation Chart***

Director of  
Finance and  
Assets

(Section 112  
Officer)

I

~~Head of Finance~~

~~(Deputy S112  
Officer) Principal  
Accountant~~

I

~~Finance Officer  
(Transactions  
Exchequer and  
Reporting)~~

I

Finance  
Assistant

~~Technical  
Accountant (Exch  
equer  
Transactions and  
Reporting)~~

~~————— I~~

~~Senior Finance  
Officer  
(Exchequer and  
Reporting)~~

I



~~Finance  
Assistant~~

~~(Exchequer and  
Reporting)~~

**Statement of the treasury management duties/responsibilities of each treasury post:-**

**The responsible officer (S112 Officer)**

The S112 or responsible officer is the person charged with professional responsibility for the treasury management function and in this Fire Authority is the Director of Finance and Assets.

**Individual Responsibilities**

**Director of Finance and Assets** (or, in his/her absence, the ~~Head of Finance~~ Principal Accountant)

- a. recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- b. submitting regular treasury management policy reports
- c. submitting budgets and budget variations
- d. receiving and reviewing management information reports
- e. reviewing the performance of the treasury management function
- f. ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- g. ensuring the adequacy of internal audit, and liaising with external audit
- h. recommending the appointment of external service providers.
- i. The responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j. The responsible officer may delegate the power to borrow and invest to members of staff, the current delegations are outlined below:-

**Borrowing**

Section 112 Officer                      Long term borrowing up to the authorised limit, temporary borrowing up to £2 million

<del>Head of Finance</del>	<del>Long term borrowing up to the authorised limit, temporary borrowing up to £2 million</del>
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~~Technical~~ Principal Accountant                      Temporary Borrowing up to £1 million

# Service Document Procedure: Treasury Management Practices



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~~Senior~~ Finance Officer No authorisation  
Finance Assistant No authorisation

## **Investments**

Section 112 Officer Investments up to 5 years

~~Head of Finance~~

~~Investments up to 5 years~~

~~Technical~~Principal Accountant Investments up to ~~1 year~~3 years

~~Senior~~ Finance Officer Investments up to ~~95 days~~1 year

Finance Assistant Investments up to 1 month

- k. The ~~Head of Director~~ Finance, ~~Technical & Assets, Principal~~ Accountant, ~~Management Accountant, Senior~~ Finance Officer and Finance Assistant must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave/sickness. All transactions must be authorised by at least two of the named officers above.
- l. The responsible officer will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- m. Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Fire Authority's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Fire Authority's Financial Regulations
- n. It is also the responsibility of the responsible officer to ensure that the Fire Authority complies with the requirements of The ~~Non Investment Products~~FX Global Code (formerly known as The ~~London Non Investment Code of Conduct~~)Practice and the UK Money Markets Code for principals and broking firms in the wholesale markets.

## ~~Head of Finance (or, in his/her absence, the Director of Finance and Assets)~~

- ~~a. Take steps to provide adequate internal checks and division of duties.~~
- ~~b. Ensure that there is a clear written statement of the responsibilities delegated to each post engaged in Treasury Management. Because of the particular demands of Treasury Management, this statement should also clearly specify the arrangements for absence cover.~~
- ~~c. Ensure all persons engaged in Treasury Management receive appropriate training.~~
- ~~d. Ensure that the treasury activities of the local authority follow the appropriate processes set out and that adherence to them can be verified.~~



- ~~e. Monitor Prudential Indicators and Treasury Management activities. Such monitoring should include performance measurement utilising appropriate measures.~~
- ~~f. Undertake reviews of the Treasury Management function at least twice a year which will examine costs, performance, earlier decisions and trends.~~
- ~~g. Take account of the cash flow budget as part of the budgetary process and consider the need to report thereon.~~
- ~~h. Prepare a budget for the treasury function which will be included as part of the published budget.~~
- ~~i. Comply with CIPFA's Standard of Professional Practice on Treasury Management.~~
- ~~j. Be responsible for the reporting procedure and the drafting of the Practices Document.~~
- ~~k. Authorise the transfer of funds to or from externally managed investments.~~
- ~~l. Approve Input Officers and Authorising Officers for the Banking system.~~
- ~~m. Approve or undertake borrowing from the PWLB, or market sources.~~

### **Technical**

**Principal Accountant Post** (in his/her absence, the **Management Accountant/Finance Officer** will assume responsibility)

- a. Report weekly on lending, including returns against budget and target to the Director of Finance, and the Head of Finance, or borrowing and cost of borrowing.
- b. Assist as required with the production of reports to Members, in particular the cyclical reports to the Scrutiny Co-ordinating Board.
- c. Assess daily cash requirements, and discuss them with the Head of Finance as necessary.
- d. Arrange borrowing and lending requirements. Any borrowing is only to be with the approval of the Director of Finance or the Head of Finance.
- e. Liaise with external brokers and lenders, recording and timing all agreements and advice. Complete transactions on TreasuryLive and present it to the Head of Finance with appropriate back-up for signing once repayment has been made.
- f. Be familiar with the Treasury Management Practices Document, the CIPFA Code of Practice and the Treasury Management Strategy.
- g. Ensure compliance with reporting procedures and the Practices Document and Annual Strategy.
- h. Supervise and monitor the work of ~~Senior~~ Finance Officer and review the weekly statement of investments.
- i. Maintain the TMP, updating as necessary.
- j. Assess, monitor and review staff training requirements in relation to Treasury Management.
- k. Assist as required with the production of reports to Members.



- l. Ensure that there is adequate division of duties between the TechnicalPrincipal Accountant / ~~Senior~~ Finance Officer and Finance Assistant Posts in relation to Cash Book duties.
- m. Agree confirmation of deals undertaken by brokers.
- n. Draft the Prudential Indicators, MRP, and Treasury Management Strategy.
- o. Be familiar with the Prudential Indicators and the CIPFA Code of Practice.
- p. Be systems administrator for the Council's banking system.
- q. Review weekly system log from the Council's banking system.
- r. Review Investment Register quarterly.
- s. Check all completed deal records on a monthly basis.

Note: The TechnicalPrincipal Accountant (and in his or her absence, the ~~Senior~~ Finance Officer) supervises the work of the Finance Assistant Post ~~who has day to day responsibility for the Cash Book~~. Given the smallness of the Council's Finance Section it is not practical to do otherwise. However, the Head of Director Finance & Assets must make clear to the Finance Assistant that he/she has a direct reporting line to the Head of Director Finance, ~~or the Director of Finance & Assets~~, if the post-holder believes that the TechnicalPrincipal Accountant or ~~Senior~~ Finance Officer is becoming involved in detailed Cash Book matters.

### **~~Senior~~ Finance Officer (or in their absence, the Finance Assistant)**

- a) Administration of the Council's Bank Accounts and preparation of all necessary controls and reconciliations, including the completion of monthly bank reconciliations.
- b) To comply with and carry out the day to day operational requirements of the Council's Treasury Policy Statement and to have delegated authority in respect of lending as outlined in the table above.
- c) To act as authorised operator of the Councils on-line electronic banking.
- d) To provide information for cash flow purposes, to produce quarterly reports on investments and to carry out regular investment reconciliations.

The responsibilities of this post will be: -

- a) execution of transactions
- b) adherence to agreed policies and practices on a day-to-day basis
- c) maintaining relationships with counterparties and external service providers
- d) supervising Finance Assistant
- e) monitoring performance on a day-to-day basis
- f) submitting management information reports to the responsible officer
- g) identifying and recommending opportunities for improved practices



## **The Chief Fire Officer**

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the Section 112 Officer reports regularly to the Fire Authority and the Overview and Audit Committee on treasury policy, activity and performance.

## **The Monitoring Officer – the Director of Legal & Governance**

The responsibilities of this post will be: -

- a) Ensuring compliance by the responsible officer 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 responsible officer when advice is sought.

## **Internal Audit**

The responsibilities of Internal Audit will be: -

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

## ***Absence Cover Arrangements***

Multiple staff are authorised to deal, access the TreasuryLive system and [HSBCnet.electronic banking system](#). Sufficient training is provided to ensure staff are able to provide sufficient cover for expected and unexpected absences.

## ***Dealing Limits***

The following posts are authorised to deal: -

- ~~Head of Director~~ Finance & Assets
- ~~Technical Principal~~ Accountant



- ~~Senior~~ Finance Officer (~~x2~~)
- Finance Assistant

There is no monetary dealing limit for individual posts, although maximum periods for investment are detailed earlier in Section E. All proposed deals must be reviewed by ~~the Head of Finance, Technical Accountant or Management Accountant~~ one of the Principal Accountants before they are confirmed.

### **List of Approved Brokers**

A list of approved brokers will be maintained within the Treasury Team if and when required, and a record of all transactions recorded against them. ~~Currently brokers are not required.~~ See TMP 11

### **Policy on Brokers' Services**

It will be this Fire Authority's policy to rotate business between brokers where applicable.

### **Policy on Taping/Recording of Conversations**

It is not this Fire Authority's policy to tape broker conversations. Approved brokers and direct deal organisations do record their conversations and could make these available if circumstances required.

### **Direct Dealing Practices**

The Fire Authority will consider dealing direct with counterparties if it is appropriate and the Fire Authority believes that better terms will be available. At present, most deals are arranged directly. There are certain types of accounts and facilities where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

### **Settlement Transmission Procedures**

A formal email setting out each transaction must be received from the counterparty before any payments are authorised. For payments, a transfer will be made through the ~~HSBCnet~~ Authority's electronic banking system to be completed by 2.00 pm on the same day.

### **Documentation Requirements**

For each deal undertaken a record will be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker. These records will all be held on the TreasuryLive system and in ~~hardcopy~~ electronic format.

## Service Document Procedure: Treasury Management Practices



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### **Arrangements Concerning the Management of Third-Party Funds.**

The Fire Authority does not manage any third party funds.





## SCHEDULE F – Reporting requirements and management information

### **Annual programme of reporting**

- a) Annual reporting requirements before the start of the year: -
  - i) review of the Authority's approved clauses, treasury management policy statement and practices
  - ii) strategy report on proposed treasury management activities for the year comprising of the Treasury Management Strategy statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement
- b) Quarterly review
- c) Annual review report after the end of the year

### **Annual Treasury Management Strategy Statement**

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

The formulation of the annual Treasury Management Strategy Statement 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 Fire 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.

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

- a) formally adopted clauses
- b) Prudential and Treasury Indicators
- c) current Treasury portfolio position
- d) borrowing requirement
- e) prospects for interest rates
- f) borrowing strategy
- g) policy on borrowing in advance of need
- h) debt rescheduling
- i) investment strategy
- j) creditworthiness policy
- k) policy on the use of external service providers
- l) any extraordinary treasury issue
- m) the MRP strategy

## Service Document Procedure: Treasury Management Practices



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The Treasury Management Strategy Statement 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.



## **The Annual Investment Strategy Statement**

At the same time as the Fire Authority receives the Treasury Management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The Fire Authority's risk appetite in respect of security, liquidity and yield
- b) The definition of high credit quality to determine what are specified investments as distinct from non specified investments
- c) Which specified and non-specified instruments the Fire Authority will use
- d) Whether they will be used by the in house team, external managers or both (if applicable)
- e) The Fire Authority's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- f) Which credit rating agencies the Fire Authority will use
- g) How the Fire Authority will deal with changes in ratings, rating watches and rating outlooks
- h) Limits for individual counterparties and group limits
- i) Country limits
- j) Levels of cash balances
- k) Interest rate outlook
- l) Budget for investment earnings
- m) Use of a cash fund manager (if applicable)
- n) Policy on the use of external service providers

## **The Annual Minimum Revenue Provision Statement**

This statement will set out how the Fire Authority will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

## **Policy on Prudential and Treasury Indicators**

The Fire Authority approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.

The responsible officer 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 responsible officer shall submit the changes for approval to the full Fire Authority



## Quarterly review

The ~~Fire Authority~~Overview and Audit Committee will review its treasury management activities and strategy on a quarterly basis. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management indicators for local authorities.

## Annual Review Report on Treasury Management Activity

An annual report will be presented to the Executive Committee and then to the full 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: -

- a) transactions executed and their revenue (current) effects
- b) report on risk implications of decisions taken and transactions executed
- c) compliance report on agreed policies and practices, and on statutory/regulatory requirements
- d) performance report
- e) report on compliance with CIPFA Code recommendations
- f) monitoring of treasury management indicators

## Management Information Reports

Management information reports will be prepared every month by the ~~Technical~~Principal Accountant and will be presented to the Director of Finance and Assets.

These reports will contain the following information: -

- a) a summary of transactions executed, brokers used and fees paid and their revenue (current effects);
- b) measurements of performance including effect on loan charges/investment income;
- c) degree of compliance with original strategy and explanation of variances.
- d) any non compliance with Prudential limits or other treasury management limits.

## Publication of Treasury Management Reports

All reports to the Executive Committee and Fire Authority will be made public on our website as part of the committee papers and agenda for each meeting.



## SCHEDULE G – Budgeting, accounting and audit arrangements

### **Statutory/Regulatory Requirements**

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

The Fire Authority has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Fire Authority's treasury management activities.

The Authority also has a statutory obligation to comply with all relevant acts and statutory instruments (see list in section on Legal and Regulatory Risk).

### **Sample Budgets / Accounts / Prudential and Treasury Indicators**

The Director of Finance and Assets will prepare a ~~four year~~ medium term financial plan with Prudential and Treasury Indicators for treasury management ~~which that~~ will incorporate the budget for the forthcoming year and provisional estimates for ~~at least~~ the following ~~threetwo~~ years.

The ~~previouscurrent~~ MTFP ~~coveredcovers~~ the period ~~2012/132018/19~~ to ~~2015/162020/21~~. The income budget for the period where the Authority managed its own investments (2013/14 – ~~2015/16~~ ~~is~~2017/18) ~~was initially~~ £70k ~~and increased to £100k~~ per annum ~~for eachover the 5~~ year ~~period~~. ~~The income budget from 2018/19 onwards has been set at £150k per annum which reflects the levels of returns the Authority has achieved since managing its own investments.~~

The Director of Finance and Assets will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

### **List of Information Requirements of External Auditors.**

- ❖ Reconciliation of loans outstanding in the financial ledger to treasury management records
- ❖ Maturity analysis of loans outstanding
- ❖ Certificates for new long term loans taken out in the year
- ❖ Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- ❖ Calculation of loans fund interest and debt management expenses
- ❖ Details of interest rates applied to internal investments
- ❖ Calculation of interest on working balances
- ❖ Interest accrual calculation
- ❖ Principal and interest charges reports from the TreasuryLive system
- ❖ Analysis of any deferred charges



- ❖ Calculation of loans fund creditors and debtors
- ❖ Annual Treasury Report
- ❖ Treasury Management Strategy Statement and Prudential and Treasury Indicators
- ❖ Review of observance of limits set by Prudential and Treasury Indicators
- ❖ Calculation of the Minimum Revenue Provision
- ❖ External fund manager(s) valuations including investment income schedules and movement in capital values.

## **Quarterly Budget Monitoring Report**

Quarterly Budget Monitoring reports are produced for the Strategic Management Board, whilst a quarterly budget monitoring report goes to [Executive the Overview and Audit](#) Committee. The report is intended to highlight any variances between budgets and spend in order that the Fire Authority can assess its financial position. Details of treasury management activities are included within this report.



## SCHEDULE H – Cash and cash flow management

The Authority will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standard, and with statutory and regulatory requirements in force for the time being.

### **Arrangements for Preparing/Submitting Cash Flow Statements**

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

### **Bank Statements Procedures**

The Fire Authority ~~receives daily~~ obtains electronic bank statements daily and a daily electronic download of data from its bank. All amounts on the statement are checked ~~to source data from Payroll, Creditors etc~~ and any anomalies investigated.

A formal bank reconciliation is undertaken on a monthly basis by the Senior Finance Officer (Exchequer Transactions and Reporting).

### **Payment Scheduling and Agreed Terms of Trade With Creditors**

Our policy is to pay creditors within 30 days of the invoice date and this effectively schedules the payments. Certificated payments to sub-contractors must be paid within the terms specified within each contract.

### **Arrangements for Monitoring Debtors / Creditors Levels**

The Technical Principal Accountant is responsible for monitoring the levels of debtors and creditors. Details are used to assist in updating the cash flow models.

### **Procedures for Banking of Funds**

All money received by an officer on behalf of the Fire Authority will without unreasonable delay be passed to the Finance Assistant (Exchequer Transactions and Reporting Reports) to deposit in the Fire Authority's banking accounts. ~~The Finance Assistant (Exchequer and Reporting) will notify the Technical Accountant each morning of cash and cheques banked the previous day so that the figures can be taken into account in the daily cash flow.~~

### **Practices Concerning Prepayments to Obtain Benefits**

The Fire Authority has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the responsible officer.

# Service Document Procedure: Treasury Management Practices



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## SCHEDULE I – Money Laundering

### **Proceeds of Crime Act 2002**

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

The Authority has an Anti-Money Laundering Policy. The Money Laundering Responsible Officer (MLRO) is the Chief Finance Officer and Director of Finance & Assets. The [Head Director of Legal Services and Governance](#) is able to deputise for the MLRO in his/her absence.

### **The Terrorism Act 2000**

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment



## **The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2007/2017**

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FSA) are required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions. In ~~December 2007~~ June 2017 the UK Government published the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2007/2017 (MLR 2017), which replaced the Money Laundering Regulations ~~2003~~ 2007.

### **Local authorities**

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the POCA, but are not legally obliged to apply the provisions of the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2007/2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly this Fire Authority will do the following: -

- a) evaluate the prospect of laundered monies being handled by them
- b) determine the appropriate safeguards to be put in place
- c) require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d) make all its staff aware of their responsibilities under POCA
- e) appoint a member of staff to whom they can report any suspicions. This person is the Director of Finance and Assets
- f) in order to ensure compliance is appropriately managed, this Fire Authority will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- g) The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is the Director of Finance and Assets and it shall be a requirement that all services and departments implement this corporate policy and procedures.



## **Procedures for Establishing Identity / Authenticity of Lenders**

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence and this will be effected by following the procedures below.

The Fire Authority does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FSA website on [www.fsa.gov.uk](http://www.fsa.gov.uk).

## **Methodologies for Identifying Deposit Takers**

In the course of its Treasury activities, the Fire Authority will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through their website on [www.fsa.gov.uk](http://www.fsa.gov.uk).

All transactions will be carried out by CHAPS for making deposits or Direct Debit for repaying existing loans.



## SCHEDULE J – Training and qualifications

### **Details of Approved Training Courses**

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

### **Records of Training Received by Treasury Staff**

The ~~Technical~~Principal Accountant will maintain records on all staff and the training they receive. Copies will also be kept on individual's personal records file.

### **Approved Qualifications for Treasury Staff**

The Director of Finance & Assets, ~~the Head of Finance, Technical Account~~ and ~~Management~~Principal Accountant must be fully qualified accountants (CCAB). The ~~Senior~~ Finance Officers and Finance Assistants must be at least part-qualified AAT or have evidence of equivalent experience.

### **Statement of Professional Practice (SOPP)**

Where the Director of Finance and Assets is a member of a professional accountancy body, there is a professional need for the him/her to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.

Other staff involved in treasury management activities who are members of professional accountancy bodies also have a duty to follow the principles and uphold standards of professional conduct.

### **Member training records**

Records will be kept of all training in treasury management provided to members.

### **Members charged with governance**

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.



## SCHEDULE K – Use of external service providers

### Banking Services

- a) Name of supplier of service is HSBCLloyds
- b) Regulatory status – banking institution authorised to undertake banking activities by the FSA
- c) The branch address is: ~~2 Walton Road~~ Market Square, Aylesbury, Bucks, HP21 7SS ~~HP20 1TD~~  
Cost of service is variable depending on schedule of tariffs and volumes
- d) Payments due monthly / other (varies by account)

### Money-Broking Services

The Fire Authority will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers. ~~The performance of brokers is reviewed by the Technical Accountant every month to see if any should be taken off the approved list and replaced by another choice and will make appropriate recommendations to change the approved brokers list to the Director of Finance and Assets.~~

### Cash/Fund Management Services

The Authority does not currently use cash or fund managers.

### Treasury Consultancy Services

The Fire Authority will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

The performance of consultants will be reviewed by the ~~Technical~~ Principal Accountant every quarter to check whether performance has met expectations.

- a) Name of supplier of service is ~~Sector Treasury~~ Link Asset Services Limited. Their address is ~~17 Rochester Row~~ 65 Gresham Street, London ~~SW1P 1QT~~ EC2V 7NQ ~~Tel: 0871 664 6800~~
- b) Regulatory status: investment adviser authorised by the FSA
- c) Contract commenced 1 April ~~2013~~ 2017 and runs for 3 years.
- d) Cost of service is £5, ~~500~~ 825 per year (plus VAT).
- e) Payments due annually in advance

### Leasing Consultancy Services

These are provided by ~~Sector~~ Link Asset Services as part of the treasury consultancy services agreement (see above)

## Service Document Procedure: Treasury Management Practices



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

### **Credit Rating Agency**

The Fire Authority receives a credit rating service through its treasury management consultants, the costs of which is included in the consultant's annual fee.

### **Procedures and Frequency for Tendering Services**

See TMP2



## SCHEDULE L – Corporate Governance

### List of Documents to be Made Available for Public Inspection

- a. The Fire Authority is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c. The following documents are available for public inspection: -

Treasury Management Policy Statement

Treasury Management Strategy Statement

Annual Investment Strategy

Minimum Revenue provision policy statement

Annual Treasury Review Report

Treasury Management monitoring reports (e.g. half yearly, quarterly)

Annual accounts and financial instruments disclosure notes

Annual budget

~~3-Year Medium Term Financial Plan (Capital Plan~~

~~)~~

Minutes of Fire Authority / Executive Committee meetings