

## **APPENDIX 1 TREASURY MANAGEMENT POLICY STATEMENT**

1. The Authority defines its Treasury Management activities as “The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks”.
2. The identification, monitoring and control of risk is the primary criterion by which the effectiveness of Treasury Management activities will be measured, with value for money an important but secondary objective.
3. The Annual Treasury Management and Investment Strategy sets out the means by which the above objectives will be achieved.
4. The Peak District National Park Authority has determined responsibilities for Treasury Management within its Standing Orders as follows:-

### **K. INVESTMENTS AND BORROWING**

- K1 The Authority maintains a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and adopts suitable Treasury Management Practices, setting out the manner in which the organisation will manage and achieve those policies and objectives.
- K2 The Authority receives reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close.
- K3 The Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Budget Monitoring Group, and for the execution and administration of treasury management decisions to its Chief Finance Officer, who will act in accordance with the organisation’s policy statement and Treasury Management Practices, and CIPFA’s Standard of Professional Practice on Treasury Management.
- K4 The Authority nominates its Audit Resources and Performance Committee to be responsible for ensuring effective scrutiny of the Treasury Management strategy and policies.
- K5 The Authority’s borrowing limits will be approved annually at an Authority meeting based on the advice of the Chief Finance Officer.

### **Treasury Management Practices**

The Authority’s Chief Finance Officer will design, implement and monitor arrangements for the proper control of Treasury Management activities, within the constraints of the Annual Treasury Management and Investment Strategy approved by Members, categorised into the 12 “practices”, or subject areas, defined by the Code:-

#### **1 Risk Management**

Credit & Counter-party risk – The security of sums invested  
Liquidity Risk Management – working capital requirements  
Interest Rate Risk – exposure to fluctuations in interest rates (costs or revenues)  
Exchange rate risk – fluctuations in exchange rates  
Re-financing risk – terms of renewal

Legal and Regulatory risk – compliance  
Fraud, error, corruption – suitable systems and procedures  
Market Risk – protection of principal sums invested

## **2 Performance Measurement**

Consideration of alternative methods of delivery and performance indicators

## **3 Decision Making & Analysis**

Maintenance of records of decisions

## **4 Approved Instruments, Methods & Techniques**

Subject to those approved in the Annual Strategy, or by specific resolution of committee

## **5 Organisation, Clarity and Segregation of Responsibilities and dealing Arrangements**

Responsibilities and procedures for transactions and staff handling of financial transactions

## **6 Reporting Arrangements**

Standing Orders Section K above sets out the respective Member and Officer responsibilities

## **7 Budgeting, Accounting and Audit Arrangements**

The cost of, and income arising from, Treasury Management activities will be reported in the annual Outturn report and to the Budget Monitoring Group

## **8 Cashflow Management**

Central control and aggregation of all cash flows to ensure liquidity

## **9 Money Laundering**

Verifying and recording the identity of counterparties

## **10 Training and Qualifications**

Experience and training in Treasury Management activities

## **11 Use of External Service Providers**

Monitoring and procurement of external advice

## **12 Corporate Governance**

Assessment of effectiveness of Treasury Management activities