

EXECUTIVE SUMMARY**Introduction**

The purpose of this report is to provide management with assurance that the controls operating over the administration of Treasury Management are adequate in regard to the key risks of fraud or error.

Treasury Management is considered a key fundamental system and as such forms part of the statutory audit plan each financial year. The CIPFA Code of Practice (2001) outlines strict professional requirements in terms of strategy, reporting and delineation of responsibilities and provides a sound basis for treasury management activities. A new Code of Practice has recently been issued by CIPFA and the Council's Strategy is being updated accordingly.

Treasury Management at the Council is undertaken in Financial Services by the Accountant under the oversight of the Accountancy Services Manager and the Head of Financial Services. The Council's practices are governed by the Treasury Management Strategy, approved by the Council in February 2009.

Overview

A number of positive aspects have been identified as a result of this audit review.

The Council's treasury management arrangements comply with the CIPFA Codes of Practice, and with the Prudential Code for Capital Financing in Local Authorities; in addition Members have reviewed and approved the Council's treasury management procedures. Appropriate staff undertake regular reconciliations of the investment record to the Main Accounting System.

Loans have been repaid by due dates and administered by appropriate individuals in addition the Council receives regular updates to counterparty listings to ensure appropriate investments are made. Investments are clearly documented, administered by appropriate staff and have been made in line with Council policy.

The Accounts Assistant and the Accountancy Services Manager monitor performance in relation to treasury management on a regular basis and report performance to the Executive Committee on a quarterly basis.

The Council has clear arrangements in place to administer treasury management activities in the event of IT failure.

One minor area for improvement was identified as a result of this audit reviewed:

- The Council's fidelity guarantee should be updated to include correct job titles for designated officers.

This issue is addressed through the recommendations in the report. As a result of these findings, the overall assurance rating is given below.

As only a minor risk has been identified and one recommendation made, the assurance rating following this audit is

Good

Scope

The audit included an examination of the key controls to give assurance that:

- All treasury management transactions are of appropriate value; are accurately recorded and accounted for; and are properly authorised.
- Repayments of loans and investments are timely and are accurately processed and accounted for.
- Investments are placed with appropriate counterparties.
- There are effective contingency plans to address the possibility of ICT failure.

The recommendations are listed on the action plan, followed by the detailed report.

Acknowledgements

The help and co-operation of the Accountancy Services Manager and the Accountant was much appreciated by the Auditor.

Richard Hastings
Temporary Auditor

ACTION PLAN

RECOMMENDATION	Section number	Priority	Officer Responsible	Agreed Action and completion date
The Fidelity Insurance policy is amended to reflect both correct job titles for the designated officers, and to also include the Deputy Chief Executive	06.03.01	3 - Low	H of Fin Services	Agreed to get this amended. 30/09/2010