

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	Audit Committee
Report of:	Head of Capital and Treasury Management
Date of Meeting:	30th June 2020
Subject:	Treasury risk management arrangements
Wards Affected: All	
1. Purpose of Report	
1.1	To update members on the Council's treasury risk management arrangements as set out in the Treasury Management Policy, Strategy and treasury management practices.
2. Recommendation	
2.1	That the Audit Committee notes and considers the Council's treasury risk management arrangements as set out in the attached Treasury Management Policy, Strategy and treasury management practices.
3. Detail	
3.1	<p>The functions of Audit Committee include "(d) to review the adequacy of treasury risk management arrangements as set out in the Treasury Management Policy, Strategy and treasury management practices".</p> <p>The Council's Treasury Management Policy and Strategy are approved in the annual Financial Plan by full Council, in accordance with CIPFA's Treasury Management Code for local authorities ("the CIPFA Code"). Quarterly monitoring of treasury management activity is included in the financial monitoring and annual outturn reports to Cabinet.</p>
3.2	Treasury Management is defined in the CIPFA the CIPFA Code as "the management of the organisation's borrowing, investments and cashflows; 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".

3.3 **Appendix 1** is a presentation which will be given to the Committee meeting, which outlines the main risk management processes and controls for treasury management in the Council. These processes and controls are set out in further detail in a set of key governing documents, in accordance with the CIPFA Code, which are attached for reference as follows:

Appendix 2 The Council's Treasury Management Strategy and Policy: these form appendixes N and O to the Financial Plan 2020-24 approved by City Council meeting on 25 February.

Appendix 3 The Council's Treasury Management Practices (TMPs): these are operational procedures regulating day to day treasury activities, including the management of risk. They are referenced in the TM Policy paragraph 10.5. These are approved by the Director of Finance, and reviewed annually.

Appendix 4 Treasury management reporting and monitoring (Quarter 3 monitoring example attached): this is provided quarterly to Cabinet as part of the financial monitoring report, and a summary dashboard is provided to Resources Overview and Scrutiny in the intervening months. This includes monitoring of the treasury management and other Prudential Indicators (which are required by the CIPFA Prudential and Treasury Codes).

3.4 Training on treasury management is provided periodically for City Councillors. The next training had been arranged for 27th April, to be provided by Arlingclose (the Council's treasury advisers) together with our own treasury staff. We are now rearranging this in Teams / Webinar format. Audit Committee members are asked to consider attending.

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