

## BIRMINGHAM CITY COUNCIL

### PUBLIC REPORT

<b>Report to:</b>	<b>Audit Committee</b>
<b>Report of:</b>	<b>Strategic Director of Council Management</b>
<b>Date of Meeting:</b>	<b>22 November 2022</b>
<b>Subject:</b>	<b>Treasury risk management arrangements</b>
<b>Wards Affected: All</b>	
<b>1. Purpose of Report</b>	
1.1	To update members on the Council's treasury risk management arrangements as set out in the draft 2023/24 Treasury Management Policy, Strategy and Treasury Management Practices.
<b>2. Recommendation</b>	
2.1	That the Audit Committee notes and considers the Council's treasury risk management arrangements as set out in the attached draft 2023/24 Treasury Management Policy, Strategy and Treasury Management Practices.
<b>3. Detail</b>	
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 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 outlining 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 Draft Treasury Management Strategy and Policy:** these are the key documents that set out the main risk management processes and controls for Treasury Management in the Council. They will form appendices to the Financial Plan 2023-27 to be approved by City Council meeting on 28 February 2023, and for transparency, are in that format. The numbers are likely to change from this version, as the Financial Plan is finalised.

**Appendix 3 The Council's Draft 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 10.4. These are reviewed annually and are due to be approved by the Strategic Director of Council Management (S151).

**Appendix 4 Treasury management reporting and monitoring (Quarter 2 monitoring example attached):** this is provided quarterly to Cabinet as part of the financial monitoring report, as well as to Resources Overview and Scrutiny. 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.

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