

1. Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) 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 Local Government Act 2003 (the Act) requires local authorities “to have regard –
 - (a) to such guidance as the Secretary of State may issue, and
 - (b) to such other guidance as the Secretary of State may by regulations specify for the purposes of this provision.”
3. The Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 state that:

“In carrying out its capital finance functions, a local authority must have regard to the code of practice in ‘Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes’ (regulation 24).”
4. The Treasury Management Code (the Code) was updated in November 2011. The Code has 3 key principles which are:
 - i) the establishment of ‘comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury activities’.
 - ii) the effective management and control of risk are prime objectives and that responsibility for these lies clearly within the organisation.
 - iii) the pursuit of value for money and the use of suitable performance measures are valid and important tools.
5. In accordance with the Code the Council creates, and maintains, as the cornerstones for effective treasury management:
 - c) a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - d) suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

7. This training needs analysis (TNA) is being undertaken to assess current knowledge and skills within the Finance & Property Committee and to direct future training. It uses the TMPs as a basis of the knowledge and skills required. In total there are 12 TMPs that have been identified as relevant to the Council's treasury management activities. They are:
- TMP1 Risk management
 - TMP2 Performance measurement
 - TMP3 Decision-making and analysis
 - TMP4 Approved instruments, methods and techniques
 - TMP5 Organisation, clarity/segregation of responsibilities, dealing arrangements
 - TMP6 Reporting requirements and management information arrangements
 - TMP7 Budgeting, accounting and audit arrangements
 - TMP8 Cash and cash flow management
 - TMP9 Money laundering
 - TMP10 Training and qualifications
 - TMP11 Use of external service providers
 - TMP12 Corporate governance
1. The TNA asks members to score their current knowledge of these areas using the following scale:
- 0 = Not relevant to your role
 - 1 = Poor, Not effective, No Understanding
 - 2 = Satisfactory, Quite Effective, Limited Understanding
 - 3 = Good, Effective, Some understanding
 - 4 = Very Good, Very effective, Full Understanding
2. Please return completed forms by **31 March 2016** to Bev Chapman at:
- beverley.chapman@nottscc.gov.uk
 - or 4th Floor, County Hall, West Bridgford, Nottingham NG2 7QP

Name:	
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Please score each item according to the following scale:

- 0 = Not relevant to your role
- 1 = Poor, Not effective, No Understanding
- 2 = Satisfactory, Quite Effective, Limited Understanding
- 3 = Good, Effective, Some understanding
- 4 = Very Good, Very effective, Full Understanding

TMP1	Risk management	Score
	Awareness of the arrangements for the identification, management and control of treasury management risk covering each of the following risks:	
	Credit and counterparty risk The risk of failure by a counterparty to meet its contractual obligations under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on capital or revenue resources.	
	Liquidity risk The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the business/service objectives will be thereby compromised.	
	Interest rate risk The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances.	
	Exchange rate risk The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances.	
	Refinancing risk The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Council for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.	
	Legal and regulatory risk The risk that the Council itself, or a counterparty 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 Council suffers losses accordingly.	
	Fraud, error and corruption, and contingency management The risk that an Council 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.	
	Market risk The risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised.	

TMP2 Performance measurement	Score
Awareness of the use of performance methodology to support the pursuit of value for money within the framework set out in the treasury management policy. Key performance measures include interest income/expenditure against budget and benchmarking against external comparators and other local authorities.	

TMP3 Decision-making and analysis	Score
Awareness of the need to maintain full records of treasury management decisions, and knowledge of the processes and practices applied in reaching those decisions.	

TMP4 Approved instruments, methods and techniques	Score
<p>Knowledge of approved instruments for borrowing such as:</p> <ul style="list-style-type: none"> (a) overdraft or short-term loan from an authorised financial institution; (b) short-term loan from a local authority; (c) long-term loan from an authorised financial institution (to include Lender Option Borrower Option (LOBO) loans) (d) the PWLB (or successor); (e) loan instruments, including transferable loans up to five years duration and non-transferable of no fixed duration; (f) Municipal Bonds Agency. 	
<p>Knowledge of approved instruments for investing such as:</p> <ul style="list-style-type: none"> a) call or notice accounts b) fixed term deposits c) callable deposits d) structured deposits e) certificates of deposits f) money market funds g) UK Treasury Bills h) UK government bonds 	

TMP5 Organisation, clarity/segregation of responsibilities, dealing arrangements	Score
Awareness of the need for treasury management activities to be structured and managed in a fully integrated manner, with clarity of treasury management responsibilities, to ensure effective control and monitoring, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance.	
Awareness of the need for 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.	

TMP6 Reporting requirements and management information arrangements	Score
<p>Awareness of the regular reports that are prepared and considered on:</p> <ul style="list-style-type: none"> • the implementation of the Council's treasury management strategy and policies • and the effects of decisions taken and transactions executed in pursuit of those policies • the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting treasury management activities • the performance of the treasury management function. 	

TMP7 Budgeting, accounting and audit arrangements	Score
<p>An understanding of the annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques.</p>	
<p>An awareness of appropriate accounting practices and standards, and statutory and regulatory requirements, in accordance with which the Council accounts for its treasury management activities, for decisions made and transactions executed.</p>	

TMP8 Cash and cash flow management	Score
<p>An awareness of the need for and method of preparing cash flow projections on a regular and timely basis to ensure compliance with TMP1(2) liquidity risk management.</p>	

TMP9 Money laundering	Score
<p>Awareness of the possibility that the Council may become the subject of an attempt to involve it in a transaction involving the laundering of money and knowledge of the procedures maintained for verifying and recording the identity of counterparties and reporting suspicions.</p>	

TMP10 Training and qualifications	Score
<p>Recognition of 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 and awareness of the expertise, knowledge and skills required.</p>	

TMP11 Use of external service providers	Score
Awareness that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources but recognition that responsibility for treasury management decisions remains with the Council at all times.	
Knowledge of the process of agreeing the terms of appointment and the methods by which their value will be assessed, agreed and documented, and subjected to regular review.	

TMP12 Corporate governance	Score
Knowledge of the principles and practices of proper corporate governance to which the Council is committed and awareness of how the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.	

Please also indicate below the most relevant learning methods that may be applicable to you. Please suggest other approaches that may be suitable.

Information	Yes	No	Not sure
In-house training			
E-learning			
External training			
Books, journals, guidance			
Conferences			
Other – please specify:			