

LONGLEY PARK SIXTH FORM COLLEGE

TREASURY MANAGEMENT POLICY

Originator:	Sharon Langridge, Clerk to the Corporation
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Approval/review by:	Resources Committee/Corporation in February 2011
Review interval (years):	1
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1. Purpose

1.1 This Policy outlines the College's approach to Treasury Management and documents the roles and responsibilities of the Corporation, the senior management team (SMT), and other key parties in relation to Treasury Management.

2. Background

2.1 Treasury Management will be carried out by the College within the context of the College's statutory background, its Instrument and Articles of Government and Financial Memorandum with the funding body.

2.2 In developing this policy the College has drawn on best practice for Treasury Management with particular reference to the Treasury Management in Public Services: Code of Practice (The Code) issued by CIPFA (1996).

3. Definitions

3.1 The Code defines Treasury Management as 'the management of the organisation's 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.'

4. Policy Objective

4.1 The College's Treasury Management policy objective is to optimise returns to the institution consistent with its cash flow requirements and the overriding need to protect the capital value of the College's funds. In borrowing, the primary purpose of treasury management is to ensure the stability of the College's financial position through use of sound debt management techniques.

4.2 The College recognises that the Treasury Management policy must adequately reflect risk and in particular security, liquidity and yield risk. While no treasury management transaction is without risk the management of risks is the key purpose of the treasury management strategy.

5. Treasury Management Policy Statement

5.1 The College is committed to the following principles in respect of Treasury Management: Effective Treasury Management makes a significant contribution to supporting the achievement of the College's business and service objectives.

The Treasury Management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

There will be a clear distinction between those members of staff 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.

The successful identification, monitoring and control of risk is the prime criteria by which the effectiveness of the College's Treasury Management activities will be measured.

6. Treasury Management Practices

6.1 The College will operate Treasury Management activities in relation to:

- the College's strategic plan;
- the revenue budget and capital programme;
- the Accommodation Strategy;
- working capital management, including debt collection and policy on creditor payments, including payroll;
- cash flow forecasts.

6.2 Treasury Management will be carried out by the Finance Department of the College, under the direction of the Assistant Principal (Resources) and in accordance with Financial Regulations and Contract Standing Orders as approved by the Resources Committee on an annual basis.

7. Roles and Responsibilities

7.1 Responsibility for the implementation of the College's treasury management policies and practices is delegated by the Corporation to the Senior Management Team (SMT), and for the execution and administration of treasury management decisions to the Assistant Principal (Resources).

7.2 In accordance with its terms of reference and the College's Financial Regulations, the Resources Committee monitors the performance of the College's Treasury Management activities and advises the Corporation on policies for borrowing and investment.

8. Reporting Framework

8.1 The Assistant Principal (Resources) will present an annual report to the Resources Committee on treasury management policies, practices and activities in the preceding financial year and the policy for the forthcoming year.

8.2 The Assistant Principal (Resources) will report immediately to SMT and the Resources Committee in the event of any significant issue, variation or cause for concern relating to Treasury Management function or activities.

9. Related Documents

9.1 Value for Money Policy

9.2 Risk Management Policy

9.3 Financial Regulations and Standing Orders Relating to Contract