

**TREASURY MANAGEMENT STRATEGY STATEMENT AND
ANNUAL INVESTMENT STRATEGY 2012/13**

CIPFA Treasury Management Code of Practice – Clauses to be Formally Adopted

CIPFA recommends that all public service organisations adopt, as part of their standing orders, financial regulations, or other formal policy documents appropriate to their circumstances, the following four clauses:

1. North Tyneside Council will create and maintain, as the cornerstone for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - 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.
- 2 North Tyneside Council will receive reports on its treasury management policies, practices and activities, including an annual strategy in advance of the year, a mid-year review and an annual report after its close.
- 3 Council takes responsibility for the implementation of its treasury management policies and practices, and delegates responsibility for the execution and administration of treasury management decisions to the Strategic Director of Finance and Resources, who will act in accordance with the Council's Policy Statement, TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 4 North Tyneside Council nominates the Finance Sub-Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

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CIPFA Treasury Management Code of Practice - Treasury Management
Policy Statement**

CIPFA recommends that an organisation's Treasury Management Policy Statement adopts the following form of words to define the policies and objectives of its treasury management activities:

1. North Tyneside Council defines its treasury management activities as: "The management of the organisation's cash flows, its banking, money market and capital market transactions, the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
2. North Tyneside Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. North Tyneside Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.