

Part Four – Funding and Financial Policies

TREASURY MANAGEMENT POLICY

1. INTRODUCTION

Council has treasury risks arising from debt raising, investments and associated interest rate management activity.

Council carries out its borrowing and investment (in total referred to in this document as treasury activity) within its finance function. Council’s broad objectives in relation to treasury activity are as follows:

- Compliance with the Local Government Act 2002 and amendments thereto, and other relevant local authority legislation.
- Develop and maintain professional relationships with the financial markets.
- Manage all of Council’s investments within its strategic objectives; invest surplus cash in liquid and creditworthy investments.
- Raise appropriate finance, in terms of both maturity and interest rate.
- Manage the overall cash position of Council operations.

In meeting the above objectives Council is a risk averse entity and does not wish to seek risk from its treasury activities. Interest rate risk, liquidity risk and credit risk are risks Council seeks to manage, not capitalise on. Accordingly any activity, which may be construed as speculative in nature, is expressly forbidden.

STRUCTURE

2.1 Treasury Organisation Structure

The organisation chart for treasury activity is as follows:

