



NORWICH City Council

Committee Name: Treasury Management Committee

Committee Date: 09/01/2024

Report Title: Effective Scrutiny of Treasury Management Draft Self-Assessment

Portfolio: Councillor Kendrick, resources

Report from: Interim Chief Finance Officer (S.151)

Wards: All Wards

Open PUBLIC ITEM

Purpose

This report sets out the Draft Effective Scrutiny of Treasury Management Self-Assessment.

Recommendation:

That the Treasury Management Committee notes the report and the draft Effective Scrutiny self-assessment questionnaire.

Policy Framework

The Council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the Norwich City Council is in good shape to serve the city corporate priority

This report meets the regulatory and best practice guidance governing Treasury Management in Local Authorities.

Report Details

1. Attached at Appendix A is the draft Effective Scrutiny of Treasury Management Self-Assessment.
2. The Council is required by CIPFA's Treasury Management Code of Practice to nominate a responsible body for the scrutiny of treasury management strategy and policies. The Treasury Management Committee fulfils this requirement for the City Council
3. In order to undertake this role effectively, the nominated committee will require support, training and guidance and the self-assessment questionnaire helps develop and review areas where support and training is needed.

Consultation

4. The report introduces the draft the draft Effective Scrutiny self-assessment questionnaire to ensure that council meet its regulatory and best practice requirements. No additional consultation has been undertaken.

Implications

Financial and Resources

5. There are no proposals in this report that would reduce or increase resources however the Treasury Management Committee does report on the performance of the council in managing its borrowing and investment resources which have significant financial implications for the council.

Legal

6. The Council is required by CIPFA's Treasury Management Code of Practice to nominate a responsible body for the scrutiny of treasury management strategy and policies.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	n/a
Health, Social and Economic Impact	n/a
Crime and Disorder	n/a
Children and Adults Safeguarding	n/a
Environmental Impact	n/a

Risk Management

Risk	Consequence	Controls Required
Insufficient skills and knowledge to provide effective TM scrutiny.	Demonstrating compliance with the Treasury Management Code, scrutiny is an important part of ensuring effective governance of treasury management.	Identify any areas where support or training is needed to ensure the development of effective scrutiny.

Other Options Considered

7. No other options to be considered. .

Reasons for the decision/recommendation

8. To ensure that the council is kept informed of treasury activity and that those charged with undertaking the scrutiny function for treasury activities are fully and appropriately trained and supported.

Background papers: None

Appendices:

Appendix A – Effective Scrutiny of Treasury Management
Draft Self-Assessment

Contact Officers:

Name: Robert Mayes

Telephone number: 01603 989648 Email address: robertmayes@norwich.gov.uk

Name: Caroline Knott

Telephone number: 01603 987615 Email address: carolineknott@norwich.gov.uk



If you would like this agenda in an alternative format, such as a larger or smaller font, audio or Braille, or in a different language, please contact the committee officer above.

CIPFA - Effective Scrutiny of Treasury Management - Self-assessment by members responsible for the scrutiny of treasury management - DRAFT

CIPFA's [Treasury Management In The Public Services: Code of Practice and Cross-sectoral Guidance Notes](#) (2021 edition) requires public service organisations to nominate a responsible body for the scrutiny of treasury management strategy and policies. To undertake this role effectively, the nominated committee will require support, training and guidance. CIPFA's publication [Audit Committees: Practical Guidance for Local Authorities and Police](#) (2022 edition) provides guidance for the audit committee if it is nominated to take on the scrutiny role. It also identifies core areas of knowledge committee members would need to undertake this role effectively.

Effective scrutiny is important. As well as demonstrating compliance with the Treasury Management Code, scrutiny is an important part of ensuring effective governance of treasury management.

- It helps develop a better understanding of the treasury risks faced by the organisation.
- It helps ensure better decision making on strategy and policy matters.
- It improves accountability and transparency.
- It improves knowledge and understanding of treasury matters among the members of the governing body.

This self-assessment tool has been designed to support the development of effective scrutiny. There are several ways it can be used, including the following.

- For self-assessment by the committee responsible for undertaking the scrutiny.
- For self-assessment by the responsible committee with additional input from the audit committee (where the audit committee doesn't undertake this function directly).
- For review as part of an internal audit of treasury management.
- For review by the treasury officers/finance team responsible for reporting to the committee.

The most important thing is that the review is used to identify any areas where support or training is needed to ensure the development of effective scrutiny.

This assessment tool replaces the 2014 edition.

CIPFA Better Governance Forum and Treasury Management Network 2022

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
Clearly defined responsibility					
Has the organisation nominated a responsible committee for scrutiny in compliance with the CIPFA Treasury Management Code of Practice?	Yes			The Treasury Management Committee has been set up to scrutinise the TM process.	
Does the committee responsible for scrutiny have appropriate and up-to-date terms of reference outlining its role in relation to treasury management?	Yes			Terms of reference (Constitution, Treasury Management Committee) 2022-11-14\terms of reference.docx	
Knowledge and training					
Do those responsible for scrutiny have an appropriate level of knowledge in the following areas:					
<ul style="list-style-type: none"> Regulatory requirements? 	Yes			Reports to Committee include details of the regulatory requirements and treasury risks.	
<ul style="list-style-type: none"> Treasury risks? 	Yes				
<ul style="list-style-type: none"> The organisation's treasury management strategy? 	Yes			The Council's TM Strategy is available on the NCC website; here below is a link to the appropriate webpage: Treasury management strategy Treasury management strategy Norwich City Council	

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
<ul style="list-style-type: none"> The organisation's policies and procedures in relation to treasury management? 	Yes			<p>Training was provided by our advisors (Link Group) to all Members and Officers at the Committee meeting on 14 November 2022.</p> <p>Updated training was provided online by our advisors (Link Group) to all Members and Officers at the Committee meeting on 4 July 2023.</p>	
Have committee members been provided with training for their role?	Yes			<p>As well as the training completed on the 14 November 2022 and the training completed on the 4 July 2023, training for Members and Officers is on a continual basis; Members are made aware of suitable training events. CIPFA-led training was offered in October 2023 and further opportunities will be identified and shared.</p>	<p>Further training will be completed by Members and Officers; all training is recorded in the TM training log; a copy of which is available upon request.</p>
Support for effective scrutiny					
Has adequate time been made on the committee agenda to allow for sufficient scrutiny to take place?	Yes			<p>The TM Committee has a workplan and this is refreshed and agreed annually, to ensure agendas are not overly crowded and allow time for scrutiny.</p>	

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
Have reports and briefings been provided in good time to committee members?	Yes			Reports are circulated in accordance with the distribution of agenda deadlines in accordance with statutory deadlines.	
Have reports and briefings been presented to the committee with adequate explanations and minimal jargon?	Yes			Reports include detailed analysis of the key capital and prudential indicators.	

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
Coverage of the required areas					
During the past year, has the committee undertaken scrutiny as follows:					
<ul style="list-style-type: none"> Reviewed whether appropriate policy and procedures have been adopted? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<ul style="list-style-type: none"> Reviewed the robustness of the process for strategy development – for example, whether option appraisals and opportunity costing have been used? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<ul style="list-style-type: none"> Received regular briefings on performance, issues and trends affecting treasury management? 	Yes			The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<ul style="list-style-type: none"> Reviewed the organisation's risk profile and treasury risks and how these are managed? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
<ul style="list-style-type: none"> Reviewed the role of external advisors and the adequacy of other sources of financial information? 	Yes			The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<ul style="list-style-type: none"> Reviewed assurances on treasury management, including internal audit reports and management reports? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<p>During the past year, has the committee scrutinised how effectively decision-making bodies are performing their roles as defined by clauses 2 and 3 in the Treasury Management Code of Practice? For instance, does the committee know whether the nominated body responsible for implementation and monitoring (clause 3) has carried out this role satisfactorily?</p>			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
Quality of scrutiny					
Is the committee able to demonstrate its effectiveness in providing scrutiny in any of the following ways:					

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
<ul style="list-style-type: none"> Questioning and constructive challenge? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<ul style="list-style-type: none"> Recommendations for additional actions? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<ul style="list-style-type: none"> Ensuring that adequate plans are in place to provide assurance? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<ul style="list-style-type: none"> Following up any recommendations or action plans? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.
<ul style="list-style-type: none"> Providing a report to full council on the scrutiny undertaken? 			Partly	The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.

Impact of scrutiny					
Is the committee able to demonstrate the impact of undertaking scrutiny?	Yes			The TM Committee has now been in operation for just over one year. Its role and the role of Members continues to develop.	Reviews and training are ongoing.

Completion date of assessment: 9 January 2024
Completed by: Treasury Management Committee