

Appendix 2

Draft Warwickshire County Council Response to the CIPFA Treasury Management Code Consultation

Question 1: Do you agree with the proposal that organisations that have adopted the Treasury Management Code will have to explicitly document a formal and comprehensive knowledge and skills schedule to ensure the effective acquisition and retention of treasury management skills for those responsible for the management, delivery, governance, decision-making and compliance with legislative requirements? If not, why not? What alternatives would you suggest?

Yes

Question 2: Do you agree with the proposals for what should be included in a knowledge and skills schedule?

Yes. We would emphasise that training should be tailored to each role, with there being potential for a variety of roles at both officer and member level.

Question 3: Do you agree with the proposals for the monitoring and review of treasury management knowledge and skills? Do you agree that these are best specified in guidance to the Treasury Management Code? If not why, not? What alternatives do you suggest?

Yes. We would point out that there are limits on how much assurance can be taken from self-assessment.

Question 4: Do you agree that guidance to the Treasury Management Code should include specifications on key competencies for treasury management roles?

No. Requirements may vary between authorities depending on their organisational arrangements. The TM Code could include guidance on key competencies, rather than requirements as this would give flexibility. Any criteria, whether guidance or requirements would need to be restricted to core competencies so that it could be widely applicable.

Question 5: Do you agree with the addition of a new TMP to address environmental, social and governance risks? If not, why not? What alternatives do you suggest?

We believe that ESG is important and should be regarded but we do not have a view on whether that end is best serviced by inclusion as a new TMP or by some other mechanism.

Question 6: Do you agree more complex treasury management functions (ie a professional client under MiFID II legislation) means that local authorities would benefit from the support of a dedicated committee to review decisions and strategies and that CIPFA should recommend this in its guidance provided to local authorities? If not, why not? What alternatives would you suggest?

There should be appropriate governance of treasury activity, but any additional layers would need to support and enable the Treasury Management team and not become an additional reporting or administrative overhead / burden. Local government legislation does not allow for the establishment of formal committees composed of members and officers and local authorities already have a number of formal committees with oversight in this area. Therefore we do not consider such an arrangement should be a requirement.

Question 7: Do you agree with the removal of the maturity structure of borrowing treasury management indicators on the introduction of the liability benchmark indicator? If not, why not? What alternatives would you suggest?

We disagree with the removal of this indicator as it provides a useful tool to monitor exposure and future forecast financing options. Its functionality is not covered by the liability benchmark suggested.