**CIPFA: The Treasury Management Code - Consultation**

**Society of District Council Treasurers (SDCT) Response**

**Overview**

The Consultation has focussed on 3 key aspects of the TM Code

TMP10 Training and Qualifications

TMP13 covering new Environmental, Social and Governance Risks

TMP12 Corporate Governance

If these suggestions are implemented there will be an impact on resources, in addition to treasury management and capital financing and treasury strategy documentation.

**Q1. Do you agree with the proposal that organisations that have adopted the Treasury Management Code will have explicitly documented a formal and comprehensive knowledge and skills schedule to ensure effective acquisition and retention of treasury management skills for those responsible for management , delivery, governance, decision-making, and alternative compliance with legislative requirements? If not why not? What alternatives would you suggest?**

The SDCT consider it appropriate that competent persons are engaged within the Treasury Management Function and that there is a formal and comprehensive knowledge and skills schedule in the context of the organisations structures and governance frameworks.

**Q2. Do you agree with the proposals as to what should be included in knowledge and skills schedule?**

District Councils officers and members have varying roles within the Treasury Management function.

These roles and responsibilities should have tailored knowledge and skills supported by learning to maintain competencies which can be monitored and reviewed as part of ongoing development and performance management.

It would seem appropriate that CIPFA and/or other providers develop training courses aimed at the various roles and an accredited qualification for TM Managers/officers would seem appropriate.

**Q3. Do you agree with the proposal for the monitoring and review of treasury management knowledge and skills? Do you agree that these are best specified in guidance in the Treasury Management Code? If not why not? Or what alternatives do you suggest?**

The monitoring and review of knowledge and skills from a framework will give assurance that appropriate levels of competencies are being met, or being addressed.

Inclusion in the guidance would seem appropriate.

**Q4. Do you agree that guidance to the Treasury Management Code should include specifications on key competencies for treasury roles?**

The SDCT suggest that as key competencies for job roles are incorporated into Job Descriptions and subsequently performance managed.

The inclusion that specifications on key competencies might be helpful as an appendices to the Code rather than defined within it.

**Q5. Do you agree with a new TMP to address social, economic and governance risks. If not why not? What alternatives do you suggest**.

SDCT consider that whilst topical this is a wider corporate Policy / Objective and not limited to Treasury Management where they may be a conflict and risk in relation to the security, liquidity and yield principles of investing. It would be appropriate therefore to have this type of investing as a consideration rather than a TMP.

**Q 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.**

SDCT consider that this should be a decision made at local level as this does not seem proportionate for a District Council. As committees are already given responsibilities for scrutinising/amending TM Policy and Strategies, in addition to Performance Monitoring and disclosure of actions, this would put an additional burden on District Council’s, which would add no real value as the requirements of MiFiD II are already regulated.

**Q7. 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.**

SDCT consider that this indicator does provide a method of mitigating exposure to loan re-financing. It is also used to plan new borrowing, and helps prevent maturity spikes over the long term. The indicator however is reported over the medium term 3-5 years and beyond that there becomes estimating uncertainty in say the level of reserves, capital investment needs. Etc.

The SDCT therefore consider that this should be retained or considered a local indicator if an alternative liability benchmark indicator is to be introduced.