

**Extract from the Service Agreement with Leeds City Council**

**SCHEDULE 1**

**The Services**

1. The Council shall perform the following Services:
  - (a) treasury management, including attending regular meetings to determine policy, and for all transactions relating to investments and borrowing via both the current and business reserve bank accounts;
  - (b) operate the Authority bank account (including conducting daily bank reconciliations) and ensuring all movements into and out of the account are on time and fully authorised. All non-treasury movements (other than West Yorkshire Passenger Transport Executive grant related items) shall be immediately notified to the Authority for verification;
  - (c) maintain the LATIMA system and provide up to date forecasts of borrowing, investments and cash flows to enable debt charge forecasts to be prepared.
  - (d) provide information, statements and advice to the Authority on the prudential financial system to enable the Authority to fully comply;
  - (e) provide guidance to the Authority on compliance with accounting standards and for notifying the Authority of all changes likely to affect the Authority's presentation of their accounts;
  - (f) not later than the end of April after the end of each financial year (or on a quarterly basis if required by the Authority) provide a statement, signed by an authorised officer of the Council (Assistant Director or above), stating what transactions have been carried out and that the

bank account and cash book is correct and free from misrepresentations.

## 2. Borrowing Transactions

- (a) All borrowing is to be undertaken by the Council on behalf of the Authority and it will provide money market experience and obtain funding both long and short term through the money markets for the Authority. A bi-monthly meeting (the actual dates being adjusted to reflect urgency/necessity/market movements etc) will be held to review the loan portfolio, borrowing requirements, latest money market advice from the Council's brokers and strategy in relation to existing and future loans.
- (b) Once decisions are made on borrowings, all transactions will be carried out by the Council's Treasury Management Division acting on behalf of the Authority under Council FPRs.

## 3. Investments

- (a) All investments are to be undertaken by the Council on behalf of the Authority in conjunction with the approved treasury management policy. This policy is subject to formal change by the Authority periodically to reflect market conditions.
- (b) Once decisions are made about investments all transactions are carried out by the Council's Treasury Management Division acting on behalf of the Authority under Council FPRs.

## 4. The Council's staff shall follow all regulations and procedures as laid down by the Council in performing the Services for the Authority. These are as follows:

- (a) all movements from the account will be electronic;

- (b) ensure all Levy receipts are received on a timely basis;
  - (c) transfers to the West Yorkshire Passenger Transport Executive must only be to account 00205196 at Lloyds plc, Leeds;
  - (d) no payments may be made unless specifically authorised;
  - (e) maintain a daily cash book and send a copy monthly to the Authority's Deputy Chief Financial Officer;
  - (f) certify all brokerage or other payments required and pass them with full details to the Authority for payment;
  - (g) notify the Authority if any VATable payment or receipt goes through the Authority bank account; and
  - (h) notifying the Authority of any unusual transaction occurring on the account
5. The Council's internal audit section shall provide the Authority with an annual statement of assurance that the Council have audited the LATIMA system and the Council is satisfied that it was operating properly throughout the year for both the Council and the Authority.
6. The Council shall perform any other services as the Authority may reasonably require.

