

# WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

## AUDIT AND GOVERNANCE COMMITTEE

DATE: 24 SEPTEMBER 2009

AGENDA ITEM NO: **4**

### SUBJECT: TREASURY MANAGEMENT

#### Report of the Passenger Transport Executive

#### 1. MATTER FOR CONSIDERATION

1.1. To consider the Audit Commission report 'Risk and return: English local authorities and the Icelandic banks.'

1.2. To consider the Authority's treasury management arrangements.

#### 2. INFORMATION

2.1. Following the collapse of the Icelandic banks in October 2008 the Audit Commission undertook a national review of how local authorities undertook treasury management arrangements and establishing the extent of public money invested in financial institutions outside of the UK.

2.2. The report is attached as **Appendix A**. It concluded that a number of authorities had been 'negligent' in placing funds with the Icelandic banks, a conclusion challenged by two of the authorities involved.

2.3. The outcome of the report was a number of recommendations which are likely to be incorporated into a revised CIPFA Treasury Management Code of Practice which is expected to be issued later this year. The recommendations represent what is effectively current best practice and with which the Authority already complies.

2.4. The Committee receives regular reports on the Authority's treasury management arrangements and at a previous meeting agreed to receive a presentation from the staff at Leeds Council who undertake treasury management for the Authority. This presentation will explain how the risks inherent in the treasury function are managed by the team in accordance with the agreed policy.

#### 3. FINANCIAL AND LEGAL IMPLICATIONS

3.1. None arising directly from this report.

#### 4. STAFFING IMPLICATIONS

4.1. None arising directly from this report.

5. **EQUAL OPPORTUNITY IMPLICATIONS**

5.1. None arising directly from this report

6. **RECOMMENDATIONS**

6.1. That the Audit Commission report 'Risk and return' be noted.

Director General  
West Yorkshire Passenger Transport Executive