

## **1. Introduction**

The Board needs to ensure that the company has established appropriate banking arrangements, cash and working capital is managed in such a way to generate adequate liquidity to support the company's operational requirements, discharge its obligations and remain a 'going concern'. The Chief Executive Officer (CEO) has the overall responsibility for the fulfilment of this requirement.

Treasury management consists of the efficient management of liquidity and financial risks in a business and the actions to manage these risks will vary as their nature changes over time. This policy is designed to provide a clearly defined risk management framework for those responsible for treasury operations. In order to fully realise the benefits, the policy will be reviewed not less than annually to reflect any changes in the company's operation.

This Treasury management policy has been written to address the current requirements for Buckinghamshire LEP and to comply with administrative duties set out by the accountable body. Currently Buckinghamshire Council acts as the accountable body for Buckinghamshire LEP however this may change in future as a consequence of the current LEP review. This policy will be reviewed after the conclusion of the LEP review to reflect recommendations of the review.

## **2. AIMS**

The aims and objectives of this policy are:

- To support the delivery of the company's objectives by ensuring short and longer term liquidity.
- To ensure that the company accesses short to medium term financing, whether investing or borrowing, in an efficient and timely manner.
- To ensure that working capital is effectively managed and cash is reported appropriately.
- To ensure that the Board and senior management receive adequate oversight of the current: banking arrangements, and cash position to enable them to make the most appropriate decisions, given the current circumstances.

## **3. ROLES AND RESPONSIBILITIES**

### **a. The Board of Directors**

The company's Board of Directors are responsible for approving external funding arrangements and the overall Plan that supports the financial strategy of the company. The Board also retains the responsibility for the approval of Policies, such as this.

### **b. Audit and Finance Sub Group**

The Audit and Finance Sub Group review the policies and provide assurance to the Board that there are processes in place to appropriately record the risks associated with the delivery of the company's corporate objectives, including risks to the cash position.

**c. The Chief Executive Officer** (with the support of the Head of Finance & Governance) has the following responsibilities:

- Recommend revenue and capital budgets to the Board that support the working capital management of the company
- Report variances to revenue and capital budgets and the issues regarding the delivery of the working capital plan.
- Approving cash management systems.
- Ensuring approved bank mandates are in place for all accounts. These mandates need regular review for any changes in signatories and authority levels.
- Receive regular reports and updates from the Head of Finance & Governance, discuss issues and consider any points that are needed to be brought to the attention of the Audit and Finance Sub Group.

**d. Head of Finance & Governance** has the following responsibilities

- Reports on Treasury activities are prepared and provided on a regular and timely basis.
- Key banking arrangements are managed.
- Detailed cash flow forecasts are produced on a weekly, monthly and annual basis to aid operational decision-making.
- Sufficient cash is maintained to ensure that any operational issues from payables management, if required, are minimised.

#### **4. BANKING ARRANGEMENTS**

The company holds a commercial banking online account with the Lloyds Bank.

#### **5. SURPLUS INVESTMENTS**

The company has the authority to invest surplus from its operations and reserves up to the maximum value of reserves held by the company. The surplus balances may be invested up to the point that they are required.

#### **6. BORROWING**

Any borrowing of funds by the company is subject to the articles of association and the Board approval.

#### **MONITORING**

The Audit & Finance Sub Group and company Board will have overall oversight of the management of cash and working capital, and will raise issues with the Chief Executive, who has overall responsibility in this area.

#### **CASH and WORKING CAPITAL OPERATIONAL PROCEDURES**

The overall objective of the procedures set out below is to ensure that treasury activities are undertaken in a controlled manner, thereby ensuring that the company is not exposed to undue operational risks.

- Cash flow forecasts will be prepared for the year ahead with detailed weekly forecasts being prepared and reviewed by the Head of Finance & Governance;
- Regular comparisons will be made between forecast and actual cash flows;
- Segregation of duties where possible should be made between those who initiate payments, those who authorise payments and those who account for transactions;
- All transactions will be recorded and reconciled monthly;
- All payment instructions/confirmations will require two authorised signatories, in accordance with approved bank mandates;
- The company has approved mandates to the authorised signatories and appropriate limits.
- Mandates will be regularly reviewed and sent to all counterparties.
- Supplier payments will take place once a week. The payment run will be authorised by the Head of Finance & Governance, The Chief Executive or an alternative senior manager.