

Internal Audit Report

Joint Treasury Management 2023/24

Draft report: 19 March 2024
Final report: 17 April 2024
Last audited: March 2023 (Substantial)

Audit Objective To provide assurance on the effectiveness of treasury management processes and controls at South and Vale.

Assurance Opinion		Number of Actions				
		Priority	Joint	South	Vale	Reference
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Priority 1	0	0	0	-
		Priority 2	1	0	0	1
		Priority 3	0	0	0	-
		Total	1	0	0	Appendix 1

Key Risks Reviewed

- Inappropriate policies and procedures in place leading to risky and inappropriate investments.
- Investments and borrowings do not conform with policies and procedures.
- Inappropriate access levels and no segregation of duty.
- Non-compliance to CIPFA code of practice for treasury management.
- Inadequate training and qualifications of staff undertaking the treasury management function.

The audit scope included:

Objective	Audit Scope
1 Policies and procedures	<ul style="list-style-type: none"> • Comprehensive and up-to-date CIPFA compliant strategy and procedures are in place and available all relevant officers.
2 Investments and borrowings	<ul style="list-style-type: none"> • Investments are managed in accordance with the CIPFA prudential code. • Borrowings are undertaken in line with legislative requirements.
3 Access levels	<ul style="list-style-type: none"> • Access to systems used for treasury management is managed appropriately to protect data.
4 CIPFA code of practice	<ul style="list-style-type: none"> • The councils are adhering to the current CIPFA code of practice.
5 Treasury management performance	<ul style="list-style-type: none"> • Regular and documented reporting of investments and borrowings activities to an appropriate tier of management.
9 Knowledge and training	<ul style="list-style-type: none"> • Regular monitoring of training and qualifications to ensure these are relevant and up to date.

Key Findings		
Objective	Audit Scope	
1	Policies and procedures	<ul style="list-style-type: none"> Approved treasury management strategy is in place, up to date and in accordance with CIPFA prudential code of practice. No impact on the strategy resulting from the new CIPFA code.
2	Investments and borrowings	<ul style="list-style-type: none"> A range of investments are available. All investments made conform to the treasury management strategy. No borrowings as of 31 December 2023, which remains unchanged from the previous audit.
3	Access levels	<ul style="list-style-type: none"> Appropriate number of administrators to cover the function. Users' access levels are aligned with their treasury management responsibilities.
4	CIPFA code of practice	<ul style="list-style-type: none"> The Code was updated in 2021 but does not have direct impact on the daily treasury management activities. It does require additional disclosure requirements for 2023/24 statement of accounts.
5	Treasury management performance	<ul style="list-style-type: none"> Both councils are submitting regular returns which are supported by documentation. Mid-year monitoring has been completed in accordance with the timetable.
6	Knowledge and training	<ul style="list-style-type: none"> Staff have relevant qualifications, training and experience for the duties and responsibility they have within treasury management. A formal training log is not maintained for officers with treasury management responsibilities, to ensure compliance to the CIPFA TM Code.