

DEPARTMENT	AUDIT REVIEW	FINAL REPORT ISSUED
<b>Corporate Services</b>	<b>Treasury Management (2023/24)</b>	<b>27 February 2024</b>

**BACKGROUND**

Carmarthenshire County Council defines its treasury management activities as the management of the Authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions, and the effective control of the risks associated with those activities, including the pursuit of optimum performance consistent with those risks.

The treasury management loans, and investment roles are managed by employees within the Treasury & Pensions Investment Division of the Corporate Services Department.

**SCOPE**

The purpose of the audit was to assess the extent to which there are adequate controls and procedures in place to provide effective control over loans and investments; in particular:

- Adequate procedures exist for the administration of treasury management;
- Loans and borrowing comply with the Treasury Management Policy;
- Adequate authorisation controls and contingency arrangements exist;
- Interest calculations are accurate and appropriately recorded;
- Adequate fidelity cover is provided for officers involved in loans management and accounting;
- Appropriate treasury management information is made available to relevant officers/management.

**SUMMARY OF RECOMMENDATIONS**

The audit findings and recommendations are detailed in the attached Action Plan.

A summary of these recommendations by priority is outlined below:

Priority	3*	2*	1*	Total
<b>Number of Recommendations</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>

**ASSURANCE RATING**

The post review assurance level for systems relating to Treasury Management is categorised as: **ACCEPTABLE**.

## Internal Audit review – Treasury Management (2023/24)

## Action Plan

Ref	Summary of Issue Identified	Recommendation	Priority Level	Planned Action Responsible Officer(s)   Target Date	Updated Position
1	<p><b>Supporting Documentation</b></p> <p>Testing identified that a record of the rationale, to support the decisions to make investments, and take out long-term loans, had not been maintained, as required by the Treasury Management Procedural Manual.</p>	<p>A record of the rationale to support decisions to make investments, and take out long-term loans should be maintained by the Treasury Management Section, as required by the Treasury Management Procedural Manual, to include the retention of all information that supports the decision-making process.</p>	**	<p>Agreed. We will implement immediately.</p> <ul style="list-style-type: none"> <li>Anthony Parnell - Treasury and Pensions Investment Manager</li> </ul> <p>1 February 2024</p>	<p>Action implemented. A record of the rationale to support decisions will be maintained in all instances moving forward.</p>
2	<p><b>Reconciliations</b></p> <p>A review of a sample of fifteen monthly reconciliations identified that twelve reconciliations had not been undertaken and reviewed promptly.</p> <p>In addition, testing identified that reconciliations were signed as completed and reviewed using photos of signatures. Evidence was not available to demonstrate that the documents had been seen and signed by the actual officers.</p>	<p>All reconciliations should be completed and reviewed promptly.</p> <p>All documentation requiring proof that the signer has approved the document should be supported by evidence to demonstrate that the actual authorising officer has seen, and approved the document in question</p>	**	<p>Agreed. We will implement immediately.</p> <ul style="list-style-type: none"> <li>Anthony Parnell - Treasury and Pensions Investment Manager</li> </ul> <p>1 February 2024</p>	<p>Action implemented. All reconciliations will be completed and reviewed promptly moving forward. Documentation is now being maintained to evidence the appropriate approval when wet signatures are not used.</p>
3	<p><b>Fidelity Insurance</b></p> <p>Fidelity Insurance cover is in place, however the cover is not consistent with the current level of investment and borrowing, nor is the level of cover</p>	<p>A review of the current insurance cover should be undertaken to ensure the Authority has appropriate fidelity cover, which is consistent with the</p>	**	<p>Agreed. We will work with the Insurance team to review the appropriate fidelity cover, and implement accordingly.</p>	<p>In progress – target date not yet reached.</p>

Internal Audit Update: Report B

Ref	Summary of Issue Identified	Recommendation	Priority Level	Planned Action · Responsible Officer(s)   Target Date	Updated Position
	consistent with details specified in the Treasury Management Manual.	staff within the current structure of the Treasury Management Section, and their level of trading. In addition, the level of cover should be consistent with the details specified in the Treasury Management Manual.		<ul style="list-style-type: none"> <li>▪ Anthony Parnell - Treasury and Pensions Investment Manager</li> </ul> 31 March 2024	