

PART A

Report to: Audit Committee
Date of meeting: 27th June 2012
Report of: Head of Strategic Finance
Title: Authorised Signatories

1.0 **SUMMARY**

1.1 This report requests approval to increase the number of authorised signatories in managing the day to day treasury management functions. The recommended additional authorised signatories are detailed in Appendix A, which is confidential due to the need to maintain security in the management of the Council's assets.

2.0 **RECOMMENDATIONS**

2.1 That the Committee approves the authorised signatories who also have authority to confirm details by telephone with the Council's bankers and as detailed in Appendix A.

Contact Officer:

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3.0 **Detail**

3.1 On a day to day basis the Council's treasury management function is managed mainly by two officers within the Financial Services (Shared Services) Division. The principal function of these officers is to ensure the balance on the Council's 'overnight' account is in the black, but as close to zero as possible. This is due to the fact that overnight money earns no interest whereas the Council's two call accounts with the Co-operative Bank and Nat West earn interest at 0.56% and 0.90% respectively. Further, active treasury management seeks to ensure that the Nat West account is utilised as much as possible with frequent daily transfers between the Co-operative Bank and Nat West.

3.2 It is essential that these officers do not organise both the transfer of money and its authorisation and good audit practice insists there should be a separation of duties. In that respect two senior officers (named within Appendix A) are required to authorise/ confirm by telephone with the relevant bank that all transfer requests are genuine. It is frequently the case that the two officers may not be available and further cover is requested. The Audit Committee is therefore requested to approve the additional named officers in Appendix A.

4.0 **IMPLICATIONS**

4.1 **Financial Issues**

The Head of Strategic Finance comments that it is important that the council seek to obtain the optimum investment interest on all its cash surpluses. This needs to be achieved within a very tight system of financial administration.

4.2 **Legal Issues** (Monitoring Officer)

The Head of Legal and Property Services comments that there are no legal implications arising directly out of this report.

4.3 **Potential Risks**

Potential Risk	Likelihood	Impact	Overall score
That the transfer of surplus funds is fraudulently 'exported' to improper accounts.	1	4	4

4.4 **Staffing & Equalities**

None Directly

4.5 **Accommodation**

None Directly

Appendix

Appendix A – Current and proposed authorised signatories (*exempt information not for publication. The exempt information is under the following category, identified in amended schedule 12A of the Local Government Act 1972, paragraph 3 (information relating to the financial or business affairs of any particular persons including the authority holding the information).*)