

and Financial Policy Manager prior to being entered into and reported to the Director of Finance immediately following (the same day) the transaction is entered into and to the Strategy and Resources Committee quarterly.

- 6.7 Hedging can only take place with counterparties who have a long term credit rating of 'A-' or better.

7 Liquidity Policy

- 7.1 The debt maturity profile shall be maintained so that no more than 35% of the relevant debt matures in either of the current or following fiscal year unless the total relevant debt outstanding is lower than \$30,000,000. The relevant debt is the total external debt for the Council but excludes any leases, table loans, and floating rate short term loan issues.
- 7.2 Where possible, maturity dates should be spread throughout the year.

8 Credit Exposure

- 8.1 Hedging can only take place with counterparties who are credit rated 'A-' or better.
- 8.2 Settlement for new loans shall be by cleared funds.
- 8.3 Loan raising should be managed so that the impact of settlement default will not adversely affect the Council.

9 Management by Staff of the Borrowing Policies

- 9.1 All external debt must be authorised by the Council except that under section 4.12 (working capital overdraft). Staff shall have evidence of such approvals before any debt is raised.
- 9.2 Authority is delegated (under this Policy Statement) to the Funds Accountant and in his absence, any one of the Director of Finance, Funds and Financial Policy Manager, Financial Analyst, and the Financial Services Manager to raise external debt funds and to enter into hedging contracts on terms he may determine within the limits and guidelines of this Policy Statement. The day-to-day management and actions may be undertaken by the Funds Accountant, but the responsibility for overview lies with the Director of Finance.
- 9.3 The Funds Accountant shall form a view on future interest rates based on independent professional advice. The view shall be revised at least quarterly. Action to change the Council's fixed, floating interest rate profile shall be based on that view.
- 9.4 The Director of Finance shall appoint a Treasury Review Team to assist on the formation of interest rate views and Borrowing management strategy. The Treasury Review Team shall approve and maintain guidance notes and instructions developed for the proper management of Council's Debt under this policy.

- 9.5 A specific debt raising resolution may require joint delegations for action. If so then the more restrictive delegation shall be followed.
- 9.6 There shall be appropriate segregation of duties amongst staff involved in borrowing and investing of Council funds and this shall be subject to audit review.
- 9.7 The Funds Accountant shall maintain the register of charges and shall file with the Registrar of Companies a copy of the debt instrument from time to time.
- 9.8 Actions taken under the Borrowing Policy are to be reported to the Director of Finance at least weekly, and to the Strategy and Resources Committee quarterly. The actions requiring reporting are:
- Debt Servicing Costs, both budgeted and actual
 - Comment on Interest Rate Exposure
 - Debt Maturity Profiles and expected timing of Debt Raising
 - Total Debt Raised (including financial leases)
 - Hedging Contracts taken up since the last report
 - Hedging and Derivative Contracts in place at the time of the report