



TREASURY MANAGEMENT POLICY

This Circular advises Government agencies (including State Owned Corporations) that they must comply with the updated *Treasury Management Policy* (TPP07-7) which applies from 1 August 2007. The 2002 policy has been revised to reflect new accounting standards, changes to the *Public Authorities (Financial Arrangements) Act 1987* (NSW) and clarifies agency Treasury management risk identification and methods for mitigating exposures.

Summary:

The *Treasury Management Policy* (TPP07-7) supersedes the previous 2002 version *Treasury Management Policy* (TPP02-5). The revised publication (TPP07-7) does not contain any significant technical amendments from that previous publication.

The *Treasury Management Policy* provides a framework for managing the risks associated with public sector agencies' treasury functions such as borrowings, investments, derivative transactions, debt and investment management and structured finance transactions. This framework applies to all public sector agencies but is of greater relevance to Government businesses¹ (including State Owned Corporations), given the extent of their involvement in treasury functions.

Agencies are advised to familiarise themselves with the Policy, which become effective from this Circular's date of issue.

John Pierce
Secretary

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¹ Public Trading Enterprises, Public Financial Enterprises and non-Budget dependant General Government agencies which operate under the *Commercial Policy Framework*.