APPENDIX B

LUTON BOROUGH COUNCIL TREASURY POLICY STATEMENT

- This organisation defines its treasury management activities as:
  The management of the organisation's investments and cash flows, its banking, money market and capital transactions; the effective control of the risks associated with those activities: and the pursuit of optimum performance consistent with those risks

- This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

- This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principals of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management