

EAST AYRSHIRE COUNCIL
COUNCIL MEETING – 29 APRIL 2004
TREASURY MANAGEMENT – BANKING ARRANGEMENTS

Report by Acting Chief Executive

1 PURPOSE OF REPORT

- 1.1 To request the Council to update certain resolutions made at its meeting on 14 February 2002 in favour of the Clydesdale Bank.

2. BACKGROUND

- 2.1 Following the restructure of Council departments it is necessary to review the authorisation arrangements for banking transactions.

3. RESOLUTIONS

In line with the requirements of the Council's bankers, The Clydesdale Bank, it is proposed that the Council resolve;

- 3.1 That a banking account or accounts be continued and further accounts opened as may be considered advisable from time to time in the name of the Council with the Clydesdale Bank ("the Bank"), and that the following resolutions shall apply to all accounts of the Council with the Bank now, or in the future.
- 3.2 That the Bank be, and it is hereby instructed and authorised to honour, comply with and debit to the Council's account or accounts, whether in credit or overdrawn in consequence of such debit, all cheques, warrants, orders, bills, promissory notes, negotiable instruments or instructions made drawn or given on behalf of the Council at any time provided that any such cheques, warrants, orders, bills, promissory notes, negotiable instruments or instructions are signed by either the

Executive Head of Finance or;
Financial Controller

or any two of;

Finance Manager – Strategic and Operational Accounting,
Finance Manager – Financial Accounting and Control
Treasury and Risk Services Manager.

- 3.3 That as regards the following matters:

- (a) Instructions to withdraw, deliver, dispose of or deal with any property, Documents or securities held on account of the Council and the withdrawal of securities, documents or articles lodged for safe custody on account of the Council;
- (b) Endorsement of all cheques, orders, bills, promissory notes and negotiable instruments payable to the Council;
- (c) Any indemnities or counter indemnities given to the Bank;
- (d) Instructions for the opening of credits or the issue of guarantees, bonds or indemnities by the Bank;

- (e) The discounting of inland or foreign bills;
- (f) Instructions for the opening of any banking account or accounts from time to time in the name of the Council with the Bank.

The Bank or its nominee be hereby authorised to accept on behalf of the Council instructions signed by:

Executive Head of Finance or;
Financial Controller

or any two of;

Finance Manager – Strategic and Operational Accounting,
Finance Manager – Financial Accounting and Control
Treasury and Risk Services Manager.

- 3.4 That the Bank be supplied with a list of the names of the above postholders and advised of any alterations to the list.
- 3.5 That it is the Council's desire and intention to issue cheques drawn on the current accounts kept in the books of the Bank in our name with the signature of Alexander McPhee, Executive Head of Finance lithographed or stamped thereon in facsimile: Therefore we do agree that in honouring such cheques when presented to the Bank they shall as between the Council and the Bank have the same rights, powers and privileges and be in the same position in all respects as if the facsimile signature on such cheques was the manuscript signature of the said Alexander McPhee and it shall not be competent to the Council to plead or maintain as against the Bank that any such cheques so presented have been issued without the Council's authority or that the facsimile signature thereon has been adhibited without the Council's authority: And we further agree to hold the Bank indemnified from and against all loss, costs, damages and expense which they may sustain or incur or be liable for, in any manner of way in consequence of the Bank honouring cheques issued by the Council as aforesaid.
- 3.6 That these Regulations be communicated to the Bank and remain in force until amending resolutions shall be passed by a meeting of the Council, and a copy thereof, certified by the chair shall have been received by the Bank.

4. FINANCIAL/LEGAL/POLICY IMPLICATIONS

- 4.1 The discharge of these duties and responsibilities is governed by the Council's Financial Regulations

5. RECOMMENDATIONS

It is recommended that the Council resolve as described in paragraph 3.1 to 3.6.

Fiona Lees

Acting Chief Executive

AMcP/JP

20 April 2004

LIST OF BACKGROUND PAPERS

NIL

Any person who wishes any further information on this report should contact Robin Baker, Treasury Services Manager, Tel 01563 576331.