

ON THE RIGHT PATH

Further your treasury career with our employment advice and job vacancies

'I have passed my AMCT – what's next?'



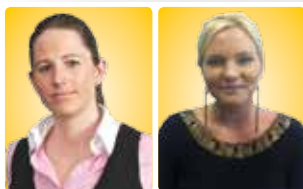
An AMCT qualification can provide you with some great foundations and theoretical knowledge. More importantly, if you're looking to progress your career, it's a fundamental necessity.

A common misconception among many candidates we speak to is they expect that simply completing the AMCT will ensure they can advance to the next level. Unfortunately, this is not the case.

Generally, it's an employer's responsibility to provide its employees with career progression advice and options. If you haven't already, speak with your manager about the future career options open to you in your current role. If you don't feel there is much room to advance, then try to work on different projects. Focus on roles in risk, liquidity and funding, since these are the most relevant to your studies. Once you have built up some practical experience, if you still feel there is a lack of opportunities within your current organisation, then it's time to look externally. Should you then decide to move, you will be able to demonstrate relevant practical experience to back up your theoretical knowledge.

Encouragingly, we have witnessed an increase in recruitment activity across the treasury spectrum compared with last year. This was initially at treasury manager level, but more recently at treasury analyst and treasurer grade. But it is a buyer's market and competition is rife. As a result, in recent years there has been a flux of people undertaking the AMCT to set themselves apart. Consequently, the AMCT qualification has undergone an interesting transition in recent times – whereas once it was seen as belonging to a very exclusive members' club, now it is a more regular commodity.

With clients slightly overwhelmed with candidates, they are able to cherry-pick based on criteria such as a candidate having or not having a qualification. This is one of the reasons why it is imperative to continue enhancing your professional qualification: it is the best way to ensure that you are not among those eliminated just to ebb the tide.



Kyra Cordrey (left) is a director at Michael Page CFO Practice: Treasury; and **Jessica Timelin** (right) is a consultant at Michael Page Treasury (specialising in newly qualified treasury recruitment)

On the move

Congratulations to the following treasurers who have moved on or upwards:

- ◆ **Nav Batish, MCT**, has recently joined Alliance Boots as interim deputy group treasurer – funding. He was previously in Capital Markets/Corporate Finance at Everything Everywhere.
 - ◆ **Ian Broughton, AMCT**, previously assistant treasury operations manager at FirstGroup, has now joined National Oilwell Varco as UK treasury manager.
 - ◆ **Stuart Clarke, AMCT**, has now joined Julian Hodge Bank as treasurer. He was previously senior dealer at Coventry Building Society.
 - ◆ **Gareth Evans, AMCT**, previously vice president of accounting policy at Citi, has now joined Mitsubishi UFJ Securities International as head of accounting policy.
 - ◆ **Peter Hall, MCT**, has now joined consultancy Torcraig Business Support as director. He was previously director of finance at Concentra.
 - ◆ **Jon Lumsden, AMCT**, has recently joined Manheim Europe as head of financial accounting and reporting. He was previously assistant group financial controller at equipment rental specialist Vp.
 - ◆ **Simon Neville, FCT**, has joined CEVA Group as executive vice president, global treasurer. He was previously treasury director, group treasury, at Tesco.
 - ◆ **Jo Reed, AMCT**, previously treasury manager at Places for People, has now joined Rochdale Boroughwide Housing as treasury and business planning accountant.
 - ◆ **Paul Seagar, AMCT**, previously director at BlackRock, has joined RBS as business manager, group treasury.
 - ◆ **Christopher Woodhouse, AMCT**, has now joined RAC as chief executive officer. He was previously finance director at Debenhams.
- ◆ Remember to email your job changes to Matthew Trickey at mtrickey@treasurers.org. If you have won an award, email Peter Matza at pmatza@treasurers.org

Jobs on the web

Here is a selection of jobs that have recently been advertised on our jobs website:

TREASURY ANALYST

Location: London

Salary: £45,000-£55,000 + benefits.

A leading FTSE 100 based in London is looking for a treasury analyst to join its prestigious team. Following a period of change, the business is looking to realign the treasury services and this position is integral to that project.

DEPUTY GROUP TREASURER

Location: Bristol

Salary: £100k-£110k base salary + excellent benefits package.

Reporting to and, on occasion deputising for, the group treasurer, the incumbent will help drive strategy and execute projects across a wide range of treasury affairs.

To view roles like these and others, please visit:

www.treasurers.org/treasuryjobs

Please also see pages 64 and 65 of this month's issue

SEGREGATION OF DUTIES

Treasury controls can reduce the risk of fraud and help to detect errors, argues Sarah Boyce

“The board should, at least annually, conduct a review of the effectiveness of the company’s risk management and internal control systems. ... The review should cover all material controls, including financial, operational and compliance controls.” – The UK Corporate Governance Code.

Given the greater focus on corporate governance nowadays, the treasury team (or anyone looking after treasury in their organisation) should appreciate the importance of treasury controls and their impact on day-to-day activities.

Treasury controls consist of board-approved internal policies that cover all aspects of treasury activity, with powers delegated to the treasury team. Policies are translated into treasury procedures and reporting guidelines that include controls such as limits on the size of deposits, the use of standard settlement instructions (where payments can only be made to predetermined bank accounts) and segregation of duties.

Treasuries deal with large sums of money on a daily basis and the key operational risks are fraud or error. Errors can usually be corrected (although the cost may be high), but fraudulent losses can be irretrievable. Segregation of duties is a key management control that is intended to reduce the risk of fraud and identify errors in a timely manner.

Segregation of duties is the principle that no employee should be in a position both to commit and conceal fraud or errors in the usual course of their duties

WHO DOES WHAT IN TREASURY

| FRONT OFFICE | BACK OFFICE |
|--|----------------------|
| Interface to commercial teams within the company | Confirmations |
| | Settlements |
| Pricing advice | Bank reconciliations |
| Cash management | Treasury systems |
| Dealing | Accounting |
| Deal entry | Reporting |

(sometimes referred to as the ‘duality’ or ‘four eyes’ principle). The objective is to involve several people in the life of a single transaction, from initiation to settlement and reporting, to minimise the risk of fraud (which would require collusion on a large scale to be successful) or undetected errors slipping through (see diagram below).

Even in the smallest company, different individuals should perform the front office and back office steps for a particular deal. In the same way, different people should ideally authorise pre-dealing and dealing in the front office, and the initiation and authorisation of settlement in the back office.

The growing use of systems in the treasury function means that IT can be used as an additional control mechanism in the following ways: by automatically confirming transactions with the third party almost instantly after execution; by restricting settlement of funds to

predetermined bank accounts; and by flagging exceptions to management.

For example, a front office dealer may transact an FX deal with a bank and input it into a treasury management system (TMS). The transaction may be confirmed by third-party software that matches the deal entered by the dealer with the deal entered by the bank, and sends confirmation of the match to both parties. When funds need to be paid to the bank, a back office manager will approve the payments and the back office administrator will release the payment to a predetermined bank account.

As a further level of control, it is preferable for those who make up the front and the back office to have different reporting lines. This means that in smaller companies finance staff and, occasionally, key operational staff will perform some front or back office tasks.

The importance of segregating duties cannot be overemphasised. Not only does it reduce the risk of fraud, but also, much more positively for most organisations, it can provide a checking mechanism for treasury. Due to the nature and complexity of treasury activities, it is almost inevitable that at some point somebody will make a mistake. Good segregation of duties will enable such mistakes to be picked up promptly, enabling rapid rectification that minimises risk and cost. ♥

Sarah Boyce is associate director of education at the ACT

THE ELEMENTS OF A TYPICAL TREASURY TRANSACTION

The following elements tend to follow in sequence, except control and reporting, which is a continuous process through the cycle. The first three of these steps will be undertaken in the front office, with the last three or four steps undertaken in the back office (or middle office, where one exists):

