

Foreword

In the current economic climate, the flows of cash in and cash out of a public body are subject to a greater risk of volatility. Individuals may struggle with tax and other payments; key suppliers and delivery partners may encounter liquidity problems and seek to change terms of payment; and instability in financial markets impacts on investment returns and borrowing costs. So it is all the more important that public bodies actively manage their cash flows.

This means understanding the timings of flows out, paying out on time, maximising as far as possible the flows in from receipts and having regard to stakeholder needs, and optimising their dealings in financial markets in a prudent manner that safeguards public monies. Every public body should have a clear picture of how cash flows through it to ensure that unnecessary costs are not incurred.

This publication looks at the central role cash plays in the conduct of a public body's business and how cash is managed effectively as a resource.



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