

Schedule of CIPFA Financial Management Standards

Principles	Financial Management Standards	Section 1 The Responsibilities of the Chief Finance Officer and Leadership Team
Leadership	A	The leadership team is able to demonstrate that the services provided by the authority provide value for money
		<p>The authority has a clear governance structure and scrutiny arrangements where collective responsibility for value for money is made explicit. The Management Team of the Council includes senior representatives from a variety of disciplines, including the Chief Executive, Monitoring Officer and Chief Finance Officer and Service Directors.</p> <p>Key financial decisions are discussed collectively at Management Team and with respective elected members through informal briefings and at Cabinet and Full Council. The advice of the CFO is taken into account in decision-making.</p> <p>All reports to both Management Team and Members where there are financial implications should be shared with Financial Services for comment and or advice as appropriate. All decision items include a section on financial and value for money considerations.</p> <p>The Constitution includes Financial Procedure Rules and Contracts Procedure Rules which set out the framework for financial decision-making, financial management and control and tendering, procurement and contract monitoring arrangements.</p> <p>A robust monthly budget monitoring regime is in place with regular reports to both MT and the Finance, Innovation and Property Advisory Board on performance against budget throughout the year.</p> <p>The Council has an effective internal audit and counter fraud function and risk management process with regular update reports to the Audit Committee throughout the year.</p>

		<p>The Council's Audit Committee provide independent challenge and scrutiny of the Council's financial management and reporting, internal control, risk management and governance arrangements.</p> <p>External Audit assessment of VFM as part of the audit of the financial statements reported to the Audit Committee.</p> <p>All of the above assists in ensuring value for money in the delivery of services.</p>
Leadership	B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government
		The Annual Governance Statement includes specific reference confirming compliance with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.
		Section 2 Governance and Financial Management Style
Assurance	C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control
		<p>The Council has adopted a Local Code of Corporate Governance in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016) which is subject to annual review.</p> <p>The Annual Governance Statement and opinion of the Chief Audit Executive on the governance, risk management and control framework provide further assurance.</p>
Accountability	D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)
		<p>The Council has adopted a Local Code of Corporate Governance in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016) which is subject to annual review.</p> <p>The Council maintains an effective Audit Committee and has an Internal Audit function that conforms to Public Sector Internal Audit Standards.</p>
Sustainability	E	The financial management style of the authority supports financial sustainability
		Budget responsibility and the budgetary control framework is clearly understood and applied across the organisation. Budget responsibility and budgetary control is

		<p>devolved to Services supported by Financial Services. Regularly update reports on key budget areas and financial planning and control are presented to Management Team and the Finance, Innovation and Property Advisory Board.</p> <p>The Finance function is highly respected by service managers, senior management and Members and its advice valued where good working relationships have been developed across all service areas.</p>
		Section 3: Medium to Long Term Financial Management
Assurance	F	The authority has carried out a credible and transparent financial resilience assessment
		<p>The Council's Medium Term Financial Strategy covers both revenue and capital budgets over a rolling ten-year period and it is this Strategy that underpins the budget setting process for the forthcoming year and over the strategy period. Financial resilience is tested as part of this process by consideration of alternative scenarios and their subsequent impact.</p> <p>The CIPFA financial resilience index is also included in the budget papers as a further indicator of resilience and prompt challenge where it may be needed.</p> <p>The external auditor as part of the audit of accounts process will consider the financial standing of the authority and comment as appropriate.</p>
Sustainability	G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members
		<p>The Council's Medium Term Financial Strategy covers both revenue and capital budgets over a rolling ten-year period and it is this Strategy that underpins the budget setting process for the forthcoming year and over the strategy period. This will include projected reserve balances over the 10-year period and identify the need to take corrective action if in any one year the reserve balance will fall below the minimum level set by the Council.</p> <p>Two fundamental objectives are to achieve a balanced budget and to retain a minimum of £3m in the general revenue reserve by the end of the strategy period, and not to fall below £2.0m at any time during the 10-year period.</p>

		<p>The MTFS identifying the savings to be achieved and the associated timescale if the objectives are to be met.</p> <p>Alongside the MTFS sits a Savings and Transformation Strategy. The purpose of the Strategy is to provide structure, focus and direction in addressing the financial challenge faced by the Council.</p>
Standards	H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities
		<p>The Council has both a Capital Strategy and a Treasury Management and Annual Investment Strategy which is subject to approval as part of the annual budget setting process with regular reporting of treasury management activity to the Audit Committee during the year as required under the Treasury Management Code of Practice. It also has an Asset Management Plan to aid the review of the sufficiency and suitability of assets in the light of business needs.</p>
Sustainability	I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans
		<p>The Council's Medium Term Financial Strategy covers both revenue and capital budgets over a rolling ten-year period and it is this Strategy that underpins the budget setting process for the forthcoming year and over the strategy period. The aim of the MTFS is to give us a realistic and sustainable plan that reflects the Council's priorities. Alongside the MTFS sits a Savings and Transformation Strategy. The purpose of the Strategy is to provide structure, focus and direction in addressing the financial challenge faced by the Council. A number of key themes have been identified, together with outline targets and timescales to track progress.</p>
		Section 4: The Annual Budget
Standards	J	The authority complies with its statutory obligations in respect of the budget setting process
		<p>A detailed work plan and timetable is prepared in advance of the annual budget setting process to ensure timely completion of tasks including compliance with statutory obligations.</p>

Standards	K	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves
		A statement on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides is presented as part of the budget report to Cabinet.
		Section 5: Stakeholder Engagement and Business Cases
Transparency	L	The authority has engaged with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget
		The Council's financial strategy is aligned with its corporate strategy and is subject to annual review as part of the budget setting process with input from all Members via the Finance, Innovation and Property Advisory Board, Overview and Scrutiny Committee, Cabinet and Council.
Transparency	M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions
		There is a financial and value for money considerations section in all Member reports. No one option appraisal methodology is used, but that which it is considered will provide the requisite information to allow an informed decision to be made.
		Section 6: Performance Monitoring
Assurance	N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability
		Regular update reports on financial planning and control are reported to the Finance, Innovation and Property Advisory Board giving details of in year performance compared to budget and its impact on the Medium Term Financial Strategy where ongoing. Cabinet is also updated as appropriate on key issues. Management Team receive regular updates on key budget areas, together with progress on meeting the in-year savings target set out in the Savings and Transformation Strategy that sits alongside the MTFs.

		Services are required to undertake monthly budget monitoring and report the outcome to Financial Services. This highlighting areas for further explanation / of concern. Updates on the risk management process may also identify areas where there are one off or ongoing financial implications.
Assurance	O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability
Budget		Budget performance, treasury management activity, business rates and council tax collection rates and outstanding general fund debt are reported to senior management, Management Team and the Finance, Innovation and Property Advisory Board as appropriate throughout the year to ensure good financial management is embedded within the organisation.
		Section 7 External Financial Reporting
Accountability	P	The Chief Finance Officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom
		The Council has a robust and well-established closure of accounts process, and good working relationship with the external auditor. The Accounts are prepared ready for audit by mid-May with the external auditor complimenting the officers on the standard of the working papers accompanying the accounts.
Accountability	Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions
		The revenue and capital outturn position is reported to both Management Team and Cabinet to allow strategic financial decisions to be made in light of the outturn position.