

## Assessment of Compliance against the Financial Management Code March 2022

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NFAN = No further action necessary

Key Questions	Yes/No	Commentary	Possible Improvement Actions	Action Responsibility	Due date
<b>A. Leadership team are able to demonstrate that the services provided by the authority are Value for Money</b>					
<ul style="list-style-type: none"> <li>Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?</li> </ul>	Partially	In year-budget monitoring and outturn reports to Corporate Management team and Corporate Governance and Standards Committee assess performance against the budget, and include recommended actions to address any material variations to budget.	Value for money statement to be included in budget reports and annual CFO foreword to the accounts	Director of resources	Feb-23
<ul style="list-style-type: none"> <li>Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?</li> </ul>	Yes	Corporate plan and priorities adopted by Council in 2021. Each service has an individual service plan to support service delivery and achievement of the corporate plan. The council undertakes regular performance monitoring reporting of key performance indicators linked to the delivery of its corporate & service plan priorities. Performance monitoring reports are reported to CMT and CGSC on a quarterly basis.	Continue to develop service planning and performance monitoring processes, including by onboarding onto the Verto system to increase transparency of service delivery and performance.	Strategy and Communications Manager	Sep-22
<ul style="list-style-type: none"> <li>Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?</li> </ul>	Yes	The authority has in place appropriate arrangements for internal and external audit. External auditors provide annual assurance that Value for Money is achieved, through their external VFM opinion. Overview and scrutiny committee and Executive advisory boards provide robust challenge both pre-and post decision making to Executive. Equality impacts of decisions are considered as part of Executive reports and Equality impact assessments are carried out where changes are proposed. Engagement with service users and public consultation undertaken in relation to key service changes.	Value for money implications (economy, efficiency, effectiveness and equitable) to be explicitly considered as part of the financial implications section of Executive reports as part of decision making process	Director of Resources and Lead Finance Specialist	Mar-23
		Financial and procurement rules in place as part of the council's constitution and included contract management arrangements. Risk management arrangements and framework currently being updated.	Risk management framework to be finalised, rolled out and embedded.	Strategy and Communications Manager	Jun-22
		LGA peer reviews undertaken in 2018 both corporately and for planning. Annual benchmarking information of council service costs is obtained and reviewed by the finance team. Full council review undertaken as part of future guildford transformation programme between 2019 and 2021.	consider reporting the benchmarking reports to CGS committee as part of an annual VFM report?	Director of Resources	Mar-23
<b>B. Compliance with the Role of the Chief Finance Officer in Local Government</b>					
<ul style="list-style-type: none"> <li>Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions?</li> </ul>	yes	CFO is active member of CMT and actively involved in strategic decision making. CFO reports directly to the Joint Chief Executive.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Does the CFO lead and champion the promotion and delivery of good financial management across the authority?</li> </ul>	yes	Authority has a comprehensive constitution (incorporating financial & procurement procedure rules) in place which incorporates the role and responsibilities of the CFO. Further additional financial guidance and procedure notes are on the intranet. Implementation of new ERP system in 2020-21 and continued development in 2021-22 has significantly improved arrangements for financial control (eg, no-PO, no-Pay, greater automation of key processes and greater ability for budget managers to access their budgets and self serve). Training on BusinessWorld undertaken as part of system implementation. CFO developed and leads the savings strategy and oversees the council's savings programme. Training on the Cipfa financial management code undertaken in feb 2022 for finance team and service leaders.	Further training programme 'finance for non-finance managers' to be run in 2022-23 for service/ budget managers with refreshed emphasis of self service via BusinessWorld	Lead finance specialist	Sep-22
		All formal reports to all committees include review by the CFO or a member of the finance team who comment on the financial implications and risks.	Finance pages on intranet need a refresh following BusinessWorld introduction	Lead finance specialist	Sep-22
<ul style="list-style-type: none"> <li>Is the CFO suitably qualified and experienced?</li> </ul>	yes	CFO & Deputy CFO are fellows of CIPFA with many years experience and undertake regular CPD. The CFO signs the annual Statement of Accounts to certify her responsibilities.	NFAN	NFAN	NFAN

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<ul style="list-style-type: none"> <li>Is the finance team suitably resourced and fit for purpose?</li> </ul>	yes	Finance team structure was reviewed and updated as part of Future Guildford. Team is now fully staffed with suitably skilled and experienced individuals as per the role profiles for each role. Further training on local government finance and accounts closure undertaken in feb 2022. Various team members undertake CPD as per the requirements of their qualifications.	Ensure personal development plans in place for finance team.	Lead finance specialist	Sep-22
<b>C. The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control</b>					
<ul style="list-style-type: none"> <li>Does the leadership team espouse the Nolan principles?</li> </ul>	yes	Council has a constitution in place that is regularly reviewed, setting out how the authority operates including a comprehensive scheme of delegation. The Constitution incorporates a staff and councillor code of conduct which has recently been reviewed and incorporates the Nolan Principles. A Member Register of interests is in place and pecuniary interests are required to be declared at the start of each decision making committee. In addition as part of the annual accounts each year, Councillors and senior officers are obliged to complete an annual related party transaction disclosure which asks officers and councillors to declare any interests that may give rise to an RPT. The organisational behavioural framework is in place to espouse high standards of governance and internal control in all officer job role descriptions. Interests declared by Officers are held on HR files and a central gifts and hospitality register for officers is in place.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Does the authority have in place a clear framework for governance and internal control?</li> </ul>	Yes	The Council has a clear constitution in place available on its website which sets out the governance structure, terms of reference of committees, requirements for conduct at meetings and a scheme of delegation of various decisions both to committees and to officers. The Council has Executive Advisory Boards in place for pre-decision engagement and scrutiny and an Overview and Scrutiny committee in place for post decision scrutiny. In addition there is a Corporate Governance and Standards Committee. Each board/committee has terms of reference set out in the constitution and defined membership which is reviewed at each Selection Council meeting. The ToR's of the Corporate Governance and Standards Committee incorporate the role of an audit committee. Lead Councillors are regularly questioned at Overview and Scrutiny Committee.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?</li> </ul>	Partially	The Council has an outsourced internal audit contract in place with KPMG which incorporates the role of the Head of Internal Audit, which is compliant with Public Sector Internal Audit Standards. Internal audit plans, summary audit findings reports and Head of Internal Audit Opinion is reported to the Corporate Governance and Standards Committee (CGSC). Internal audit undertook a review of the Corporate Governance and Standards Committee against the CIPFA Audit Committee guidance during 2021-22 and found that there was significant assurance with minor improvements.	Implementation of the minor improvements outlined in the audit committee effectiveness internal audit report	Democratic Services manger	22-Sep
		An internal audit of risk management during 2020 found partial assurance with significant improvements. We are developing a new risk management framework which was approved by CGSC in April 2022.	Implementation of the audit recommendations in the Risk Management audit report.	Strategy and communications manager	Jun-22
		The Council is externally audited on an annual basis and any audit actions are followed up. The council has undertaken Peer challenge reviews with the LGA in 2018.	NFAN	NFAN	NFAN

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<ul style="list-style-type: none"> <li>Does the leadership team espouse high standards of governance and internal control?</li> </ul>	yes	As above, codes of conduct and register of interests are in place and codes of conduct are consistent with the Nolan principles and the latest recommendations from the Committee on Standards in Public Life. Members of the leadership team are required on taking office, to confirm that they agree to comply with the relevant codes of conduct. The leadership team actively engage with both internal and external audit, overview and scrutiny committee, and corporate governance and standards committee. Consultation with relevant stakeholders is made prior to decision-making where appropriate and required. Consultation on new policies, plans and strategies is undertaken where appropriate for example the council consulted on its new corporate plan 2021 to 2025 and also consulted on its priorities for spending prior to the 2021 budget. Professional advisers or employees at to help inform decision making processes where necessary. Option appraisals are undertaken in major decisions and projects particularly where service delivery is affected (for example, the recent review of day care services) or major capital projects are proposed. The Council has a new Project and Programme Governance process which requires an options appraisal on all significant projects. Significant service changes such as the implementation of savings programmes are treated as projects.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Does the leadership team nurture a culture of effective governance and robust internal control across the authority?</li> </ul>	yes	The leadership team seek to comply with new codes of practice as they are issued by relevant public or professional bodies for example the new CIPFA capital and treasury management code. The Council participates in various awards schemes such as the purple flag scheme and the green flag scheme. All internal audit reviews and external audit recommendations are responded to appropriately and reported to CGSC. The council's organisational behaviour framework rewards good governance behaviour and officers are held to account against the framework as part of their performance monitoring process.	NFAN	NFAN	NFAN
<b>D. The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)</b>					
<ul style="list-style-type: none"> <li>Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements?</li> </ul>	yes	The Annual Governance Statement demonstrates how GBC has achieved good governance and complied with the 'CIPFA/SOLACE Delivering Good Governance in LG Framework 2016'. The AGS is reviewed and updated annually and considered and approved by CSGC. The annual governance statement sets out in detail how the authority complies with each of the core principles within the Delivering Good Governance Framework and sets out actions for improvement where improvement is required. The AGS is signed by the Leader and Joint Chief Executive.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Does the authority have a robust assurance process to support its AGS?</li> </ul>	yes	The AGS is agreed by Members of the Corporate Governance and Standards Committee (CGSC) and Executive, subject to external audit, and published as part of the annual Statement of Accounts.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Does the authority have in place a suitable local code of governance?</li> </ul>	yes	The Council's local code of governance is set out within its constitution, risk and performance management frameworks as documented within the AGS.	A separate local code of governance will be developed to bring together all the separate guidance. The code will be approved by the CGSC.	Monitoring Officer	Mar-23
<b>E. The financial management style of the authority supports financial sustainability</b>					
<ul style="list-style-type: none"> <li>Does the authority have in place an effective</li> </ul>		The CFO is an active member of the leadership team. The Financial procedure rules as set out within the councils constitution provide an effective framework of financial accountability. The Council adopted a new Service planning and performance monitoring system in 2020-21. Each service (including the finance service) is required to do a service plan which is subject to continual review and reporting to directors throughout the year. Investment and efficiencies set out in the service plan form part of the annual budget report.	The financial procedure rules that form part of the constitution need to be reviewed and updated following recent restructures. This is scheduled for 2022-2023, following which training will need to be roled out to managers and budget holders to ensure that they understand their roles and responsibilities.	Lead finance specialist	Sep-22
		Budget Strategy is set out in the Budget Assumptions report agreed by Executive. The Council also has an Executive approved Savings Strategy and Council approves the medium term financial strategy as part of the budget process.	NFAN	NFAN	NFAN

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framework of financial accountability?	yes	As part of Future Guildford Transformation (completed 2018 to 2021) we have completed transformed the Council and implemented a new full ERP system, Unit 4 BusinessWorld (BW). BW allows full accrual and commitment accounting and holds a comprehensive scheme of delegation from having named cost centre managers through to team managers, service managers and directors in the system. All cost centre managers have access to plan their budget for the following year and to monitor performance against budget on the system. Further development was undertaken to BW to implement Income Manager and Bank Reconciliation.	NFAN	NFAN	NFAN
		Both Financial monitoring and corporate performance monitoring reports are reported to CMT and CGSC.	Financial literacy of some budget managers still needs development. Further training to be provided on budget and financial management.	Lead finance specialist	Sep-22
<ul style="list-style-type: none"> <li>Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?</li> </ul>	yes	The Council commissioned a value for money review ahead of the 2019-20 budget to help the Council assess the need for Future Guildford transformation project and its business case. The value for money review was reported to council in February 2019. The Council has various plans and policies in place to achieve value for money however this has not been brought together in an over arching value for money strategy or statement. The financial implications section of committee reports should cover value for money however this could be more explicit. The programme and project management framework requires a business case for projects which includes an assessment of value for money as part of the financial and economic section of the business case for the project.	A short value for money statement should be developed and included within the annual budget report. The template for committee reports should be updated to include an explicit section on value for money which is a credit to the financial implications section.	Director of resources	Feb-23
		The Council subscribes to and uses benchmarking reports from LGFutures which looks at unit costs and income compared to similar authorities nationally and also CIPFA nearest neighbours.	The output of benchmarking could be reported to CMT/ councillors on an annual basis as part of a value for money report.	Director of resources	Feb-23
<ul style="list-style-type: none"> <li>Does the authority's finance team have appropriate input into the development of strategic and operational plans?</li> </ul>	yes	The Council's finance team are key enablers responsible for helping to review service plans and priorities and project mandates under the councils programme and project management framework. All committee reports are required to have the financial implications assessed by the finance team prior to reporting to committee. Members of the finance team or included within various project boards and working groups across the council.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Do managers across the authority possess sufficient financial literacy to deliver services cost-effectively and to be held accountable for doing so?</li> </ul>	yes	Financial literacy of some budget managers still needs development.	Further training to be provided on budget and financial management.	Lead finance specialist	Sep-22
<ul style="list-style-type: none"> <li>Has the authority sought an external view on its financial style, for example through a process of peer review?</li> </ul>	yes	LGA peer review was undertaken in 2018 which included a peer review of finance. KPMG undertook an internal audit of the Council's compliance with the CIPFA financial management code in 2021-2022. The internal audit found that there is significant assurance with minor improvement opportunities.	Implementation of the minor improvements outlined in the internal report.	Director of resources	Feb-23
<ul style="list-style-type: none"> <li>Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?</li> </ul>	yes	Financial management responsibilities are set out within the financial procedure rules in the Councils constitution. New procurement strategy and updated procurement rules were adopted in 2020-21.	as above further training required.	Lead finance specialist	Sep-22
<b>F. The authority has carried out a credible and transparent financial resilience assessment</b>					

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<ul style="list-style-type: none"> <li>Has the authority undertaken a financial resilience assessment?</li> </ul>	partially	The External Auditors, Grant Thornton undertook a value for money review on the 2019 budget and recommendations have been implemented. Which incorporated key aspects of a financial resilience assessment and concluded the budget was produced using robust arrangements and realistic assumptions. However, the Council has not undertaken an explicit external assessment of financial resilience. The Council maintains a long term 5 to 30 year budget forecast, based on prudent assumptions, growth projections in the local plan, implications of capital programme and long term inflation outlook, to demonstrate its long term financial resilience and sustainability. The 4 year medium term forecast is updated at least annually and submitted to Full Council in February each year. The CFO undertakes sensitivity analysis on the MTFP and reports this as well as the long-term financial sustainability assessment as part of the CFO report to Budget Council. In addition, a review and commentary of the CIPFA financial resilience index is included in both the CFO report to the Budget and also the CFO foreword in the statement of accounts.	Consider the need to undertake a formal external financial resilience assessment in 2021-2022 or 2022-23	Director of resources	Feb-23
		The Capital and Investment Strategy covers a 5 year medium term plan horizon and is updated and reported to Council annually. The strategy is consistent with the medium term financial plan.	NFAN	NFAN	NFAN
		The Council has an asset management strategy and framework in place although this was developed in 2018 and need to review.	The asset management strategy and framework to be updated and reported to councillors.	Head of asset management	Feb-23
		A financial risk register is submitted annually to Full Council containing details of significant financial risks faced by the Council, and how these are mitigated/managed along with an assessment of the level of reserves in comparison to the risks. The risk register informs the CFO's Section 25 LGA 2003 Statement on robustness of estimates and adequacy of reserves.	NFAN	NFAN	NFAN
		A savings strategy is in place. The savings strategy incorporates a review of all operational assets. The CFO chairs the savings programme board which oversees the implementation of savings plans.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Has the assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?</li> </ul>	yes	Sensitivity analysis is undertaken as part of the budget setting process and reported to council as part of the CFO's report on the budget.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Has the authority taken appropriate action to address any risks identified as part of the assessment?</li> </ul>	yes	A savings strategy is in place to address the medium term budget gap and is being monitored through the savings programme board.	NFAN	NFAN	NFAN
<b>G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members</b>					
<ul style="list-style-type: none"> <li>Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?</li> </ul>	yes	The Councils corporate plan was reviewed and updated following the elections in May 2019. The corporate plan was adopted in 2021 following a delay caused by Covid. The Council's financial strategy through the service planning process is to support delivery of the corporate plan and its priorities the councils capital and investment strategy is heavily linked to the priorities set out in the council's corporate plan when capital expenditure and investment decisions are undertaken officers are required to demonstrate how such investment meets the corporate plan priorities. Executive and CMT are aware of long term threats to financial sustainability and working with a partner authority on further collaboration.	NFAN	NFAN	NFAN

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<ul style="list-style-type: none"> <li>Does the authority have a strategic plan and long-term financial strategy that adequately address these risks?</li> </ul>	yes	A long term financial strategy and was put in place as part of the 2022 budget process this is linked to the longer term 20 to 30 year budget forecast and sets out overall parameters within which the council will operate financial. A financial risk register is in place to address the core financial risks faced by the council this is reported to council as part of the budget report and is used to assess the adequacy of the level of reserves.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (eg using a technique such as scenario planning)?</li> </ul>	no	The Council has a corporate plan in place but it has not undertaken scenario planning techniques to articulate different versions of the future and as such a financial plan based on a different scenarios has not yet been produced.	Consider the need to undertake scenario planning to determine distinct but different visions of the council's future using PESTLE Analysis and scenarios to be used to develop updated MTFP	CMT	Feb-23
<ul style="list-style-type: none"> <li>Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short and medium-term decision making?</li> </ul>	partially	Prospects for longer financial sustainability are articulated in the CFO report on the budget but will need updating if scenario planning is undertaken.	NFAN	NFAN	NFAN
<b>H. The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities</b>					
<ul style="list-style-type: none"> <li>Has the authority prepared a suitable capital strategy?</li> </ul>	yes	Capital and Investment strategy prepared and submitted to Council annually for approval as part of the Budget covers 5 years. The strategy is compliant with the prudential code and sets our all required prudential indicators as well as a number of local indicators. A new Programme and Project management framework was introduced in 2020-21 and has continued to develop with regular reporting during 2021-22.	Continue development of the PPMframework	Strategy and communications manager	Feb-23
<ul style="list-style-type: none"> <li>Has the authority set prudential indicators in line with the Prudential Code?</li> </ul>	yes	Pis are included in the capital and investment strategy.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?</li> </ul>	yes	Regular financial monitoring reports in year to CMT and Corporate Governance and Standards Committee incorporate capital monitoring and treasury monitoring. Capital Outturn report is also presented to Executive and CGSC for approval.	NFAN	NFAN	NFAN
<b>I. The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans</b>					
<ul style="list-style-type: none"> <li>Does the authority have in place an agreed medium-term financial plan?</li> </ul>	yes	The Council has a rolling 4-year MTFP which is reported to Council each Feb with the annual budget report.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?</li> </ul>	yes	The MTFP takes into account growth / savings arising from corporate plan and service plans and revenue implications of the capital programme.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand?</li> </ul>	yes	At a district council the drivers of cost are mainly population / households and this is taken into account along with relevant legislative changes and future changes. Sensitivity analysis is carried out on the MTFP forecasts. Sensitivity analysis takes into account demand for core services for which we generate fees and charges income such as parking.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand?</li> </ul>			NFAN	NFAN	NFAN

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<ul style="list-style-type: none"> <li>Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims?</li> </ul>		Asset management strategy and framework in place with annual maintenance programme. Is currently being refreshed. Plans in place to do a full operational asset review in 2021-22 as part of asset management service plan and Savings strategy.	The asset management strategy and framework to be updated and reported to councillors.	Head of asset management	Feb-23
<b>J. The authority complies with its statutory obligations in respect of the budget setting process</b>					
<ul style="list-style-type: none"> <li>Is the authority aware of its statutory obligations in respect of the budget-setting process?</li> </ul>	yes	Comprehensive budget report and council tax demand resolution presented to Council in February each year. Council tax demand set before 11th March each year. Report sets out I+E estimates (incl contingencies), use of reserves and overall balances on reserves. Projections for the medium term also included. CFO report sets out the Section 25 statement on robustness of estimates and adequacy of reserves. Core assumptions used in the budget are also set out along with growth / savings. Balanced budget for 2021-22 and savings strategy in place to try to balance the budget over the MTFP period. FM code training provided to budget managers in February 2022.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Has the authority set a balanced budget for the current year?</li> </ul>	yes	Yes. Balanced budgets set for 2021-22 and 2022-23. Emergency budget introduced in 2020-21 due to COVID but did not cover emergency savings programme due to the nature of the emergency & need to introduce new services. COVID emergency budget proposed use of reserves to cover the pandemic emergency. Councillors advised to rebuild reserves in 2021-22 and 2022-23.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?</li> </ul>	yes	CFO is aware of circumstances where she would need to issue a S114 and how to do so. An informal expenditure freeze was agreed in 2021-22 to manage an in year overspend, minimise spending and protect reserves.	NFAN	NFAN	NFAN
<b>K. The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves</b>					
<ul style="list-style-type: none"> <li>Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves?</li> </ul>	yes	Section 25 statement is in the CFO report which is appendix 1 to the report. includes specific commentary on robustness of estimates and adequacy of reserves. Budget report is subject to review by Joint EAB Budget Working Group, Joint EAB and Executive before being presented to Council. Full details regarding assumptions made are included in the budget report. Assumptions include key areas such as staff pay, pensions, service demand, capital programme impact, MRP and interest, government funding and savings plans. Guidance from professional advisors is taken into account in the capital and investment strategy report.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?</li> </ul>	yes	Section 25 statement is in the CFO report which is appendix 1 to the report. Sensitivity analysis undertaken on key estimates as part of budget process and included within the CFO report.	Include commentary on historical TAX collection rates in the budget assumptions	Director of Resources	Feb-23
<ul style="list-style-type: none"> <li>Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?</li> </ul>	yes	Budget report is accompanied by a financial risk register which is used to assess the sufficiency of the level of reserves to meet the operating demands of the council. CFO Report covers whether reserves are adequate to meet risks.	NFAN	NFAN	NFAN

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<ul style="list-style-type: none"> <li>Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?</li> </ul>	yes	Key reserves and commentary on why they are held is set out in the CFO report. MTF Policy sets out the conditions under which the authority would use reserves eg, planned investment, capital projects, change programmes and unexpected events.	NFAN	NFAN	NFAN
<b>L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget</b>					
<ul style="list-style-type: none"> <li>How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget?</li> </ul>	yes	Budget consultation carried out in 2020 ahead of 2021-22 budget. It was a public consultation with engagement from citizens panel and undertaken externally by recognised market research agency. Results of the consultation identified spending priorities and were used to help develop the savings strategy and were reported to Council. Further stakeholder engagement undertaken by key services particularly where service changes are proposed as a result of savings strategy. Stakeholder analysis and engagement done on some projects but not all.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>How effective has this engagement been?</li> </ul>	partially	results of consultation used to inform decisions and spending priorities. Public support for spending reductions and changes not always forthcoming regardless of how much engagement is undertaken.	repeat communication about reasons why savings are required	Director of Resources	Feb-23
<ul style="list-style-type: none"> <li>What action does the authority plan to take to improve its engagement with key stakeholders?</li> </ul>		consistent application and feedback	Stakeholder analysis to be undertaken consistently across capital and savings projects. Feedback on how results of engagement have been used to be provided in decision reports.	CMT	Feb-23
<b>M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions</b>					
<ul style="list-style-type: none"> <li>Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal?</li> </ul>	Partially	The new Programme and Project governance framework requires a mandate to be prepared for all significant projects or service changes. This includes options appraisal. Option appraisals should be more detailed and considered further at Strategic business case and outline business case stages. Option appraisal doesn't follow a consistent methodology to be assessed against a consistent set of criteria or documentation. NPV analysis is not always undertaken on capital projects	Need a standardised methodology and guidance on undertaking options appraisal (see below)	NFAN	NFAN
<ul style="list-style-type: none"> <li>Does the authority offer guidance to officers as to when an option appraisal should be undertaken?</li> </ul>	Partially	Capital and Investment strategy requires significant corporate projects are required to carry out options appraisals in line with HMTreasury green book and an NPV options analysis to be undertaken but there is no guidance on how it should be undertaken.	Use of Sustainable Value Creation: Principles in Project and Investment Appraisal (2013) or CIPFA guidance Option Appraisal: A Practical Guide for Public Service Organisations(2017) to be used and incorporated within capital and investment strategy and PPM Governance framework.	Lead finance specialist	Feb-23
<ul style="list-style-type: none"> <li>Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?</li> </ul>	Partially	Options appraisals have been undertaken on significant capital projects and programmes using external professional advice. There is no standard methodology in place.	capital and investment strategy to be updated to incorporate cost-benefit analysis, NPV and IRR.	Lead finance specialist	Feb-23
<ul style="list-style-type: none"> <li>Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty?</li> </ul>	Partially	business case templates include risk analysis section	impact of risk and uncertainty to be improved at project level through use of costed risk registers.	Lead finance specialist	Feb-23
<ul style="list-style-type: none"> <li>Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?</li> </ul>	Partially	Results are reported at summary level where full options appraisal has been undertaken.	formalise how output of options appraisal is reported through business case template as part of PPM governance framework	Strategy and communications manager	Feb-23



Key Questions	Yes/No	Commentary	Possible Improvement Actions	Action Responsibility	Due date
<b>N. The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability</b>					
<ul style="list-style-type: none"> <li>Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability?</li> </ul>	yes	CMT and CGSC receive regular financial monitoring reports which incorporates revenue, capital and treasury management monitoring across both general fund and HRA. It now also includes debt monitoring. Variances over £20k are explained. Corrective action to address the variance however, needs to be more clearly articulated in reports. The reports focus on forecasts of outturn and so are forward looking to the end of the year. Where corrective action requires a virement or supplementary estimate over amounts set out in the constitution then a report is submitted to Executive or Council.	Financial monitoring reports to detail actions to be taken to address variances and to monitor risks on the financial risk register.	Lead finance specialist	Feb-23
<ul style="list-style-type: none"> <li>Do the reports cover both forward and backward-looking information in respect of financial and operational performance?</li> </ul>	partially	Planning assumptions are mainly inflation tax base etc so monitoring against them is not deemed necessary unless there is a significant variance. Divergence from interest rate assumptions is reported for treasury. Progress in implementing savings strategy currently overseen by the savings strategy steering group but is not formerly reported as part of monitoring reports. Since Jan 2021, CMT and CGSC also receive corporate performance monitoring reports show performance against a range of indicators which have been set out to assess the achievement of the Council's corporate plan priorities. The report however are backward looking but this is deemed appropriate at this time as at District Council's we are not subject to the same demand led service activity as say, a county council.	Progress on achieving savings to also be reported in either financial monitoring reports or to CMT when it sits as enterprise portfolio board.	Lead finance specialist	Feb-23
<ul style="list-style-type: none"> <li>Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data?</li> </ul>	yes	Performance of key contracts such as GLive and Leisure management are submitted to CMT and Overview and Scrutiny committee on annual basis.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Are the reports provided to the leadership team in a timely manner and in a suitable format?</li> </ul>	yes	Financial monitoring to CMT now monthly and quarterly to CGSC. Performance monitoring quarterly to CMT/CGSC. Staff surveys are undertaken as necessary and results reported to CMT.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?</li> </ul>	yes	positive feedback received and amendments made where necessary.	NFAN	NFAN	NFAN
<b>O. The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability</b>					
<ul style="list-style-type: none"> <li>Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?</li> </ul>	yes	Key aspects of balance sheet management are reported as follows: · Loans, investments and cash are monitored through the regular financial monitoring reports to CMT / CGSC which incorporates treasury management · Expenditure on non-current assets is monitored through the capital programme monitoring (part of the financial monitoring reports) · Key Pls on debtors and creditors payment are monitored through service and corporate performance monitoring · Level of reserves are monitored and reported as part of the budget and outturn reports. Movement in reserves are monitored as part of the financial monitoring reports to CMT / CGSC. Aged debt analysis is also now included within the financial monitoring reports.	Regular performance and financial monitoring of the Council's companies is currently not undertaken. This should be an activity reported to Exec Shareholder and Trustee Committee.	Director of Resources	Feb-23
<ul style="list-style-type: none"> <li>Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?</li> </ul>	yes	Risk management framework currently being updated	Regular reporting against corporate risks to be considered	Strategy and communications manager	Feb-23
<ul style="list-style-type: none"> <li>Is the authority taking action to mitigate any risks identified?</li> </ul>	yes	through financial monitoring reports	NFAN	NFAN	NFAN

Key Questions	Yes/No	Commentary	Possible Improvement Actions	Action Responsibility	Due date
<ul style="list-style-type: none"> <li>Does the authority report unplanned use of its reserves to the leadership team in a timely manner?</li> </ul>	yes	through financial monitoring reports. Unplanned use of reserves, if it were to happen would require a supplementary estimate and therefore be reported to the Executive.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes?</li> </ul>	yes	through financial monitoring reports	NFAN	NFAN	NFAN
<b>P. The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom</b>					
<ul style="list-style-type: none"> <li>Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?</li> </ul>	yes	CFO is fully aware of responsibilities and signs the statement of responsibilities set out in the statement of accounts each year. CFO always undertakes a review of the accounts and provides feedback to the Lead Finance Specialist prior to approval.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?</li> </ul>	yes	The Job Description of the Resources Director includes that the role occupant is the Section 151 officer and has accountability for ensuring that the statutory role is fulfilled. The description includes the Council must be statutorily compliant on all financial matters and that the Council is compliant with legislation concerning the management of its finances.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?</li> </ul>	mostly	The Council has always adhered to statutory deadlines on the preparation of accounts up to 2020-21 and has always had an unqualified audit opinion from the external auditors. The accounts are prepared in accordance with the code of practice and key accountants involved in their preparation undertake regular professional development and training with CIPFA to ensure knowledge is kept up to date. Accounts for 2020-21 were delayed beyond deadline due to COVID impact, change of finance system and finance team resource levels, as a consequence the accounts audit is still on going, but the accounts for 2021-22 are targeted to be on time. Team is fully staffed and trained for 2021-22.	closedown and production of 2021-22 accounts by statutory deadline	Lead finance specialist	Jul-22
<b>Q. The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions</b>					
<ul style="list-style-type: none"> <li>Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?</li> </ul>	yes	GF Revenue, HRA and Capital and Investment Outturn reports are provided annually to CMT, CGSC and Executive. Capital outturn report goes on to full Council. Format of the reports is similar to the regular financial monitoring reports presented throughout the year. Cost drivers aren't analysed in the report but this is not felt appropriate at a D&B.	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Is the information in these reports presented effectively?</li> </ul>	yes	Leadership team have online access to BusinessWorld in order to drill down into either directorate figures (but need training).	NFAN	NFAN	NFAN
<ul style="list-style-type: none"> <li>Are these reports focused on information that is of interest and relevance to the leadership team?</li> </ul>	yes	Outturn reports are more relevant than the statutory accounts and follow the format of in year financial monitoring.	Report progress against savings targets in financial monitoring reports and outturn reports?	Lead finance specialist	Mar-23
<ul style="list-style-type: none"> <li>Does the leadership team feel that the reports support it in making strategic financial decisions?</li> </ul>	yes		NFAN	NFAN	NFAN