

Schedule of CIPFA Financial Management Standards

				Compliance			Comment
				Yes	No	N/A	
Section 1 The Responsibilities of the Chief Finance Officer							
Leadership	A	The leadership team is able to demonstrate that the services provided by the authority provide value for money					
	A1	The achievement of value for money is the collective responsibility of elected members and senior officers, who together make up an authority's leadership team. Consideration of value for money should be an integral feature to the decisions made by the leadership team, especially those relating to the allocation of resources or to the delivery of services.		√			Responsibility set out in Finance Procedure Rules and officer job descriptions
	A2	High-level governance and management arrangements exist A clear governance structure Scrutiny arrangements Audit arrangements Clear objectives and strategy based on local need Effective service and financial planning		√ √ √		√	Also see Local Code of Governance Constitution Constitution: Terms of Reference for Overview and Scrutiny Committee, Audit Committee and Standards Committee Terms of Reference for Audit Committee, Internal Audit contract; PSAA contract for external audit; S151 Officer job description Council Plan, Commissioning Strategy Service plans being reviewed for 2021/22
	A3	Robust arrangements surrounding the commitment of expenditure, the oversight of contracts with third parties and the management of risk: Financial regulations Procurement regulations Contract management arrangements Risk management		√ √ √ √			Constitution: Finance Procedure Rules Constitution: Contract Procedure Rules Constitution: Contract Procedure Rules
	A4	Reviewing explicitly the ways in which these services are delivered or by comparing the authority's own services and service performance with those of other authorities: Efficiency reviews		√		√	Customer Connect: various reviews as part of process

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	Benchmarking	√	√		Not in all services
	Peer review	√	√		Not in all services
A5	Ways in which the authority could help to ensure that its services are effective, in that they are achieving the authority's objectives and meeting the needs of service users:				
	Monitoring of performance data	√	√		Not in all services
	Service reviews	√	√		Not in all services
	User surveys	√	√		Not in all services
	External assessments	√	√		Not in all services
A6	While equity is a relatively recent addition to the concept of value for money, there are nevertheless things that the authority could do to ensure that its services are accessible to all those who could benefit from them:				
	Equality impact assessments	√			Included in all Committee reports
	Engagement with service users	√			Consultation required as part of formal decision reports
	Engagement with the voluntary sector	√			Consultation required as part of formal decision reports
Leadership	B The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government				
B1	The Chief Finance Officer in a public service organisation is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest.	√			Finance Lead Specialist member of Leadership Team and Corporate Management Team
B2	The Chief Finance Officer must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy.	√			All reports must be signed off by Finance Lead Specialist or deputy

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B3	<p>The Chief Finance Officer must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.</p> <p>The Chief Finance Officer should regularly review the skillsets of elected members and all officers with budget/financial management responsibility and ensure appropriate support is provided.</p>	√			Finance Lead Specialist championing of financial management and sustainability: skills audit: training
B4	<p>The Chief Finance Officer must lead and direct a finance function that is resourced to be fit for purpose.</p> <p>The Chief Finance Officer should regularly review the skillsets of all finance staff with senior budget/financial management responsibility and ensure ongoing appropriate support is provided.</p> <p>The ratio of qualified staff as a proportion of total finance staff ensures that the finance function has the necessary financial competence.</p>	√			Finance Lead Specialist, team of finance specialists, all compliant with CPD requirements
B5	<p>The Chief Finance Officer must be professionally qualified and suitably experienced.</p> <p>The Chief Finance Officer must be able to demonstrate adherence to professional CPD requirements on an annual basis</p>	√			Finance Lead Specialist: CIPFA qualified since 1991, compliant with CPD requirements: also member of the Society of District Council Treasurers executive.
B6	<p>The Chief Finance Officer should promote the highest standards of ethical behaviour in the conduct of financial management.</p> <p>Professionally qualified staff should evidence ongoing benchmarking against the principles of objectivity, integrity professional behaviour, professional competence, dues care and confidentiality.</p>	√			Finance Lead Specialist personal behaviour: staff training and development
B7	<p>To enable financially informed decision making:</p> <p>The Chief Finance Officer should be able to provide the leadership team with sound advice on the key principles of local government finance; and</p>	√			Finance Lead Specialist member of leadership team: advice on financial management and sustainability
	<p>The Chief Finance Officer should be able to demonstrate a sound system which ensures the authority has access to high standards of technical financial advice.</p>	√			Finance Lead Specialist member of leadership team: advice on financial management and sustainability

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B8	The chief finance officer should report explicitly on the affordability and risk associated with the capital strategy and where appropriate have access to specialised advice to enable them to reach their conclusions.	√			Finance Lead Specialist and team prepare Capital Strategy annually as part of budget setting process: includes future capital funding requirements to maintain capital assets: report of Finance Lead Specialist part of budget setting process
B9	The chief finance officer must establish the reporting and monitoring processes, and integrate the treasury management indicators into the overall financial planning process	√			Monthly budget monitoring: quarterly corporate finance update reports to O&S, Cabinet and Council includes TM appendix. Medium Term Financial Plan shows how Council Plan will be resourced and informs annual budget process
B10	The Chief Finance Officer of Local Government Pension Scheme (LGPS) administering authorities satisfies the requirements of the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills (2013 edition)			√	Not applicable
Section 2 Governance and management style					
Assurance	C The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	√			Annual review as part of preparation of Annual Governance Statement: new Governance and Accountability Officer working group established
Accountability	D The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)				The Council has adopted a Local Code of Governance, reviewed annually by Audit Committee
D1	The authority maintains an effective audit committee	√			See annual assessment of effectiveness of Audit Committee

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D2	The audit committee receives and monitors the implementation of internal and external audit recommendations. When threats to the financial sustainability of the authority are identified by auditors the audit committee should ensure that the recommendations are communicated to the leadership team and that the committee are informed of the effectiveness of the leadership team's response.	√			
D3	The authority has a PSIAS conformant internal audit function	√			Through (TIAA internal audit contractor)
Sustainability	E The Financial Management Style of the authority supports financial sustainability				The Council's Finance team are implementing a Business Partnering model to support managers in monitoring their services on a regular basis and ensure they are financially sustainable.
E1	The organisation has an effective framework of financial accountability that is clearly understood and applied throughout, from the political leaders, elected members to directors, finance officers and front line service managers.	√			Finance Procedure Rules: Finance training: regular monitoring
E2	Finance teams and the organisation they support are actively committed to continuous improvement focused on efficient and effective delivery and organisational performance. The organisation has an effective framework of financial accountability that is clearly understood and applied throughout, from the political leaders, elected members to directors, finance officers and front line service managers.	√			Finance Procedure Rules: Finance training: regular monitoring
E3	Enabling transformation: the finance team have input into strategic and operational plans taking into account proactive risk management, clear strategic directions and focus-based outcomes	√			
E4	Managers understand they are responsible for delivering services cost effectively and are held accountable for doing so. Financial literacy is diffused throughout the organisation so that decision takers understand and manage the financial implications of their decisions.	√			

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E5		The financial management of the authority has been critically evaluated.	√			Internal audit reviews
Section 3: Long to medium-term financial management						
Sustainability	F	The authority has carried out a credible and transparent Financial Resilience Assessment.				The budget report includes the S151 assurance statement on the robustness of reserves and estimates: the updated CIPFA resilience statement will be reviewed by the Finance Lead Specialist
	F1	Financial resilience is tested against best and worst case scenarios which cover a wide range of financial demographic and social challenges.	√			Within the Medium Term Financial Plan working papers
	F2	The authority uses independent objective quantitative measures to assess the risks to its financial sustainability.	√			Use of external advisors, including on external funding and business rate income
	F3	Decision making by the authority demonstrates a sound understanding of the risks associated with its strategic business partners.	√			Specific example 2020/21: leisure services partner and impact of Covid-19
Sustainability	G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	√			Medium Term Financial Plan reviewed annually
Standards	H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	√			Reported annually within Treasury Management Strategy documents, including quarterly update reports and annual report.
Sustainability	I	The authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans	√			Approved annually in July, based on previous year outturn, monitored and updated as part of budget setting process.
	I1	The Medium Term Financial Plan should make reference to other organisational plans (e.g. workforce planning) and performance measures to demonstrate an alignment between service and financial planning.	√			
	I2	The authority has benchmarked the performance of its services against appropriate comparators.	√			

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	I3	To inform the Leadership Team's decisions the authority has a single document tracking progress in the delivery of planned savings over the period of the Medium Term Financial Plan.	√		
	I4	The authority publishes it plans for the use of reserves over the over the period of the Medium Term Financial Plan The level of reserves at 31st March in any one year should not be fall below the level previously agreed.	√		Reported in quarterly monitoring if required
	I5	The authority should demonstrate adherence to the most recent guidance on reserves from CIPFA's Local Authority Accounting Panel	√		
Section 4: The annual budget					
Standards	J	The authority complies with its statutory obligations in respect of the budget setting process	√		
Standards	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.	√		Statement included in budget report to Council
Section 5: Stakeholder engagement and businesses cases					
Transparency	L	The authority has engaged with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget.		√	Overview and Scrutiny Committee invited to comment on draft MTFP and budget proposals. Statutory business rate consultation carried out as part of budget setting process. Public consultation methodology to be developed for 2021/22 budget setting process
Transparency	M	The authority uses a documented option appraisal methodology to demonstrate the VFM of its decisions			A high-level bid is required for all capital schemes, a full business case is requested prior to commencement of capital works but the format is not mandated. A business case format will be prepared to include the rationale for the project, capital and revenue costs, payback period (if
	M1	Option appraisal IFAC/PAIB Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal		√	

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M3	The accounting treatment of material decisions is considered and demonstrated as part of the formal option appraisal process.		√		applicable) and project risks. All tenders consider VFM by considering the quality of service, not just the price.
Section 6: Monitoring financial performance					
Assurance	N The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.				
N1	Timely time financial and performance information is available to managers via the appropriate systems. The systems are engineered to provide relevant data at a sufficiently accurate level. The organisation ensures that information is appropriately tailored and streamlined to avoid the risk of 'data overload'.	√			Further review and training of current monitoring systems required
N2	All Financial monitoring reports include: <ul style="list-style-type: none"> •The name of the budget holder responsible for the information presented •Accruals based financial information <ul style="list-style-type: none"> •Include the approved budget against which monitoring is taking place. •A forecast for the remainder of the budget period, •Service performance information and is shown, for instance by reconciliations, to be consistent with the aggregate position for the authority.	√	√		Purchase ordering system produces accruals based purchase information, payroll and income is on cash basis.
N3	Financial monitoring reports for high risk budgets are scrutinised by the leadership team of the organisation on (as a minimum) monthly basis. Financial monitoring reports for steady state/low risk budgets are: <ul style="list-style-type: none"> •Received by budget holders on a monthly basis •Received (in aggregate) by the leadership team on a regular basis. 	√	√		All revenue and capital budgets reported to Corporate management team each month with the exception of April annually and shared with leadership team
N4	The authority has arrangements which allow annual service budgets to be recalibrated in response to unforeseen developments.	√			Virements and supplementary budget estimates as set out in constitution

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N5		At the financial monitoring period end the leadership team receives a set of financial statements with forecast outturn for the year ahead	√			
N6		There are appropriate arrangements in place for reporting and managing the financial performance of each of the organisation's delivery partnerships and collaborative arrangements.		√		Some monitoring through contract processes, not fully consolidated into main finance monitoring processes
N7		There are appropriate arrangements in place for the project management and cost control of capital projects.	√	√		While there is budget monitoring there has been a very significant level of re-profiling of capital programme which suggests further work is necessary
Leadership	O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial stability				
	O1	Unplanned and planned use of reserves are reported [quarterly] to the management team of the organisation and to Council.	√			Reserves monitoring and use of reserves included in quarterly corporate finance reports
	O2	Management accounts include either a full balance sheet or an appropriate level of balance sheet information to meet business needs and evidence of monitoring of material items		√		Internal monitoring only includes certain balance sheet items, mainly around debt. Full review of balance sheet monitoring to be completed by March 2022
Section 7 External financial reporting						
Accountability	P	The Chief Finance Officer has personal and statutory responsibility for ensuring that the statutory accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.	√			S151 Officer job description
Accountability	Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	√			Report presented annually in May / June: feeds into the preparation and approval of Medium Term Financial Plan in July