

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: CIPFA Code of Financial Management

Meeting/Date: Corporate Governance Committee - 30th
November 2022
Council – 15th December 2022

Executive Portfolio: Executive Councillor for Finance and Resources

Report by: Director of Finance and Corporate Services

Ward(s) affected: All

Executive Summary:

The Code of Financial Management is a CIPFA recommendation and provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability.

Each authority must demonstrate that the requirements of the Code are being satisfied. Demonstrating this compliance with the code is a collective responsibility of elected members, the S151 Officer and the leadership team.

The attached appendix details the seventeen measures within the CIPFA Code of Financial Management and gives details of how the Council provides evidence of its compliance with the code. The code will be reviewed on an annual basis to reflect any changes in legislation, accounting standards, the Council's evidence base or amendments to the code itself.

Recommendation(s):

RECOMMENDED

1. The Committee approve the CIPFA Code of Financial Management.

1. PURPOSE OF THE REPORT

To introduce the CIPFA Code of Financial Management.

2. WHY IS THIS REPORT NECESSARY

The CIPFA Code of Financial Management is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The Code sets the standards of financial management for local authorities and is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium and long term finances of a local authority;
- manage financial resilience to meet foreseen demands on services; and
- financially manage unexpected shocks in their financial circumstances.

By following the essential aspects of the Code, the Council is providing evidence to show it is meeting important legislative requirements in its jurisdiction; since these are minimum standards, CIPFA's judgement is that compliance with them is obligatory if a local authority is to meet its statutory responsibility for sound financial administration.

The code focuses on twenty seven separate measures, subdivided into six themes, looking at how the organisation manages its finances through the reporting and governance processes. The report attached as Appendix 1 shows these and links them to how the Council evidences its compliance with the Code.

3. KEY RISKS

If the Council does not implement the Code it will not be able to provide assurance that the authority is managing resources effectively.

4. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

Following approval of the code, Internal Audit will conduct a review of the evidence provided to demonstrate compliance and will update the "RAG" rating section. An action plan will then be developed to address any areas of weakness.

The code will be reviewed on an annual basis to reflect any changes in legislation, accounting standards, the Council's evidence base or amendments to the code itself.

5. REASONS FOR THE RECOMMENDED DECISIONS

The Committee is recommended to approve the acceptance of the CIPFA Code of Financial Management.

6. LIST OF APPENDICES INCLUDED

Appendix 1 – Code of Financial Management

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