

Standard	Descriptor	RAG	Evidence	Development
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The responsibilities of the Chief Financial Officer and the Leadership Team

A	The leadership team is able to demonstrate that the services provided by the authority provide value for money		<p>The Council operates under a Leader/Cabinet system. Councillors are supported by the Senior Leadership Team (SLT), which is headed by the Council's Managing Director. SLT is responsible for the overall leadership and management of the Council, for setting and monitoring overall strategic direction and for ensuring high performance and VFM in the delivery of council services. In addition, there are Overview & Scrutiny Committees which hold the Cabinet to account.</p> <p>The work of the Council's committees is governed by the Constitution which is openly available on the Council's website.</p> <p>The Council produces an Annual Governance Statement (AGS) which needs to be read alongside the Council's constitution. This sets out how the Council operates, how decisions are made and the policies which are followed to ensure that these are efficient, transparent, and accountable to local people.</p>	<p>Implement a schedule of review for key control policies to ensure these remain effective and current.</p> <p>Review the performance reporting framework, performance indicators and benchmarking data.</p>
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			<p>The AGS is compliant with the CIPFA Code. An appropriate level of care is taken to ensure the Council's policies and procedures comply with all relevant codes and legislative frameworks. The AGS includes an internal audit assessment of governance arrangements in place and the Council's external auditors also conduct a VFM review as part of their annual work.</p> <p>The Council's annual VFM external audit assessment has identified no significant weaknesses in respect of the three assessment criteria:</p> <ul style="list-style-type: none"> • Financial sustainability • Governance • Improving economy, efficiency and effectiveness <p>The Council has policies for financial management, risk management and a Procurement Code.</p>	
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government		The Director of Finance and Corporate Resources (DFCR) is the Council's S151 officer. They are actively involved in all material business decisions through being fully engaged with	Ensure the DFCR maintains their compliance with the CIPFA statement through a programme of training and peer group networking.

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			<p>Members, attending Committee and Council meetings, holding regular meetings with the relevant cabinet members, and they are a member of the Council's senior leadership team.</p> <p>The DFCR is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The DFCR is required to ensure the financial statements are prepared in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom.</p> <p>In preparing the financial statements, the DFCR is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.</p> <p>The DCFR encourages good financial management across the whole Council through implementing a business partnering approach,</p>	<p>Implement a more structured programme of training for the Finance team, identifying specific areas where skills need to be strengthened and addressing these.</p>

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			<p>ensuring finance is prioritised throughout governance procedures and through regular financial reporting to SLT, members, Overview and Scrutiny Committees and Corporate Governance Committee.</p> <p>The DCFR also networks externally and works closely with other local authority senior Finance Officers. The DCFR is a professionally qualified accountant with significant experience as a Chief Financial Officer. Continuous Professional Development (CPD) is a key aspect of maintaining this qualification and it is critical the DCFR continues this and maintains records.</p> <p>The Council's finance team is sufficiently resourced with qualified accountants. The finance function is staffed mainly through permanent staff with good levels of knowledge and experience. Specialist knowledge is also contracted in high-risk areas including pensions, valuations, VAT. Training, including CPD, is encouraged to ensure the team's knowledge remain current and effective.</p>	

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Governance and Financial Management Style				
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and control		<p>The Council recognises that effective local government relies upon maintaining the confidence of the public in both the elected Members and Officers of the Council. The Council continues to keep under review Governance arrangements and related procedures to ensure best practice so that the highest standards are maintained.</p> <p>The Council has a Corporate Governance Committee, independent of both the Executive and the Policy and Scrutiny process as recommended by CIPFA. Its terms of reference include a wide range of responsibilities. The Council's Standards Committee's main responsibility is to ensure that high standards of Member conduct are maintained. The Council arranges for Members to attend training on the Code of Conduct, are briefed on relevant issues and receives an annual overview report on complaints about Member Conduct. All decisions referred to members are set out using a template which includes legal and</p>	<p>Continue with the review of governance arrangements as the need arises.</p> <p>Embed a risk management culture across the Council to ensure risk and impact is considered in all decisions.</p>

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			<p>regulatory implications. This requires legal advice to be obtained or confirmed before all decisions are taken, to ensure decisions are appropriate. The Council has developed and maintains effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based through Minutes and Reports to Council. All non-exempt Council, Cabinet, Committee agendas/minutes, Cabinet Member Reports, Statements of Decisions and Minutes are available on the Council's Website.</p> <p>The authority will undertake regular reviews of its governance arrangements to ensure continuing compliance with best practice. It recognises the importance of ensuring that such reviews are reported both within the authority, to the Audit and Performance Committee and externally with the published accounts, to provide assurance that corporate governance arrangements are adequate and operating effectively in practice.</p>	

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D	The authority applies the CIPFA/Solace delivering Good Governance in Local Government		<p>The Council's Code of Governance is regularly updated and sets the standards for the conduct of Officers and Members at the City Council. It is consistent with the principles of the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework. The CIPFA/SOLACE Framework introduced the requirement to produce an annual governance statement from 2007/08.</p> <p>The Annual Governance Statement (AGS) is also available on the Council's website. The Statement is updated following the end of each financial year. The AGS includes an Annual Internal Audit Opinion on the effectiveness of the internal control environment and the systems of internal control, highlights issues identified annually along with planned action.</p>	Review the AGS and ensure any actions identified are delivered within the stated timescales.

Long to medium term financial management

E	The financial management style of the authority supports financial sustainability		There is wide consultation across the Council, including finance, in developing the budget and challenge mechanisms are in place, from the Senior Leadership Team (SLT) and from the challenge provided generally	Aligning budget monitoring reporting with SLT meetings to allow more timely decision making with respect to financial variances.
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			<p>by members. The Medium-Term Planning process ensures the Council balances its budget and identifies savings that can be made. Risks are considered within the budget and MTFP and the quarterly performance reporting to the Corporate Governance Committee also highlights these risks. In addition, each lead portfolio member is encouraged to be involved in developing and setting the budget for their service area. Risks are discussed as part of this process.</p> <p>Quarterly financial reporting provides an update on the budget position and includes a narrative on risks of achieving this. The approach to closing the budget gap is regularly discussed outside of Cabinet meetings with the SLT, the Leader and the Cabinet Member for Finance and Resources. The 2022/23 budget assumes no use of reserves to balance the budget and there is no evidence of an unsustainable planned use of reserves over the course of the MTFP. The Council has adequate provision within its reserves to manage one-off emergencies. Budget monitoring</p>	<p>Budget Manager training to be developed to cover all areas of budget management, in particular capital expenditure and associated revenue budget impacts .</p>

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			<p>reports are provided to SLT monthly for the consideration of any necessary actions and amendments, and detailed financial monitoring information is provided to the Corporate Governance Committee quarterly and Executive, so there is regular scrutiny of the Council's financial position and of the ongoing funding pressures it faces.</p> <p>A scheme of delegation exists within the Constitution to ensure prompt and timely decision making with key decisions required to be taken at Cabinet</p>	
F	The authority has carried out a credible and transparent financial resilience assessment		<p>A 'going concern' assessment is carried out annually by the External Auditors as part of audit, confirming in 2020/21 that the Council is a going concern.</p> <p>Budget monitoring and quarterly reporting to the Overview and Scrutiny Committee continues the review of financial performance and enables action to be taken to protect the "Going Concern" standing of the Council.</p>	<p>Consider the Council's indicator scoring in the annual CIPFA resilience index and consider actions to improve these metrics.</p> <p>Further develop the reporting of Prudential Indicators and ensure members understand what these are reporting.</p>

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			<p>The Council maintains a minimum balance in the General Fund which is reviewed for appropriateness on a regular basis.</p> <p>The half yearly treasury update reports Prudential Indicators for Capital expenditure.</p>	
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members		<p>The Council's Budget, Statement of Accounts and MTFS reflect the main risks to sustainability. These are reported throughout the annual financial cycle in monitoring reports to SLT. The Budget and MTFS are agreed by Full Council. These include the Council's Capital Strategy and Capital Investment plans, links to the Council's Commercial Investment Strategy and encompasses any revenue implications.</p> <p>The DFCR will state in the budget report their opinion on the robustness of the estimates provided for the coming year, the MTFS and the adequacy of reserves and balances. The Council is required to consider this in assessing its budget decisions.</p>	<p>Develop a financial dashboard to more clearly identify and communicate financial trends and areas where intervention actions may be required.</p> <p>Review the Section 25 Report to ensure it covers the robustness of the estimates and the adequacy of reserves and balances.</p>

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H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities		<p>The Council submits its Capital Strategy for approval annually by Full Council as part of the wider medium-term financial strategy reporting. This allows key links between revenue and capital plans to be reported together for better decision making. The Capital strategy is compliant with the CIPFA Prudential Code.</p> <p>The council's capital strategy is also reviewed annually alongside the council's treasury management and investment framework. The council's capital programme is developed as part of this process and incorporated within the medium-term financial plan and budget report each year.</p> <p>Performance against the prudential code indicators is reported in the Council's Treasury outturn report on a quarterly basis.</p>	Review the updated Prudential code and ensure Council reporting fully complies with this.
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans		The Council prepares a five year budget which is subject to annual review and approval by Council. The development of the budget is highly collaborative and seeks input from members, both directly and via the determination of the Corporate plan. There is a good level of ownership of	Review future budget pressures, ensure the MTFS addresses these and documents proposed actions to mitigate any impacts.

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			<p>and involvement in the budget setting and monitoring process, from budget holders through SLT and up to members.</p> <p>Medium-term forecasts are kept up to date to reflect service needs subject to uncertainties e.g., business rates retention approach, future funding formula and economic impacts. Through budget setting and in-year budget review processes, these plans are continually reviewed.</p>	

The annual budget

J	The authority complies with its statutory obligations in respect of the budget making process		<p>The Council follows an annual budget setting process that meets all its statutory (Local Government Acts 2000, 2003 and Local Government Finance Act 1992) and constitutional requirements including the S151 Officer report under Section 25 of the Local Government Act 2003.</p> <p>The DFCR will make a proper assessment of known risks, alongside inflationary and cashflow pressures.</p>	Review the Council's arrangements for external budget consultation.
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			<p>The Council's S151 Officer is fully aware of the circumstances under which to issue a Section 114 and does not anticipate this being required given the robust nature of its finances.</p> <p>The Council will seek public consultation regarding the service outcomes proposed by the budget and will consider these in its planning.</p>	
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		<p>The Budget and MTFS are agreed by Full Council and includes a statement by the CFO on the robustness of the estimates and the statement on the adequacy of the proposed financial reserves (Section 25 report). The MTFS includes:</p> <ul style="list-style-type: none"> - Key budget pressures arising and details of how these will be mitigated and/or met from within the proposed budget - Planned contingency balances within the baseline to address budgetary pressures and financial risks anticipated - Estimates for staff pay awards and inflation where these are still to be agreed externally 	Review the annual Section 25 statement by the S151 Officer to ensure it remains current and addresses the challenges faced by the Council through funding reductions and other financial pressures.

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			<p>- Estimates for grant funding where not confirmed and collection fund income.</p> <p>The budget report clearly states where there are estimates and provides details (where known) of when these will be confirmed.</p>	

Stakeholder engagement and business plans

L	<p>The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget</p>		<p>The Council engages with stakeholders and partners through joint working arrangements, partnership boards and representation on external bodies' governing boards.</p> <p>Regular stakeholder participation forums are held across the district to seek the views of the community on planned changes and developments, and the Council utilises online communication channels such as Twitter and Facebook to further enhance this.</p> <p>The Council works with Voluntary, Community bodies, providing a "joined up" approach to support, commissioning these bodies to work with residents and other bodies.</p>	<p>Engage with the review of Local Government Finance, including through the Society of District Council Treasurers, to identify potential future implications for the Council.</p>
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M	The authority uses an appropriate documented option appraisal methodology to demonstrate value for money of its decisions		<p>The Council has a fully documented Gateway Assurance Process. All projects with a value over £50k will go through this process, with a number of gateway checks that need to be achieved before a project can proceed. These checks include affordability, governance, project planning and defined deliverables, as well as documenting decisions made and challenges to assumptions.</p> <p>A “New Ideas” process collates ideas from staff for developing new funding streams or better ways of working, taking submissions through a number of decision stages before an idea is given the go ahead or declined.</p> <p>A Code of Procurement exists for all external purchases, demonstrating compliance with Public Sector procurement regulations and defining the best value and sourcing policy.</p>	Ensure reporting used on major projects is consistent and includes a focus on key financial risks and has effective risk management in place to mitigate these.

Monitoring Financial Performance

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N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability		<p>The Council's Budget, Statement of Accounts and MTFS reflect the main risks to sustainability. These are reported throughout the annual financial cycle in monitoring reports to SLT. The Budget and MTFS are agreed by Full Council. The budget monitoring report provided to SLT allows consideration of any necessary actions and amendments. Detailed financial monitoring information is provided to the Corporate Governance Committee and Executive quarterly, as part of the quarterly performance monitoring report, allowing the Executive to take corrective action, if needed. There is regular scrutiny of the Council's financial position and of the ongoing funding pressures it faces. Performance data is gathered, analysed and reported to SLT and Overview and Scrutiny Committee on a quarterly basis. Reports are accurate, clear and written to a standard format.</p> <p>The council has a risk management strategy & policy has been formally approved and adopted and is reviewed and updated on a regular</p>	<p>Ensure service areas report and review their risks on a regular basis, with potential significant impacts being escalated to the Risk & Control Board for monitoring of mitigating actions.</p> <p>Encourage a culture of risk management across the organisation, embedding this into impact analysis and awareness.</p> <p>Provide training as required to service managers to achieve a consistent behaviour to risk management across the Council.</p>

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			basis. The Risk register incorporates financial and operational risks.	
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability		<p>Usable reserves are monitored and reported to Members with clearly defined plans for earmarked reserves on annual basis</p> <p>Finance also prepares balance sheet working papers for each balance sheet code periodically throughout the year (during hard close and year end) which are referenced to provide insight to their permissible use. Significant risks are reported to the S151 officer for resolution prior to year-end, escalating to members as required by the Constitution</p>	Review reporting to Members to update on the balance sheet health on a more regular basis.

Monitoring Financial Performance

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		<p>The Statement of Accounts are prepared in compliance with the Code and approved by the CFO prior to submission to Audit and Performance Committee. The Council received an unqualified audit opinion for 2020/21. The CFO ensures adequate resources within Finance, including suitably trained accountants.</p> <p>The responsibilities of the CFO are set out in the constitution, financial</p>	The S151 Officer should undertake training on annual basis to ensure they are fully abreast of any updates to financial controls or reporting, and these are implemented as required.
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			<p>regulations and are also included in employment contract/job description as well as in statute. The latest audit report acknowledges the accounts have been prepared in accordance with the Code of Practice. The Council has consistently received an unqualified opinion from the external auditor on its Statement of Accounts and in its value for money opinion.</p>	
Q	<p>The presentation of the final outturn figures and variations from the budget allows the leadership team to make strategic financial decisions</p>		<p>Revenue and Capital outturn is reported quarterly to Overview and Scrutiny Committee. This includes variances against budgets and detail of significant variances, allowing for scrutiny.</p> <p>Significant variations emerging throughout the year in the monitor and at outturn are investigated further. This informs updates to the in-year budget position, medium term financial planning and forward planning and the implications on financial sustainability.</p>	<p>Provide financial training to members so that they understand the reports being presented to them and either take comfort from the messages being given, or know when to initiate corrective actions.</p>