

Cherwell District Council

Accounts, Audit and Risk Committee

15 November 2023

Financial Management Code – Forecast Self-Assessment Update

Report of the Assistant Director of Finance S151

This report is public.

Purpose of report

To update the Committee that the results of the Council's forecast self-assessment position at February 2024 against the requirements of CIPFA's Financial Management Code is continued strong compliance, demonstrating a resilient and sustainable approach to managing the Council's funds.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Note the Council's forecast self-assessment position at February 2024 against the requirements of CIPFA's Financial Management Code

2.0 Introduction

- 2.1 The Financial Management (FM) Code was introduced by the Chartered Institute of Public Finance and Accountancy in 2019 in the context of increasing concerns about the financial resilience and sustainability of local government. The FM Code clarifies how Chief Finance Officers should satisfy their responsibility for good financial administration as required in Section 151 of the Local Government Act 1972. The Council has complied with the code since its inception and has continued to make improvements year on year.

3.0 Report Details

- 3.1 As part of setting the Council's budget each year the Section 151 Officer must prepare a Section 25 Statement to consider the robustness of the budget and the Council's finances. The February 2023 S25 assessment included an opinion of how the Council complied with the FM Code; the conclusion was that the Council was in a good position to continue to comply with all areas of the FM Code with planned additional enhancements.
- 3.2 Since the self-assessment was last updated in October 2022, the Council's external auditors have yet to prepare their Value for Money assessment as part of the audit of the 2021/22 accounts. When complete in the coming months, this will

significantly bolster Section 1A of the CIPFA self-assessment as the auditor's conclusion is expected to once again be that the Council does provide value for money.

- 3.3 Section 2 of the self-assessment relates to Governance and Financial Management Style. The evidence for compliance with this section has relied upon the existence of the Corporate Oversight & Governance Group (COGG). COGG was formed following the decoupling from Oxfordshire County Council and it ensures continued good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and monitoring against the Action Plan.
- 3.5 Section 3 of the self-assessment relates to Long to Medium-Term Financial Management. Since the last self-assessment, the Council has introduced additional Prudential Indicators to its quarterly Treasury Management reports. The Council continues to maintain a 5-year Medium Term Financial Strategy (MTFS) which is regularly reported to the Executive.
- 3.6 Section 6 of the self-assessment relates to Monitoring Financial Performance and actions have been taken since February 2023 to enhance the capital reporting and regular reporting of aged debt.
- 3.6 The Council considers that it will continue to fully comply with all aspects of the FM Code which will be reflected in the assessment when setting the budget in February 2024. The Council will always drive continuous improvement and look for ways to improve. Some of these are identified in the Council's self-assessment at Appendix 1.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Council considers that it will continue to be fully compliant with all aspects of the FM Code when the budget is set in February 2024. This demonstrates to members, residents and other stakeholders that Cherwell continues to act in a resilient and sustainable manner.

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

- 6.1 There are no alternative options.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:
Michael Furness, Assistant Director of Finance, 01295 221845,
michael.furness@cherwell-dc.gov.uk

Legal Implications

7.2 There are no legal implications arising directly from this report.

Comments checked by:
Shahin Ismail, Law & Governance, Interim Head of Legal Services
shahin.ismail@cherwell-dc.gov.uk

Risk Implications

7.3 There are no risk implications arising directly from this report.

Comments checked by:
Celia Prado-Teeling, Performance and Insight Team Leader
01295 221556, celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

7.4 There are no equalities implications arising directly from this report.

Comments checked by:
Celia Prado-Teeling, Performance and Insight Team Leader
01295 221556, celia.prado-teeling@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

N/A

Document Information

Appendix number and title

- Appendix 1 – FM Code Self-Assessment 2023-24

Background papers

None

Report Author and contact details

Joanne Kaye, Head of Finance, 01295 221545, joanne.kaye@cherwell-dc.gov.uk