

Appendix 1 – Summary Financial Management Code Assessment

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
1. Responsibilities of the CFO and Leadership Team				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	All services are reviewed to ensure they are being delivered efficiently and appropriate savings are identified. All tenders consider VfM by considering the quality of service and not just the price.	Develop a statement of how proposals in Executive Reports will deliver value for money where appropriate	
B	The authority complies with the CIPFA “Statement of the Role of the CFO in Local Government”	The CFO is a qualified accountant with significant experience working as an active member of the leadership team. The CFO is a member of CLT (Corporate Leadership Team) and has an influential role with members of the Executive, Accounts, Audit & Risk Committee and lead opposition members.	Review annually the statement of roles and responsibilities of CFO, CLT and the Exec.	
2. Governance and Financial Management Style				
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Corporate Oversight & Governance Group (COGG) was set up to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and Action Plan through the completion of Professional Lead Statements and engagement with Corporate Directors.	Continue to enhance and develop the role of COGG.	
D	The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”	Annual Governance Statement includes audit opinion on effectiveness of internal control environment and systems of internal control.	Continue to enhance and develop the AGS through CLT.	
E	The Financial Management style of the authority supports financial sustainability	The Council has moved from a Budget Monitoring approach to Budget Management which is an active approach designed not just to report variances but to develop mitigations in order to manage the in-year variance corporately. .	Continue to challenge budget managers to explore options for mitigating budget variances to ensure financial sustainability. Reporting to AARC will be enhanced to include regular	

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			reports on FOI, data subject access requests, and EIR requests, to give visibility and assurance on regulatory compliance	
3. Long to Medium-Term Financial Management				
F	The authority has carried out a credible and transparent financial resilience assessment	A Financial Resilience assessment is included within the Budget Documents. The assessment is consistent with the Medium-Term Financial Strategy (MTFS) assumptions.		
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	MTFS transparently outlined the financial challenges facing CDC in the Budget and Business Planning Process 2023/24 – 2027/28 Report.	Continue to update CLT and the Executive throughout the year and within Budget/MTFS documents.	
H	The authority complies with the CIPFA “Prudential Code for Capital Finance in Local Authorities”	A Capital Strategy is produced annually. Quarterly Treasury Management monitoring considered at the Accounts, Audit and Risk Committee. A profiled five-year capital programme was approved by Council in Feb 2023 and is managed monthly and reported to the Executive.	The quarterly TM reports now contain updates on more Prudential Indicators but this can still be expanded.	
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	CDC has an Integrated Business Planning and Budget Process with a five-year MTFS.	Continue to ensure services are aware of future savings plans committed to and savings are implemented. Encourage ‘early alert’ if future savings are at risk.	
4. The Annual Budget				
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces its annual balanced budget and supporting documentation.		
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	S25 report accompanies the suite of Budget documents. Enhanced by including an assessment compliance with the FM Code		

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5. Stakeholder Engagement and Business Plans				
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	Significant consultation on the budget proposals as well as ensuring we carry out the statutory business rate payers' consultation.	Continue with corporate and directorate consultation where appropriate.	
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	A gateway process which includes a standardised business case is required for all capital schemes which sets out alternative options, the reasons for discounting them and benefits of progressing with the scheme. All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented. The Strategic Place Shaping Programme Board and the Transformation Board are responsible for overseeing the Gateway process for evaluation of projects which considers factors such as vfm, business need and recommend to the Strategic Board who in turn recommend to Members.	Continue to embed Gateway process and refine business case templates from outline through to full for both revenue and capital schemes for all strategic boards.	
6. Monitoring Financial Performance				
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The monthly Performance, Risk and Finance Report to Executive enables CLT and Executive to respond to emerging. Enhancements to capital reporting have been introduced to now include analysis of variances to the total cost of the scheme rather than comparison to in-year profiled budget. All capital schemes are now monitored by either a strategic board (for place shaping or transformational schemes) or by the appropriate DLT (for BAU schemes).	The Capital Programme monitoring element requires enhancement to: <ul style="list-style-type: none"> • better reflect performance and the delivery of outcomes linked to the completion of capital schemes. • Better understand the drivers of budget reprofiling 	

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O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	Reserves and balances are monitored monthly and changes in budgeted use require appropriate approvals before they can be assumed. Debtor monitoring takes place monthly, identifying and analysing aged debt. Regular review and management of aged debt has resulted in either recovery or unrecoverable debts being written off in a more timely manner.	Continue to enhance reporting of aged debt to enable budget managers to effectively manage their aged debt.	
7. External Financial Reporting				
P	The CFO 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"	The annual accounts are produced in compliance with the CIPFA Code.		
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	CLT and Executive consider the outturn report and year end variances enabling strategic financial decisions to be made as necessary.		