

## **Appendix 9 CIPFA Financial Management Code**

### **Introduction**

#### **CIPFA Statement on the Purpose of the Code**

- 1.1. The Financial Management Code is the professional code for general financial management in local authorities. It is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.
- 1.2. The code complies with other legislation and associated CIPFA codes and is evidence of compliance with statutory and professional frameworks.
- 1.3. The code is a principle-based approach. There are 6 principles:
  - i) Leadership
  - ii) Accountability
  - iii) Transparency
  - iv) Standards
  - v) Assurance
  - vi) Sustainability
- 1.4. The six principles are translated into seventeen Financial Management (FM) standards (denoted from A-Q), grouped into seven sections.

### **Conclusion**

- 1.5. The review of Westminster City Council against the CIPFA Financial Management Code demonstrates compliance and is detailed further below. It is the opinion of the CFO that the Council is financially resilient and delivers value for money. However, in striving for financial management excellence, the Council has developed a set of actions for improvement which will contribute to the Council's longer-term vision, Fairer Westminster.

## Appendix 9 CIPFA Financial Management Code

### CIPFA Financial Management Code – Self Assessment and Action Plan

FM Ref	Requirement	Guidance	Self-Assessment	Identified Improvements	RAG
<b>1 - The responsibilities of the chief finance officer and leadership team</b>					
A	The leadership team can demonstrate that the services provided by the authority provide value for money	<p>The Council has a clear and consistent understanding of what value for money means.</p> <p>There are mechanisms and processes to promote and ensure value for money at a corporate and service level.</p> <p>The Council can demonstrate the actions we take to promote value for money and what it has achieved.</p>	<p>The Council operates under a Leader/Cabinet system. Councillors are supported by the Executive Leadership Team (ELT), which is headed by the Council's Chief Executive. ELT 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 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. The Annual Governance Statement needs to be read alongside the Council's constitution, which 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>The annual governance statement (AGS) is compliant with the CIPFA Code and the financial accounts are fully audited to with no outstanding years. An appropriate level of care is taken to</p>	<p>Improvements are as outlined in the Council's Value for Money report:</p> <ul style="list-style-type: none"> <li>• Work should continue to ensure the completeness of the contracts register to ensure it contains details of all contracts over £100k and all contract owners.</li> <li>• Grant Thornton's VfM report has identified some improvement recommendations in respect of Housing Services that should be prioritised over 2024/25.</li> </ul>	

## Appendix 9 CIPFA Financial Management Code

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			<p>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 takes into account the three areas below.</p> <ul style="list-style-type: none"> <li>• Financial sustainability</li> <li>• Governance</li> <li>• Improving economy, efficiency and effectiveness</li> </ul> <p>The latest VfM report outlines a key recommendation in respect of Housing Services that the Council is treating as one of its key priorities.</p> <p>There is a Commercial Gateway Review Board (CGRB) at which all proposed high value contracts are reviewed. Contract managers must submit a bid to the CGRB for the proposed contract to be agreed to proceed to procurement. This bid must detail the rationale behind the proposed contract, together with the VFM and risk management considerations.</p>		

## Appendix 9 CIPFA Financial Management Code

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			<p>The Council has a Shareholder Committee which provides oversight of the Council's subsidiaries and companies. This is underpinned by a terms of reference and is chaired by the Leader of the Council. The Committee forms part of the overall governance arrangements for the Council.</p>		
B	<p>The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) in Local Government (2016)</p>	<p>The CFO is a key member of the leadership team and able to challenge and influence all material business decisions.</p> <p>The CFO leads and champions the promotion and delivery of good financial management across the authority.</p> <p>The finance team is suitably resourced and fit for purpose.</p>	<p>The CFO is a key member of the Council's Executive Leadership Team. He holds the role of the Executive Director of Finance and Resources and is the Council's S151 officer.</p> <p>The CFO is actively involved in all material business decisions through being fully engaged with Lead Members, attending Committee and Council meetings and holding regular finance meetings with the relevant cabinet members.</p> <p>The Chief Financial Officer (CFO) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The CFO is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom.</p>		

## Appendix 9 CIPFA Financial Management Code

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			<p>In preparing the financial statements, the CFO 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 CFO encourages good financial management across the whole Council through implementing a business partnering approach, ensuring finance is prioritised throughout governance procedures and through regular financial reporting to ELT, members, Scrutiny and committees including Audit and Performance Committee. The CFO also networks externally and works closely with other local authority Chief Officers.</p> <p>The CFO is professionally qualified accountant with significant experience as a CFO.</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.</p>		

## Appendix 9 CIPFA Financial Management Code

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			The Council operates an annual finance graduate trainee programme to maintain good resilience at the lower levels of the department.		
<b>2 – Governance and financial management style</b>					
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	<p>The leadership team upholds the Nolan principles in its work and governance.</p> <p>The Council has a clear framework for governance and internal control.</p> <p>The leadership has effective arrangements for assurance, internal audit and internal accountability.</p> <p>The leadership team embraces high standards of governance and internal control.</p> <p>The leadership team nurtures a culture of</p>	<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>This is the case both for the Council's own operations and in its Partnership arrangements with other organisations. Partnerships are playing an increasingly important role in the future of policy development and service delivery. The Council has developed and maintained an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall. This is outlined in detail in the Council's Constitution.</p> <p>The Council has an Audit and Performance Committee (APC), independent of both the Executive and the Policy and Scrutiny process</p>	<p>The Council will implement the governance recommendations outlined in Grant Thornton's VfM assessment</p> <p>During 2023/24 the Council reviewed its governance arrangements in respect of Scrutiny (using Centre for Good Governance)</p>	

## Appendix 9 CIPFA Financial Management Code

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		<p>effective governance and robust internal control across the authority.</p>	<p>as recommended by CIPFA. APC also has an independent member on its panel in line with best practice. Its terms of reference include a wide range of responsibilities.</p> <p>The Council's Standards Committee's main responsibility is to ensure that high standards of Member conduct are maintained. It does this by ensuring that Members attend training on the Code of Conduct, are briefed on relevant issues and receives an annual overview report on complaints about Member Conduct.</p> <p>All decisions referred to members are set out using a formal reporting template which includes legal and 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</p>		

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			<p>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>		
D	<p>The Council applies CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)".</p>	<p>The Council has sought to apply the principles, behaviour and actions set out in the framework to our own governance arrangements.</p> <p>The Council has in place a suitable local code of governance.</p>	<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>	<p>- Where reviews of the corporate governance arrangements have revealed improvement recommendations, action is planned that will ensure effective governance in future.</p>	
E	<p>The Financial Management style of</p>	<p>The Council has in place an effective framework of financial</p>	<p>There is wide consultation across the Council, including finance, in developing the budget and challenge mechanisms are in place, from the</p>	<p>Review the current business partnering model, enhancing the efficiency</p>	



## Appendix 9 CIPFA Financial Management Code

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	<p>the Council supports financial sustainability</p>	<p>accountability.</p> <p>The Council is committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services.</p> <p>The Council's finance team has appropriate input into the development of strategic and operational plans. Managers across the authority possess sufficient financial literacy to deliver services cost effectively and are held accountable for doing so.</p> <p>The authority has sought an external view on its financial style, for example through a process of peer review.</p>	<p>Executive Leadership Team (ELT) and from the scrutiny offered by the Budget Scrutiny Task Group, in addition to the challenge provided generally by members.</p> <p>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 Audit &amp; Performance Committee also highlights these risks. In addition, each lead portfolio member (Chair of the relevant committee) is closely involved in developing and setting the budget for their service area. Risks are discussed at length as part of this process. Overall, members are presented with a good understanding of the risks.</p> <p>The approach to closing the budget gap is regularly discussed outside of Cabinet meetings with the ELT, Directorate Leadership Teams, the Leader and the Cabinet Member for Finance.</p> <p>Budget Scrutiny Task Group (BSTG) was moved forward in the budget cycle for the 2024/25 budget, taking place in November (for revenue and capital scrutiny), with a final "wash-up" in January. This change has given BSTG members earlier sight of savings, pressures and</p>	<p>and usefulness of the process.</p> <p>Provide refresher training for officers at all levels of the organisation who have financial responsibilities with the outcome of improving financial literacy and strengthening the accountability of budget managers and senior officers, which supports financial sustainability.</p>	<p><b>RAG</b></p>

## Appendix 9 CIPFA Financial Management Code

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		<p>Individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities.</p>	<p>investment proposals with the ability to help shape the budget for the following year.</p> <p>The 2024/25 budget report includes the s151 officer's s25 report which outlines the robustness of estimates underpinning the budget as well as level of reserves to withstand overspends should they arise.</p> <p>The Council reset its MTFP during the year in recognition of the impact of the pandemic as well as to the in-year update to the Council's strategic objectives. These and other key assumptions within the plan have been reviewed.</p> <p>A monthly budget monitoring report is provided to the ELT for the consideration of any necessary actions and amendments, and detailed financial monitoring information is provided to the Audit &amp; Performance Committee quarterly, so there is regular scrutiny of the Council's financial position and of the ongoing funding pressures it faces.</p> <p>Scheme of delegation exists within the Constitution to ensure prompt and timely decision making with key decisions required to be taken at Cabinet.</p>		
<b>3 – Medium to long-term financial management</b>					

## Appendix 9 CIPFA Financial Management Code

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F	The authority has carried out a credible and transparent financial resilience assessment	<p>The Council has undertaken a financial resilience assessment.</p> <p>The assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios.</p> <p>The authority has taken appropriate action to address any risks identified as part of the assessment.</p>	<p>A 'going concern' assessment is carried out annually by the Council's external auditors as part of audit, confirming in 2023/24 that the Council is a going concern.</p> <p>The annual CIPFA resilience index places Westminster in a low-risk category across the majority of its metrics.</p> <p>A refresh of the MTFP is discussed between budget holders and finance twice per year (in July and in the budget report)</p> <p>A key part of the budget cycle is that each Cabinet portfolio member (Chair of the relevant Committee) has a challenge session called 'Member's Review Session'. As well as the portfolio holder, these meetings include the Lead Member for Finance, the s151 officer (or deputy), the Chair of the Audit Committee and the Council CEO. These sessions provide an opportunity for challenge and review of both the budget, savings, timelines, political considerations, dependencies, investment requirements and RAG ratings etc. They are also provided with information on pressures and investments. Where additional funding has been requested, these are subject to additional challenge at these meetings.</p>	<p>Make better use of benchmarking and the CIPFA resilience index when shaping the MTFP.</p> <p>Embed use of newly recruited economics and analysts team capability to model term-term economic effects on Council's budgets and inform strategic decision making</p>	

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G	<p>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p>	<p>The Council has a sufficiently robust understanding of the risks to its financial sustainability.</p> <p>The Council has a strategic plan and long-term financial strategy that adequately addresses these risks.</p> <p>The Council has sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning).</p> <p>Leadership team and members understand prospects for long-term financial sustainability, the associated risks and the impact of these</p>	<p>The Council's Budget, Statement of Accounts and MTFP reflect the main risks to sustainability. These are reported throughout the annual financial cycle in monitoring reports to the Leadership Team. The Budget and MTFP are agreed by Full Council.</p> <p>The Council's Capital Strategy sets out the Council's long term capital investment plans over the next 15 years – up to 2037/38 and proposes a gross budget of £2.604bn with a net borrowing requirement of £1.413bn. The revenue implications of the capital projects are also set out here and included in the MTFP, so members are provided with a detailed oversight of the capital programme, how this ties back to the corporate strategy, the capital and revenue costs of the strategy, the budgetary impacts and how this is all to be funded. This is all then considered at the Budget Scrutiny Task Group.</p> <p>There are quarterly performance reports to the Audit &amp; Performance Committee which track the outcomes of Council activities. These are set out against key performance indicators and include detailed commentaries on associated risks, achievements and other issues. These reports also highlight remedial actions being taken where slippage does occur.</p>	<p>Continue to improve the connections between capital expenditure and the direct revenue implications of that capital expenditure</p> <p>Develop improved understanding of the cost of the Council's 2030 net zero commitment (climate emergency plan)</p> <p>Corporate oversight of Temporary Accommodation to contain service pressures will be a priority for 2024/25</p>	

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		<p>for short and medium-term decision making.</p>	<p>Senior Officers and Members (via Scrutiny Committees and the Audit &amp; Performance Committee), ensure the Council remains focused on achieving its agreed objectives and priorities.</p> <p>In 2024/25, Temporary Accommodation presents a significant financial challenge. Provision has been made in the 2024/25 budget but remains a high-risk in terms of overspending. This will then impact the MTFP budget gap.</p>		
H	<p>The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities</p>	<p>The Council has a prepared a suitable capital strategy.</p> <p>The Council has a set of prudential indicators in line with the Prudential Code.</p> <p>The Council has in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set.</p>	<p>The Council submits its 15-year 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 governance around the Capital Programme is led by the Capital Review Group (CRG). This group reviews the strategic direction of the programme, including the long-term financial sustainability and ensures outcomes are aligned with the Fairer Westminster strategy.</p> <p>The council's capital strategy is also reviewed annually alongside the council's treasury management and investment framework. The</p>	<p>The narrative in the capital strategy could be enhanced further by detailing:</p> <ul style="list-style-type: none"> <li>- The authority's policies on capitalisation included in the statement of accounts</li> <li>- The risks faced by the authority with reference to the life of projects/assets.</li> <li>- Asset management information, including the cost of past borrowing, maintenance requirements.</li> </ul>	

## Appendix 9 CIPFA Financial Management Code

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			<p>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 indicators is reported in the Council's Treasury outturn report.</p>		
I	<p>The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.</p>	<p>The Council has in place an agreed medium-term financial plan.</p> <p>The medium-term financial plan is consistent with and integrated into relevant service plans and capital strategy.</p> <p>The medium-term financial plan has been prepared on the basis of a robust assessment of relevant drivers of cost and demand.</p> <p>The medium-term financial plan been tested for resilience</p>	<p>The Council prepares a multi-year rolling budget which is subject to annual review. The development of the budget is highly collaborative. The MTFP is report to Cabinet in July at which point the Finance team engages with directorates, budget options are discussed, and any budget gaps are identified. Executive Directors hold overall responsibility for the budget of their Directorate.</p> <p>Informal Cabinet meetings are also held during the budget setting process to discuss emerging issues and any inputs from the Budget Task Group, a scrutiny group which meets during the budget setting process to provide additional scrutiny and challenge. There is a good level of ownership of and involvement in the budget setting and monitoring process, from budget holders, through executive directors and up to members.</p> <p>The budget and MTFP have been designed to</p>	<p>The Council has a c£27.7m budget gap for 2025/26 that will require a deeper dive on expenditure to ensure it is directed towards the Council's priorities and is value for money</p> <p>Use Communities team capability to drive improved outcomes for residents</p>	

## Appendix 9 CIPFA Financial Management Code

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		<p>against realistic potential variations in key drivers of cost and demand.</p> <p>There is a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims.</p>	<p>be integrated with the core strategic priorities of the Council (its Fairer Westminster vision). This planning aims to provide a framework to invest in the Plan's broader ambitions and long-term priorities. The Council's Fairer Westminster vision was refreshed during the year. The objectives within this vision are high profile and referred to throughout the key strategic documents and reports presented to members, including the budget and MTFP.</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, economic impact of the cost-of-living crisis, Government Social Care policy gaps. Through budget setting and in-year budget review processes, these plans are reviewed over a three-year period.</p> <p>The council has completed the implementation of the Corporate Landlord approach to operational property management. This will ensure the effective and efficient management of property by centralising property service activities, decision making and budgets. It ensures that decisions about property are taken from a strategic perspective and that</p>		

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			<p>opportunities to deliver efficiencies are captured and assessed via the Strategic Property Board.</p> <p>This approach to operational property management ensures:</p> <ul style="list-style-type: none"> <li>- Effective and efficient management of property by centralising property service activities, decision making and budgets</li> <li>- Decisions about property are taken from a strategic perspective</li> <li>- Opportunities to deliver efficiencies are captured and assessed via the Strategic Property Board.</li> </ul> <p>Current asset management plans will be reviewed as part of the new model.</p>		
<b>4 – The annual budget</b>					
J	The authority complies with its statutory obligations in respect of the budget setting process.	<p>The Council is aware of its statutory obligations in respect of the budget-setting process.</p> <p>The Council has set a balanced budget for the current year.</p> <p>The Council is aware of the circumstances</p>	<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.</p> <p>The council's CFO 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>		



## Appendix 9 CIPFA Financial Management Code

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		<p>under which it issues a Section 114 notice and how we would go about doing so.</p>			
K	<p>The budget report includes a statement by the CFO on the robustness of the estimates and the statement on the adequacy of the proposed financial reserves.</p>	<p>The Council's most recent budget report includes a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.</p> <p>The report accurately considers the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case.</p> <p>The Council has sufficient reserves to</p>	<p>The Budget and MTFP 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).</p> <p>The MTFP includes:</p> <ul style="list-style-type: none"> <li>- Key budget pressures arising and details of how these will be mitigated and/or met from within the proposed budget</li> <li>- Planned contingency balances within the baseline to address budgetary pressures and financial risks anticipated</li> <li>- Estimates for staff pay awards and inflation where these are still to be agreed externally</li> <li>- Estimates for grant funding where not confirmed and collection fund income.</li> </ul> <p>The budget report clearly states where there are estimates and provides details (where known) of when these will be confirmed.</p>		

## Appendix 9 CIPFA Financial Management Code

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		<p>ensure financial sustainability for the foreseeable future.</p> <p>The reports set out the current level of reserves, whether these are sufficient to ensure ongoing financial sustainability and the action being taken to address any shortfall</p>			
<b>5 – Stakeholder engagement and business cases</b>					
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 has sought to engage with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.</p> <p>The Council has been effective in its engagement.</p> <p>The Council plans to improve engagement with key stakeholders</p>	<p>Partnership working is a key theme throughout the Fairer Westminster vision. The Council engages with stakeholders and partners through joint working arrangements, partnership boards and representation on external bodies' governing boards.</p> <p>The annual City Survey informs community engagement strategies as well as service and budget priorities.</p> <p>The Council publishes a quarterly magazine and utilises online communication channels such as e-bulletins, Twitter, Facebook, and YouTube.</p>		

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			<p>The Council also uses its Open Forum events to allow residents to meet and discuss local issues with Cabinet Members and senior officers, and it collects resident feedback on proposed service or policy changes through consultations.</p> <p>The Council works with Voluntary, Community and Faith Sector (VCFS) bodies. As well as commissioning these bodies to work with residents and other bodies, the Council also provides funding to support the VCFS infrastructure locally.</p> <p>Some of the Council's strategic aims are delivered through its wholly owned subsidiary companies. There is good monitoring and oversight over the projects being delivered by these companies.</p>		
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	The Council has documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal.	The main forum for reviewing all financial aspects of the capital programme is the Capital Review Group (CRG). This group reviews the strategic direction of the programme, ensures outcomes are aligned with Fairer Westminster, development or other significant projects have a viable business case and that Value for Money (VfM) is delivered for the Council. It also monitors the expenditure and funding requirements of the capital programme and subsequent revenue impacts.		

## Appendix 9 CIPFA Financial Management Code

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		<p>The Council has guidance to officers as to when an option appraisal should be undertaken.</p> <p>The Council's approach to option appraisal includes appropriate techniques for the qualitative and quantitative assessment of options.</p> <p>The Council's approach to option appraisal includes suitable mechanisms to address risk and uncertainty.</p> <p>The Council reports the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s).</p>	<p>Significant projects include those: with minimum capital expenditure of £10m, requiring a level of resident engagement, with issues that may give rise to sensitivities, involving matters which are a major strategic aim of the Council, carrying major risk, with an important historical context.</p> <p>All Development (as per the General Fund Capital Programme) and regeneration (as per the HRA business plan) projects over £10m will have to produce the following three business cases:</p> <ul style="list-style-type: none"> <li>- Strategic Outline Case (SOC)</li> <li>- Outline Business Case (OBC)</li> <li>- Full Business Case (FBC)</li> </ul> <p>At each of the following stages of the five-case model, business cases must include the following five areas: The Strategic Case, The Economic Case, The Commercial Case, The Financial Case and The Management Case.</p> <p>Projects under £10m will require a Business Justification Case only. However, this will be dependent on the other criteria and factors. The list below is not exhaustive and whether a project can go through a one stage process has to be reviewed on a case-by-case basis and agreed by senior officers, members and the Project Management Office (PMO). The factors</p>		

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			include: - Level of resident engagement required - Sensitivities - Strategic aims of the project - Historical context of the project		
<b>6 – Monitoring financial performance</b>					
N	<p>The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</p>	<p>The Leadership team receive reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability.</p> <p>Those reports cover both forward and backward-looking information in respect of financial and operational performance.</p> <p>There are mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data.</p>	<p>The Council's Budget, Statement of Accounts and MTFP reflect the main risks to sustainability. These are reported throughout the annual financial cycle in monitoring reports to ELT. The Budget and MTFS are agreed by Full Council.</p> <p>The budget monitoring report provided to ELT allows consideration of any necessary actions and amendments. Detailed financial monitoring information is provided to the Audit &amp; Performance Committee quarterly, as part of the quarterly performance monitoring report. 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 ELT and Audit and Performance Committee on a quarterly basis.</p> <p>Reports are clear, written to a standard format. Reports are accurate, clear and written to a standard format.</p>	<p>The Council will continue to review the format and usefulness of its performance reporting.</p>	

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FM Ref	Requirement	Guidance	Self-Assessment	Identified Improvements	RAG
		<p>The reports provided to the leadership team are in a timely manner and in a suitable format.</p> <p>The Leadership team is happy with the reports that it receives and with its ability to use these reports to take appropriate action.</p>	<p>There is a Commercial Gateway Review Board (CGRB) at which all proposed high-risk contracts are reviewed. Contract managers must submit a bid to the CGRB for the proposed contract to be agreed to proceed to procurement. This bid must detail the rationale behind the proposed contract, together with the VFM and risk management considerations.</p> <p>The council has a risk management strategy &amp; policy has been formally approved and adopted and is reviewed and updated on a regular basis. The Risk register incorporates financial and operational risks.</p>		
O	<p>The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</p>	<p>The Council has identified the elements of the balance sheet that are most critical to our financial sustainability.</p> <p>It has put in place mechanisms to monitor the risk associated with these.</p> <p>The Council has taken action to mitigate any risks identified.</p> <p>The Council reports</p>	<p>The Council has a strong balance sheet, and the CFO does not deem that there are any areas of concerns or risks to financial sustainability.</p> <p>ELT and Cabinet receives updates on the key elements of its balance sheet including:</p> <ul style="list-style-type: none"> <li>- Performance against the prudential indicators which are reported in the Council's Treasury outturn report.</li> <li>- Treasury mid-year and outturn report details cash, investments and borrowings decisions within the prudential indicators.</li> </ul>		

## Appendix 9 CIPFA Financial Management Code

FM Ref	Requirement	Guidance	Self-Assessment	Identified Improvements	RAG
		<p>unplanned use of reserves in a timely manner.</p> <p>The monitoring of balance sheet risks is integrated into the management accounts reporting processes</p>	<ul style="list-style-type: none"> <li>- Usable reserves are monitored and reported to Members with clearly defined plans for earmarked reserves.</li> <li>- Financial monitoring report to ELT and APC outlines performance against schools balances and information on covid grants received,</li> <li>- Pension liability and reserve are reported regularly to pension board and pension committee</li> <li>- S106 balances are reported to Capital Review Group to ensure effective application of funds to the capital programme</li> </ul> <p>Finance also prepares balance sheet working papers for each balance sheet code periodically throughout the year (during hard close and yearend). Significant risks are reported to the S151 officer for resolution prior to year-end.</p>		
P	The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice	The Council's Leadership team are aware of the CFO's responsibilities in terms of the preparation of the annual financial statements.	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 2023/24. The CFO ensures adequate resources within Finance, including suitably trained accountants.	Accounts are prepared within statutory deadlines and working papers produced to a high standard. The Council will continue close working with the external auditors to implement any audit	

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FM Ref	Requirement	Guidance	Self-Assessment	Identified Improvements	RAG
	<p>on Local Authority Accounting in the United Kingdom.</p>	<p>These responsibilities are included in the CFO's role description and personal objectives.</p> <p>The financial statements been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.</p>	<p>The responsibilities of the CFO are set out in the constitution, financial 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>	<p>recommendations arising from the Audit Findings Report.</p>	
Q	<p>The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.</p>	<p>The leadership team is provided with suitable reports on the authority's financial outturn and on significant variations from budget.</p> <p>The information in these reports is presented effectively. These reports focus on information that is of interest and relevance to the leadership team.</p>	<p>Revenue and Capital outturn is reported annually to Audit and Performance 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>The Council will continue to review the format and usefulness of its performance reporting.</p>	



**Appendix 9 CIPFA Financial Management Code**

FM Ref	Requirement	Guidance	Self-Assessment	Identified Improvements	RAG
		The leadership team feel that the reports support it in making strategic financial decisions.			