

REPORT TO: Audit & Governance Committee

MEETING DATE: 26 September 2023

BY: Executive Director for Council Resources

SUBJECT: Financial Management Code

1 PURPOSE

- 1.1 To provide Audit & Governance Committee with an assessment of compliance with CIPFA's Financial Management Code (the FM Code), and proposed actions to improve and enhance this.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the assessment of compliance against the FM Code and proposed actions documented within Appendix 1.
 - Note the conclusion that overall, the council is complying with the 7 principles of the code, although there is scope for improvement / enhancements to compliance across of these areas, which has been identified through the assessment.

3 BACKGROUND

- 3.1 The Financial Management Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The Chartered Institute of Public Finance & Accountancy (CIPFA) has produced the code, which sets the standards of financial management for local authorities.
- 3.2 CIPFA has developed the FM Code in response to the challenges of reduced funding and increased demand for services, alongside the high-profile financial management issues which have faced a small number of local authorities in recent years, which have served to highlight the importance of robust financial management.

3.3 The Code itself is not prescriptive in nature, but centred around the following principles of good financial management:

- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – financial management is based on medium-term financial planning, which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported with appropriate frequency and with evidence of periodic officer action and elected member decision making.
- Adherence to professional **standards** is promoted by the leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management and include political scrutiny and the results of external audit, internal audit and inspection.
- The long term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

3.4 The Code translates these principles into a series of standards, which are summarised within Appendix 1. Compliance with the standards is not prescribed in legislation, however it is the duty of each local authority to adhere to the principles of proper financial management. Compliance with the standards is established through self-assessment, which has been documented within the appendix. It should be noted that the financial management standards are minimum standards and, in some cases, may be exceeded.

3.5 CIPFA considers application of the FM Code to be a collective responsibility of each authority’s organisational leadership team.

3.6 The self-assessment documented within Appendix 1 concludes that the Council is complying or partially complying with the main principles of sound financial management. The current financial risk environment means that full compliance across some areas is extremely challenging, and actions which have been identified to enhance conformance with the standards are summarised below:

	Action	FM Code Section	Date	Lead Officer
1	Ensure that all decision reports are subject to review by the Chief Finance Officer, or suitable delegates.	CFO & Leadership Team	Ongoing	Executive Director for Council Resources

2	Conduct financial skills review and ensure that appropriate training is in place to support new Service Managers and Heads of Service, and to embed effective financial management across the council.	CFO & Leadership Team	Apr 2025	Head of Finance
3	Progress the review / replacement of the financial management system.	CFO & Leadership Team	Ongoing	Head of Finance
4	Progress maturity assessment of transformation projects.	Governance & financial management style	Jan 2024	Service Manager – Transformation & Digital
5	Agree further measures to close the budget gap for 2024/25 onwards.	The annual budget	Feb 2024	Executive Director for Council Resources
6	Progress budget consultation for the 2024/25 budget.	The annual budget	Oct 2024	Head of Finance
7	Consider the requirements of the IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal' within the Council's decision making processes.	Stakeholder engagement & business plans	April 2024	Head of Finance
8	Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making, and identify scope for improving these as appropriate.	Monitoring financial performance	July 2024	Head of Finance

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications which arise from this report. However, they will support the Council's overall achievement of its aims by ensuring sound financial management.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The recommendations do not propose any changes which would require an impact assessment.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – There are no cost implications arising from this report. However, the recommendations are intended to support good financial management and financial sustainability.
- 6.2 Personnel - none
- 6.3 Other – none

7 BACKGROUND PAPERS

7.1 None

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DATE	11 September 2023

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Assessment of compliance against CIPFA's Financial Management Code

Ref	Description	Detail	Assessment & Actions Required	RAG
Section 1: The responsibilities of the chief finance officer and leadership team				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money.	<p>The authority has a clear and consistent understanding of what value for money means to it and its leadership team.</p> <p>There are suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services.</p> <p>The authority is able to demonstrate the action that it has taken to promote value for money and what it has achieved.</p>	<p>The council is committed to delivering value for money in all aspects of service delivery and financial implications are identified in all papers submitted for decision.</p> <p>Value for money is also subject to independent review through Best Value reporting by the council's external auditors. This will be reported on in 2023.</p> <p>Robust procurement processes and contract standing orders ensure that purchasing decisions deliver value for money for the council. This is underpinned by the Procurement Strategy which was agreed by Cabinet in January 2023, and incorporates delivery of best value as a key strategic objective.</p> <p>A refreshed Improvement to Excellence framework was approved by Cabinet in May 2023 to take account of the Council's new priorities as set out in the 2022-2027 Council Plan, and the experience and practice of operating the framework over the last few years.</p>	G

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Assessment of compliance against CIPFA's Financial Management Code

B	<p>The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.</p>	<p>In summary this Statement requires that the Chief Finance Officer (CFO):</p> <ul style="list-style-type: none"> • Is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest. • Must be actively involved in, and able to bring influence to bear on, all material business decisions • Must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively. • Must lead and direct a finance function that is resourced to be fit for purpose. • Must be professionally qualified and suitably experienced. 	<p>The responsibilities of the Chief Finance Officer (Executive Director for Council Resources) are set out within the council's standing orders.</p> <p>The Chief Finance Officer is a member of the Executive Management Team (EMT) and reports directly to the Chief Executive. This facilitates appropriate influence over all material business decisions.</p> <p>The CFO is a CIPFA qualified accountant (2006), and is supported by the Head of Finance who is also CIPFA qualified (2013).</p> <p>Within the Finance Service there are currently 13 qualified accountants, and also 4 trainees who are working towards their professional qualifications.</p> <p>The financial strategy recognises some challenges in relation to the legacy finance systems, and promotes measures to address this. Work is underway to consider future options to deliver improvements in this area to improvement management information to support effective financial control.</p>	G
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East Lothian Council Assessment of compliance against CIPFA's Financial Management Code

			<p>Some actions to further enhance existing compliances have been identified below:</p> <p>Action: Ensure that all decision reports are subject to review by the Chief Finance Officer, or suitable delegates.</p> <p>Action: Conduct financial skills review and ensure appropriate training is in place to support new Service Managers and Heads of Service, and to embed effective financial management across the council.</p> <p>Action: Progress the review / replacement of the financial management system.</p>	
Section 2: Governance and financial management style				

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C	<p>The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.</p>	<p>Actions and behaviours of the leadership team are guided by the Nolan principles.</p> <p>The authority has a clear framework for governance and internal control.</p> <p>The leadership team has established effective arrangements for assurance, internal audit and internal accountability.</p> <p>The leadership team espouses high standards of governance and internal control.</p> <p>The leadership team nurtures a culture of effective governance and robust internal control across the authority.</p>	<p>Job outlines for Heads of Service and the Chief Executive, set out within the council's standing orders reference the expectation that in all matters and at all times, the post holders will act according to the Nolan Principles for public life.</p> <p>The Corporate Management Team (CMT) are represented at board level for all key corporate projects, and regular board meetings assist with ensuring the effective delivery of work programmes which are critical to the delivery of the council's strategic objectives.</p> <p>The Officer Code of Conduct sets out the expected standards of behaviour for staff and where breaches are identified, these are dealt with through the appropriate channels.</p> <p>The framework for internal control is not explicitly codified but is considered to be adequate, and is subject to ongoing review and improvement. This is reflected in the Head of Internal Audit's annual opinion.</p> <p>Action: Implement the improvement action identified within the corporate governance</p>	G
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Assessment of compliance against CIPFA's Financial Management Code

			self-evaluation (reported to Audit & Governance Committee June 2023).	
D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).	<p>The Council is aware of the provisions of the CIPFA Delivering Good Governance Framework.</p> <p>The authority has sought to apply the principles, behaviour and actions set out in the Framework to its own governance arrangements.</p> <p>The authority has in place a suitable code of governance.</p>	<p>The Council has adopted the principles of Corporate Governance based on the CIPFA / SOLACE guidance, and the results of a corporate governance self-evaluation were reported to the Audit and Governance Committee in June 2023. This review identifies four areas for improvement.</p> <p>The Council sets out the actions it has taken or plans to take to ensure that high standards of governance are delivered within its Annual Governance Statement and action plan. Compliance against CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 is reviewed annually by the Audit and Governance Committee. This review is documented within the Annual Governance Statement which is subject to independent review by external audit.</p> <p>Action: as identified in the results of the corporate governance self-assessment 2023 (address four areas for improvement)</p>	G

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Assessment of compliance against CIPFA's Financial Management Code

E	The financial management style of the authority supports financial sustainability.	<p>Strong financial management is assessed against a hierarchy of:</p> <ol style="list-style-type: none"> 1. delivering accountability 2. supporting performance 3. enabling transformation <p>Criteria at each level must be met to enable progression to the next level of the hierarchy. This is broadly linked to economy, efficiency and effectiveness.</p>	<p>The council's standing orders detail committee functions and member and officer delegations.</p> <p>Accountability in relation to budgetary performance is ensured through regular financial reporting to CMT and Council.</p> <p>There is an effective performance management framework in place including performance measures, customer satisfaction surveys, and monitoring of key strategic projects.</p> <p>The council has an established transformation programme, and the Financial Strategy is focussed on directing investment appropriate to enable this to be accelerated. A Transformation and Digital Manager has been newly appointed to support this.</p> <p>Action: Progress maturity assessment of transformation projects.</p>	G
Section 3: Long to medium-term financial management				

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F	<p>The authority has carried out a credible and transparent financial resilience assessment.</p>	<p>The authority has undertaken a financial resilience assessment.</p> <p>That 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>Development of the current Financial Strategy incorporated scenario planning, with adverse and favourable assumptions being modelled and presented to decision makers.</p> <p>The strategy recognises that further action will be required in order to address the risks currently facing the council in relation to financial resilience, and sets out how the council plans to close the funding gap.</p> <p>This remains a key area of risk for the council and although some progress has been made in identifying and agreeing savings to close the budget gap, further action will be required in order for financial resilience to be achieved.</p> <p>Action: agree further measures to close the budget gap for 2024/25 onwards.</p>	A
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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 authority has a sufficiently robust understanding of the risks to its financial sustainability.</p> <p>The authority has a strategic plan and long-term financial strategy that addresses adequately those risks.</p> <p>The authority reports effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short and medium-term decision making.</p>	<p>Risks to financial sustainability are comprehensively documented within the corporate risk register, which is regularly updated and considered by CMT and Council.</p> <p>Alongside this, regular finance update reports also capture the emerging risk environment and impact on financial sustainability.</p> <p>Managing the financial environment represents the highest rated risk ever reported through the corporate risk register.</p> <p>While the response to this risk is developing and represents a huge ongoing challenge for the council, this risk is considered to be well understood by the leadership team and is clearly communicated to members on a regular basis.</p>	G
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Assessment of compliance against CIPFA's Financial Management Code

H	<p>The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.</p>	<p>The authority is aware of its obligations under the Prudential Code.</p> <p>The authority has prepared a suitable capital strategy.</p> <p>The authority has a set of prudential indicators in line with the Prudential Code.</p> <p>The authority has suitable mechanisms for monitoring its performance against the prudential indicators that it has set.</p>	<p>The council complies with the requirements of the Prudential code, and prepares its Capital, Investment and Treasury Management strategies with reference to this.</p> <p>The Audit and Governance Committee receives reports on performance against the Treasury Management Strategy and Prudential Indicators twice a year, and quarterly updates are now also included within budget monitoring reports to Council.</p> <p>The council's capital strategy has been approved by Council and contains a range of indicators set with reference to the Prudential Code for Capital Finance. Capital spending is monitored through regular finance update reports, and individual project governance arrangements.</p>	G
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I	<p>The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans</p>	<p>The authority has in place an agreed medium term financial plan. The medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy.</p> <p>The medium-term financial plan has been prepared on the basis of a robust assessment of the relevant drivers of cost and demand.</p> <p>The medium-term financial plan has been tested for resilience against realistic potential variations in key drivers of cost and demand.</p>	<p>The Council has adopted a 5 year financial strategy which will be updated and rolled forward annually.</p> <p>Consultation with officers, members, residents and external partners will place as part of budget development to ensure that it reflects up to date priorities and horizon scanning.</p> <p>Development of the financial strategy incorporates scenario planning, with adverse and favourable assumptions being modelled and presented to decision makers.</p> <p>Action: progress budget consultation for the 2024/25 budget.</p>	G
Section 4: The annual budget				

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J	<p>The authority complies with its statutory obligations in respect of the budget setting process.</p>	<p>The authority is aware of its statutory obligations in respect of the budget setting process.</p> <p>The authority has set a balanced budget for the current year.</p> <p>The authority is likely to be able to set a balanced budget for the forthcoming year.</p>	<p>The council and officers are aware of the council's statutory responsibilities with respect to setting a balanced budget.</p> <p>The budget for the current financial year (2023/24) was agreed by Full Council in February. Since the budget was set, a number of risks have emerged, which are anticipated to result in a significant unplanned overspend if action is not taken to mitigate this. This was reported to Council in August 2023, and a number of mitigating actions were agreed at this point.</p> <p>The corporate risk register sets out the significant financial challenges currently facing the council, and the acute challenges that this presents in setting a balanced budget for 2024/25 and beyond. This is an area of significant risk for the council and this has been communicated to councillors, staff, Scottish Government and internal and external audit.</p> <p>Action: agree further measures to close the budget gap for 2024/25 onwards.</p> <p>Action: progress budget consultation for the 2024/25 budget.</p>	R
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K	<p>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>	<p>The authority'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 identifies and considers the most significant estimates used to prepare the budget, the potential for these estimates to be incorrect and the impact should this be the case.</p> <p>The authority has sufficient reserves to ensure its financial sustainability for the foreseeable future.</p> <p>The report sets out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is taking to address any shortfall.</p>	<p>The 5 year budget for 2023/24 onwards was agreed by Council on 28 February 2023.</p> <p>This sets out the estimated revenue and capital expenditure for the general services and housing revenue accounts, alongside the range of risks contained within the estimates.</p> <p>The budget for the current financial year (2023/24) incorporates planned use of reserves of £7.4m. The report to Council notes that it will not be possible to sustain this approach into the future.</p> <p>At this point in time, it is anticipated that reserves will be sufficient to cover expenditure for the forthcoming 12 months, however, the position beyond that remains uncertain.</p> <p>A number of mitigation measures have been introduced by Council in response to the current risks relating to the budget deficit and the adequacy of reserves, and the financial strategy incorporates a commitment to minimise the use of reserves in order to balance the budget.</p>	A
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Assessment of compliance against CIPFA's Financial Management Code

			Action: agree further measures to close the budget gap for 2024/25 onwards.	
Section 5: Stakeholder engagement and business plans				

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Assessment of compliance against CIPFA's Financial Management Code

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 authority knows who its key stakeholders are.</p> <p>The authority has sought to engage with key stakeholders in developing its long term financial strategy, its medium term financial plan and its annual budget.</p> <p>The authority has assessed the effectiveness of this engagement.</p> <p>The authority has a plan to improvement its engagement with key stakeholders.</p>	<p>The Council has a Communications Strategy which identifies the key audiences which the Council will aim to reach through its communications, and highlights the importance of partnership working.</p> <p>Communications plans for individual campaigns also incorporate stakeholder engagement planning. In addition the Equality plan details the council's plan for engaging with stakeholder groups.</p> <p>Residents' surveys are conducted regularly in addition to specific consultation on the council's budget.</p> <p>Engagement on financial planning and budgets take place with key stakeholders including the HSCP through regular meetings.</p> <p>To supplement formal engagement with elected members through public meetings, two cross party forums have been established, to enable cross party consideration around matters relating to the budget, and to sustainability. These groups were established in 2022 and continue to meet regularly. Their effectiveness will be monitored on an ongoing</p>	G
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Assessment of compliance against CIPFA's Financial Management Code

			basis and appropriate adjustments will be made where necessary.	
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Assessment of compliance against CIPFA's Financial Management Code

M	<p>The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.</p>	<p>The authority has a 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'.</p> <p>The authority offers guidance to officers as to when an option appraisal should be undertaken.</p> <p>The authority's approach to option appraisal includes appropriate techniques for the qualitative and quantitative assessment of options.</p> <p>The authority's approach to option appraisal includes suitable mechanisms to address risk and uncertainty.</p> <p>The authority 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>The Capital Strategy sets out the criteria for assessing schemes to be included on the capital programme.</p> <p>Investment appraisals are undertaken for development and construction schemes and property acquisitions.</p> <p>Recommendations made to decision makers for such schemes are based on the outputs of investment appraisal alongside qualitative factors including the achievement of strategic objectives. Risk management considerations are a feature of all decision reports, and members are presented with alternative options to consider as part of the recommendation.</p> <p>Action: Consider the requirements of the IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal' within the Council's decision making processes.</p>	A
Section 6: Monitoring financial performance				

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Assessment of compliance against CIPFA's Financial Management Code

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 authority provides the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability.</p> <p>The 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.</p> <p>The reports are provided to the leadership team 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>The budget monitoring position is reported to CMT and EMT on a quarterly basis. Finance updates to each meeting of CMT also provide forward looking information relating to the development of the budget for the forthcoming financial year, as well as discussion of planned mitigation measures in response to current year projected overspends. Regular risk updates also set out forward looking information.</p> <p>The reports are prepared and presented in a timely manner following the end of each quarter, allowing time for the relevant data to be collected. Timely reporting enables potential issues and opportunities to be identified early, and corrective action to be taken where necessary.</p> <p>CMT and EMT meet regularly, allowing for urgent matters to be raised outside of the quarterly reporting process if necessary.</p> <p>Financial reporting and management information could be enhanced by delivering improvements or replacing the council's financial management system.</p>	A
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Assessment of compliance against CIPFA's Financial Management Code

			<p>Action: Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making, and identify scope for improving these as appropriate.</p> <p>Action: Progress the review / replacement of the financial management system.</p>	
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Assessment of compliance against CIPFA's Financial Management Code

O	<p>The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.</p>	<p>The authority has identified the elements of its balance sheet that are most critical to its financial sustainability.</p> <p>The authority has put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet.</p> <p>The authority is taking action to mitigate the risk identified.</p> <p>The authority reports unplanned use of its reserves to the leadership team in a timely manner.</p>	<p>Quarterly financial updates to Council incorporate reporting on elements of the balance sheet including reserves, capital expenditure, treasury management and council tax collection.</p> <p>Key Performance Indicators also assess paid performance statistics, investment risk and recovery of sundry debts. Write offs of uncollectible debt are also reported transparent through Members Library Reports, with write-offs of individual debts in excess of £50,000 requiring Cabinet approval.</p> <p>The Corporate Asset Group meets regularly to oversee the implementation of the capital strategy and discuss future risks and opportunities.</p> <p>The Pension Fund is reviewed on a triennial basis and annual contributions are adjusted to ensure that deficits are repaid over the coming years.</p> <p>Recent budget monitoring information suggests that it is likely that there will be an unplanned drawdown of reserves for 2023/24. This was reported to the leadership team as part of the quarter one update and a number</p>	G
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			of actions have been agreed in order to try and mitigate this.	
Section 7: External financial reporting				
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 authority's leadership team is aware of the CFO's responsibilities in terms of the preparation of the annual financial statements.</p> <p>The authority's CFO is aware of their responsibilities in terms of the preparation of the annual financial statements.</p> <p>These responsibilities are included in the CFO's role description, personal objectives and other relevant performance management mechanisms.</p>	<p>CMT receive regular budget monitoring information.</p> <p>The CFO is aware of the requirements of the financial statements, which are fully compliant with the Code of Practice on Local Authority Accounting.</p> <p>The council's standing orders set out the CFO's responsibilities regarding the statement of accounts. The Council has a long history of unqualified external audit opinions on its financial statements, usually with minimal requirement for audit adjustments which go beyond presentational improvements. To date, the Council has a track record of meeting the statutory deadlines set out in the Accounts and Audit Regulations.</p>	G

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Assessment of compliance against CIPFA's Financial Management Code

Q	<p>The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.</p>	<p>The authority's leadership team is provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget.</p> <p>The information in these reports is presented effectively.</p> <p>These reports are focused on information that is of interest and relevance to the leadership team.</p> <p>The leadership team feels that the reports support it in making strategic financial decisions.</p>	<p>The year-end outturn position is presented to CMT and Council in June, along with the draft unaudited accounts.</p> <p>Budget outturn information is also reported to CMT and to Council on a quarterly basis throughout the year. Although traditionally this information has been considered by Cabinet, in light of the significant risks currently facing the council in relation to the financial position, a decision was taken for finance updates to be considered at full Council.</p> <p>These reports set out variances against revenue and capital budgets, along with the forecast year end position and estimated impact on reserves. The reports also set out the reasons for the variances and mitigation actions proposed for addressing overspends.</p> <p>The information from these reports is also used to inform the budget setting process for the forthcoming financial year.</p> <p>Action: Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making, and</p>	G
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			identify scope for improving these as appropriate.	
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