

## Financial Management Code of Practice – Summary Compliance Assessment 2021/22

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
<b>1. Responsibilities of the Chief Finance Officer (CFO) and Leadership Team</b>				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money (VfM)	Services use benchmarking to inform opportunities to improve VfM. This is evidenced by the use of benchmarking to inform the changes agreed through the Property Services Transformation, for example. Procurement decisions consider VfM by considering the quality of service and not just price.	Consider the development of processes for evidencing benchmarking across services in a more systematic way.	<b>GREEN</b>
B	The authority complies with the CIPFA “Statement of the Role of the CFO in Local Government”	The CFO is qualified accountant with significant experience working as an active member of the council’s leadership team. The CFO is a member of CEDR (Chief Executive Direct Reports) and has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members.		<b>GREEN</b>
<b>2. Governance and Financial Management Style</b>				
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Corporate Governance and Assurance Group (CGAG) exists 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.		<b>GREEN</b>
D	The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”	Annual Governance Statement (AGS) includes internal audit opinion on effectiveness of internal control environment and systems of internal control.  The updated Local Code of Governance is included as part of the agenda for Audit & Governance Committee in January 2022.		<b>GREEN</b>

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E	The Financial Management style of the authority supports financial sustainability	The Council has adopted a Business Partnering model that supports managers to deliver financially sustainable services by providing strategic advice and support. This is underpinned by a Corporate Function that manages the strategic financing issues and provides the budget setting and accounting framework for the organisation.	Further develop the Business Management & Monitoring Report to improve visibility and links between performance, risk and finance reporting and highlight key issues that need to be considered.	GREEN
<b>3. Long to Medium-Term Financial Management</b>				
F	The authority has carried out a credible and transparent financial resilience assessment	Financial resilience is considered as part of the Leadership Risk Register.  The forecast level of General Balances is reported against the minimum risk assessed level for balances monthly taking into account the latest monitoring position in the current year.		GREEN
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The Financial Strategy and MTFS outline the financial challenges and opportunities facing the Council over the medium term. Business and Budget Planning Reports to Cabinet clearly set out the financial planning environment, risks and any assumptions made.		GREEN
H	The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"	An annual Capital and Investment Strategy is set by Council alongside a ten-year Capital Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy. The Capital Programme is monitored monthly with reports produced quarterly for CEDR and Cabinet. Mid-term and Outturn Treasury Management reports are taken to Audit & Governance Committee, Cabinet and Council, including monitoring of Prudential Indicators.		GREEN

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I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The Council has an integrated Business and Budget Planning Process with a multi-year MTFs linked to service plans and performance reporting through the Business Management & Monitoring Report.	Continue to build the link between service plans and budgets and further improve the linkages between service performance and financial outcomes through enhancements to the Business Management & Monitoring Report.	GREEN
<b>4. The Annual Budget</b>				
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces an annual balanced budget and supporting documentation within the necessary timeframe.		GREEN
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	The CFO's Section 25 report accompanies the suite of Budget documents and includes a commentary on the adequacy of proposed financial reserves with reference to CIPFA's Resilience Index as well as assessed compliance with the FM Code.		GREEN
<b>5. Stakeholder Engagement and Business Plans</b>				

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L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	<p>The Council undertakes an annual public consultation on the budget proposals.</p> <p>Engagement on the Oxfordshire Fair Deal Alliance's priorities took place in autumn 2021 with consultation on detailed budget proposals running from early December 2021 to January 2022.</p> <p>The Performance &amp; Corporate Services Overview &amp; Scrutiny Committee considers and comments upon the budget proposals ahead of the budget being agreed by Council.</p>	Engagement & Consultation feedback will be used to inform the development of the council's strategic plan.	GREEN
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	<p>A 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.</p> <p>All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented.</p>	Planned improvements to capital governance processes will strengthen capacity for scrutiny of business cases and plans for capital schemes.	GREEN
<b>6. Monitoring Financial Performance</b>				
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 Business Management and Monitoring Report to Cabinet enables the council's leadership team and Cabinet to respond to emerging risks and to take action to manage those.	As part of planned improvements to capital governance and reporting, the quarterly Capital Programme monitoring report requires enhancement to better reflect performance and the delivery of outcomes linked to the completion of capital schemes.	GREEN

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O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	The monthly Business Management and Monitoring Report to Cabinet includes monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).	Increase visibility of relevant balance sheet items for directorate leadership teams as part of process to sign off the Business Management & Monitoring Report.	GREEN
<b>7. External Financial Reporting</b>				
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 Code)	The annual accounts are produced in compliance with The Code and have received an unqualified audit opinion. Statutory deadlines for publication of the accounts are consistently met. The audit of the 2020/21 accounts is on-going as at December 2021 following a requirement to restate fixed asset valuations.		GREEN
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	The council's leadership team and Cabinet consider outturn report and year end variances in a timely manner enabling strategic financial decisions to be made as necessary.		GREEN