

Financial Management Code of Practice – Summary Compliance Assessment 2022/23

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
1. Responsibilities of the Chief Finance Officer (CFO) and Leadership Team				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money (VfM)	<p>Services use benchmarking to inform opportunities to improve VfM but this is often ad hoc.</p> <p>Procurement decisions consider VfM by considering the quality of service and not just price.</p>	Develop processes for evidencing VfM across services in a more systematic and consistent way, including benchmarking, as part of the Budget & Business Planning process.	AMBER
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 SLT (Senior Leadership Team) and reports directly to the Chief Executive. The CFO has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members.		GREEN

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2.	Governance and Financial Management Style			
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	<p>The Senior Leadership Team (SLT) understands its responsibilities in relation to Financial Management and considers the assessment against the Code and actions or further work required in order to continuously improve. SLT receive and review on a quarterly basis a report from the Chief Internal Auditor on progress against the Internal Audit Plan, implementation of agreed management actions and delivery of the Counter Fraud Plan. The Annual Governance Statement (AGS) and Action Plan are also considered by SLT.</p> <p>In addition, the Audit & Governance Committee have a key role in providing independent assurance over governance, risk and internal control arrangements.</p>		GREEN
D	The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”	The Local Code of Corporate Governance sets out how the Council complies with the requirements of the Framework and identifies key documents, which provide detailed information as to how the Council ensures the Corporate Governance principles are adhered to. The annual update of the Local Code of Corporate Governance was last approved by Audit & Governance Committee in May 2022.		GREEN

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E	The Financial Management style of the authority supports financial sustainability	The Council last undertook a self-assessment against CIPFA's Financial Management style hierarchy back in 2018. The outcome identified that financial management was considered to be adequate. 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.	A Financial Management Strategy is in development which will set out the improvements required to enhance financial management capabilities including financial management reporting structures and the development of business objects dashboard reporting	GREEN
3. Long to Medium-Term Financial Management				
F	The authority has carried out a credible and transparent financial resilience assessment	<p>An assessment has been undertaken of the 2021/22 Financial Resilience index compared to the other 23 County Councils. This is set out in in the Financial Strategy (section 4.5 of the Budget & Business Planning Report to Cabinet in January 2023).</p> <p>The Financial Strategy also includes a suite of measures against which financial performance is measured during the year including the forecast level of General Balances against the minimum risk assessed level for balances taking into account the latest monitoring position in the current year.</p>		GREEN

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G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	<p>The Financial Strategy and MTFS outline the financial challenges and opportunities facing the Council over the medium and longer term.</p> <p>The Capital & Investment Strategy and the Capital Programme both cover a 10-year period. The Capital & Investment Strategy sets out the long-term context in which capital expenditure and investment decisions are made and articulates how the Council's capital investment will help achieve the Council's vision and priorities as well as respond to demographic change.</p>	Develop scenario planning in relation to the longer term (to 2033/34)	GREEN
H	The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"	<p>The Capital & Investment Strategy is updated annually and agreed by Council alongside the Capital Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy.</p> <p>The Capital Programme is monitored monthly with reports produced quarterly for the Strategic Capital Board and Cabinet. Quarterly Treasury Management reports are taken to Audit & Governance Committee, Cabinet and Council, including monitoring of Prudential Indicators.</p>		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.		GREEN
4. The Annual Budget				
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

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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	<p>One of the Council's priorities has been to develop and implement a new consultation and engagement strategy, enhancing opportunities for residents, including young people and those seldom heard, to have their say in service development. This has been implemented for the 2023/24 budget process.</p> <p>Engagement and consultation on the council's priorities and budget has included a resident's survey, Oxfordshire Conversation events, a children's and young people sounding board. In addition, a public consultation on the budget proposals took place in November and December with the Performance & Corporate Services Overview & Scrutiny Committee also considering and commenting upon the budget proposals ahead of the budget being agreed by Council.</p>		GREEN
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	Key decisions requiring investment to deliver service improvements, deliver savings or invest or save opportunities require business case to aid decision making via the appropriate governance process (e.g., Strategic Capital Board).	Review the requirements, standards and guidance for business cases including training options for responsible officers and decision makers.	GREEN

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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	<p>The regular Business Management and Monitoring Reports to Cabinet include performance, finance and risk so enable the council's leadership team and Cabinet to respond to emerging issues and to take action to manage those.</p> <p>The regular Capital Programme monitoring report has been enhanced to better reflect performance and the delivery of outcomes linked to the completion of capital schemes.</p>	Continue to improve the visibility and links between performance, risk and finance reporting, highlighting key issues that need to be considered in the Business Management & Monitoring Report.	GREEN
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	The Business Management and Monitoring Reports to Cabinet include monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).		GREEN
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 Code)	<p>The annual accounts are produced in compliance with The Code and have always received an unqualified audit opinion. Statutory deadlines for publication of the accounts have been consistently met until 2021/22 due to resourcing issues. The audit of the 2020/21 and 2021/22 accounts remains outstanding as at December 2022 due to the national issue regarding infrastructure assets for which a statutory override has recently been passed into legislation.</p>		GREEN

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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 the outturn and year end variances in a Provisional Outturn Report to Cabinet each June which enables strategic financial decisions to be made as necessary in a timely manner.		GREEN