

## CIPFA Financial Management Code self-assessment

January 2024

Standard	Statement	Score	Improvement areas
1 The responsibilities of the CFO and leadership team	A The leadership team is able to demonstrate that the services provided by the authority provide value for money <i>'Putting place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money.'</i>	4	Further embed a clear and consistent understanding of VFM through the Finance Academy and Budget Accountability Statements.
	B The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government	5	n/a
2 Governance and financial management style	C The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	5	n/a
	D The authority applies the CIPFA/SOLACE (Society of Local Authority Chief Executives) Delivering Good Governance in Local Government: Framework (2016)	4.5	Implement actions to address identified future risk areas from the recent Centre for Governance and Scrutiny evaluation of organisational governance. The Council plans to undertake a self-assessment against the characteristic of a well-functioning authority contained in the Best Value Standards & Intervention document recently consulted on by DLUHC
	E The financial management style of the authority supports financial sustainability	4.5	Continuing to improve financial literacy and accountability across the organisation through ongoing commitment to the Finance Academy. Implement agreed actions relating to improvements as part of the Integrated Business Planning Project.
3 Long to medium term financial management	F The authority has carried out a credible and transparent financial resilience assessment	5	n/a
	G The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	4.5	Further develop a robust approach to financial scenario planning, including modelling of the impact of the Fair Funding Review and other Government Policy Changes.
	H The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	5	n/a

	I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	4	Develop process to undertake more sensitivity analysis around key cost drivers as part of the budget planning process.
4 The annual budget	J	The authority complies with its statutory obligations in respect of the budget setting process	5	n/a
	K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	5	n/a
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	5	n/a
	M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	4	Develop and enhance current capital guidance, learning and development offer as part of The Finance Academy, to include full options appraisal, business cases, revenue implications, capital profiling, projections and capital funding.
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	4	Enhance approach to performance reporting alongside the existing financial reporting arrangements to Corporate Leadership Team, including insights from similar organisations. Utilising new functionality in Unit 4 to redesign reporting to CLT.
	O	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	5	n/a
	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 on Local Authority Accounting in the United Kingdom	4.5	Lessons learned recommendations to be implemented in respect of the preparation and audit of the 2023/24 Statement of Accounts including relating to the quality of audit working papers and re-design of closing processes in light of transition to new MySurrey system.
	Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions	5	n/a

Leadership	Accountability	Transparency	Standards	Assurance	Sustainability
A	D	L	H	C	E
B	P	M	J	F	G
O	Q		K	N	I

**Key to principles:**

Organisational **leadership** - demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.

**Accountability** – based on medium-term financial planning that 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 frequently 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, including 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.

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