

FM Standard ref	Financial Management Standard	Page of the code	Key Questions – from FM Code guidance	Assessment Evidence and any further actions
Section 1: The responsibilities of the Chief Finance Officer and the leadership team				
A	The leadership team is able to demonstrate that the services provided by LCC provide value for money.	17/18	<p>Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?</p> <p>Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?</p> <p>Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved</p>	<p>The Council's Constitution explains how the Council operates and makes decisions efficiently and effectively. Key Officers include; Chief Finance Officer (CFO), Head of Paid Service and Monitoring Officer – Their job description and profiles identify their responsibilities.</p> <p>The authority has a clear governance structure, with well-defined roles for all members of the leadership team.</p> <p>The constitution includes contract regulations with supporting guidance documents. These include arrangements for ensuring that goods and services are procured in an economic manner.</p> <p>The authority's activities are subject to appropriate levels of scrutiny by scrutiny committees for each major service area and an overview and scrutiny board</p> <p>The authority has in place detailed plans and strategies for the delivery of its principal services, which are consistent with the achievement of the objectives in the corporate plan. The authority also has in place an annual budget, setting out how the delivery of these services will be funded. The Council reports internally to its leadership team on financial performance against the annual budget.</p> <p>The external auditor confirms, as part of their annual audit opinion, whether the authority has in place suitable arrangements to secure value for money.</p> <p>External auditors have issued an unqualified VFM conclusion</p> <p>The council underwent a peer challenge review in 2019, and progress on actions following this has been reported in the Annual Governance Statement (AGS).</p> <p>All decision reports include a section on Equality Impact Assessment. To ensure that they do not – deliberately or inadvertently – discriminate against certain groups or individuals, especially those that are disadvantaged or vulnerable. They also include Resources Comments to highlight that the decision can be met from the approved budget and demonstrate VFM.</p> <p>A new Code of Audit Practice came into force in April 2020 – with supporting guidance issued by the National Audit Office in</p>

				<p>October 2020. This aims to provide more meaningful and accessible annual reporting on the Council's Value for Money arrangements – giving sharper focus on reporting in key areas of financial sustainability, governance and improving economy, efficiency and effectiveness. The outcome of this work will be published as part of the External Auditor's Annual Report for 2020/21 reporting period.</p> <p>We have completed a self-assessment for our Auditor's – Mazars to support this work. The Auditor's Annual Report is expected by December 2021.</p> <p>Assessment - Green <u>Further Improvements / Actions</u> – None</p>
B	LCC complies with the CIPFA <i>Statement on the Role of the Chief Finance Officer in Local Government.</i>	18/19	<p>Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions?</p> <p>Does the CFO lead and champion the promotion and delivery of good financial management across the authority?</p> <p>Is the CFO suitably qualified and experienced?</p> <p>Is the finance team suitably resourced and fit for purpose?</p>	<p>The CFO - The Executive Director of Resources, is a key member of the Corporate Leadership Team (CLT), therefore is integral to all material business decisions. These include a 'One Council' approach to priority areas for the Council such as the Corporate Plan the Transformation Programme and our People Strategy.</p> <p>The CFO sponsors the regular budget monitoring reports reviewed by CLT keeping financial management a priority for the Council. The financial position of the council is always promoted at whole council staff briefings and senior leadership events.</p> <p>The CFO has led on the development of the Council's Medium Term Financial Strategy, and Capital Strategy and is a member of the officer Capital Review Group, providing support and challenge to the Council's project leads.</p> <p>The Council has access to and calls upon specialist professional advice in areas of treasury investment and taxation.</p> <p>The CFO is a qualified member of CIPFA, with prior experience as a CFO and undertakes continuing professional development (CPD) as required by his professional accounting body.</p> <p>The Finance Team is suitably resourced with appropriately qualified staff and is fit for purpose. We have a number of accounting apprentice roles to support future succession planning of the team. We regularly hold whole team CPD activities, to ensure the professional knowledge of the team remains up to date, which has continued virtually whilst the team have been working from home.</p>

				<p>Assessment - Green</p> <p><u>Further Improvements / Actions</u> – continue to develop the skills required to future proof and enable the finance team to support the council in line with the requirements of this FM Code. In particular around Business Partnering and to be an enabling service supporting VFM.</p>
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Section 2: Governance and Financial Management Style				
FM Standard ref	Financial Management Standard	Page of the code	Key Questions – from FM Code guidance	Assessment Evidence and any further actions
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	22	<p>Does the leadership team espouse the Nolan principles?</p> <p>Does the authority have in place a clear framework for governance and internal control?</p> <p>Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?</p> <p>Does the leadership team espouse high standards of governance and internal control?</p> <p>Does the leadership team nurture a culture of effective governance and robust internal control across the authority?</p>	<p>The Leadership team exhibit the Nolan principles which are, Selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These are also set out in the Codes of Conduct and all new employees are made aware of this as part of their induction process.</p> <p>The authority maintains an up to date register of interests for all members of the leadership team.</p> <p>The authority has a clear framework for governance, internal control and decision making within its constitution, which includes the councils Financial Regulations and Contract Regulations. These are also supported by Financial Procedures and Contract and procurement procedure rules.</p> <p>The council has an effective audit committee in place that discharges its role in accordance with good practice. It accounts for its performance to the Council each December. The committee has independent members as well as elected councillors. The Terms of Reference for the committee are set out in the constitution, which states the role as being</p> <p><i>It provides independent review of Lincolnshire County Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.</i></p> <p>The leadership engage fully in high standards of governance and internal control collaborating to report on the combined assurance of the authority. Head of Internal Audit & Risk opinion assessed the governance, risk and control</p>

				<p>environment as 'performing adequately'. Financial Control is likely to be 'some improvement' needed.</p> <p>The Centre for Governance and Scrutiny issued a 'Governance risk and resilience framework' in March 2021. This is designed to support understanding, and acting on, risks to good governance.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions –</u></p> <p>Assess our governance arrangements against the new 'Governance Risk and Resilience Framework'.</p> <p>Implement improvement action identified in the AGS - 2021</p>
D	LCC applies the CIPFA/ SOLACE <i>Delivering Good Governance in Local Government: Framework</i> (2016).	22	<p>Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements?</p> <p>Does the authority have in place a suitable local code of governance?</p> <p>Does the authority have a robust assurance process to support its AGS?</p>	<p>The council's Annual Governance Statement (AGS) sets out the principles of 'delivering good governance' and sets out how we have demonstrated them for the year. The AGS is reviewed and challenged by the audit committee.</p> <p>The audit committee is a key component of our corporate governance as it provides an independent and high level focus on the arrangements that underpin good governance and financial standards.</p> <p>The audit committee includes independent members and their effectiveness is reviewed each year and reported to Council.</p> <p>The authority has a robust process in place for the leadership team to provide assurance to support the AGS.</p> <p>The Head of Internal Audit works proactively with the audit committee to review 'lessons learned' from other LA's to review our own process of governance and assurance.</p> <p>Our Internal Audit Team assess their compliance against the Public Sector Internal Audit Standards. An External Quality Assessment is planned in January 2022.</p> <p>The Head of Internal Audit has completed a self-assessment against the CIPFA role requirements.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions –</u></p> <p>External Quality Assessment of our Internal Audit function.</p>

E	<p>The financial management style of LCC supports financial sustainability</p>	22/23	<p>Does the authority have in place an effective framework of financial accountability?</p> <p>Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?</p> <p>Does the authority's finance team have appropriate input into the development of strategic and operational plans?</p> <p>Do managers across the authority possess sufficient financial literacy to deliver services cost-effectively and to be held accountable for doing so?</p> <p>Has the authority sought an external view on its financial style, for example through a process of peer review?</p> <p>Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?</p>	<p>The Council has an effective framework of financial accountability. Our Financial Regulations and procedures are part of the constitution and set out financial decision requirements.</p> <p>Financial Procedures set out officer responsibilities. Schemes of Authorisation set out delegation of financial responsibility.</p> <p>Appropriate authorisations are built into our systems and processes.</p> <p>The control environment is reviewed regularly by Internal Audit.</p> <p>The finance team provide support and training to officers with delegated financial responsibility and e-learning is also available to support financial literacy.</p> <p>All budget codes have clear ownership and accountability which is reflected in our reporting.</p> <p>Regular budget monitoring reports are provided to the council's leadership team and members and financial sustainability and emerging risks are commented upon as part of this reporting.</p> <p>Performance measures are also reported regularly.</p> <p>The finance team are aligned to specific service areas, to ensure service knowledge is obtained to support service developments and continuous improvement. The team are looking at ways that they can further support the financial management style of the council, enabling transformation and service delivery.</p> <p>The finance team support ad hoc service reviews to ensure services remain relevant and sustainable. There are also a number of reviews being undertaken as part of the Transformation Programme.</p> <p>The authority held a peer challenge review in 2019, and recommendations were made and have been enacted upon, these include the development of our MTFS, more frequent and informative reporting and a review process for capital programme spend.</p> <p>Budget Management and Financial Resilience are included in the Internal Audit Plan 2021/2.</p> <p>Assessment - Green</p>
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				<p><u>Further Improvements / Actions</u> – continuous improvement for financial skills, to move to a mature financial management style. Monitoring completion of financial literacy training.</p> <p>Look at a more systematic approach to areas of service for review to ensure financial sustainability.</p>
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Section 3: Long to medium-term financial management

FM Standard ref	Financial Management Standard	Page of the code	Key Questions – from FM Code guidance	Assessment Evidence and any further actions
F	LCC has carried out a credible and transparent financial resilience assessment.	26	<p>Has the authority undertaken a financial resilience assessment?</p> <p>Has the assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?</p> <p>Has the authority taken appropriate action to address any risks identified as part of the assessment?</p>	<p>The MTFS includes prudent assumptions in relation to funding and savings are not included unless they are clearly identified and deliverable.</p> <p>In working up our MTFS worst, medium, best case scenarios are considered in arriving at a prudent plan for the medium term. As the government have only published one year settlements for the last couple of years, our MTFS has been published at a time when the forecasts for the forthcoming year are fairly certain (i.e. in conjunction with the one year budget). In future we would like to publish our MTFS earlier in the year, at which point it would be beneficial to include the scenarios we have modelled to give a range of risk in our longer term forecasts.</p> <p>We need to review and update appropriately our risk management tools and support to bring out emerging risks to financial sustainability, risks associated with strategic partners, etc.</p> <p>Our regular budget monitoring reports to CLT and members include a review of the impact on financial resilience of the financial position reported and emerging risks.</p> <p>The CIPFA resilience index has been reviewed and considered by Audit Committee the index is used as an analytical tool for a range of measures associated with risk, which points to the Council being financially sustainable.</p> <p>Risks and mitigating actions are reviewed and considered as part of the S151 Officer Robustness statement of the budget</p>

				<p>set for the upcoming year and the levels of reserves supporting financial resilience.</p> <p>Service areas of risk are prioritised in the councils transformation programme.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions</u> – To bring forward our publishing of the MTFS for 2022 and to include the range of positions forecast from a number of scenarios (i.e. including best and worst case risks).</p> <p>Review risk management toolkit and training materials to support emerging risks around financial sustainability etc.</p> <p>Commission an external review of financial resilience.</p>
G	LCC understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	26	<p>Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?</p> <p>Does the authority have a strategic plan and long-term financial strategy that adequately address these risks?</p> <p>Has the authority 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>Has the authority reported 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>The published MTFS considers risks to financial sustainability; the plan currently covers three years looking forward. Scenario modelling is completed based on worst, mid-point and best case scenarios (although mid-point is the version published).</p> <p>We had been hopeful that a review of Local Government funding would have been completed to enable a longer term strategy to be developed, however, given the uncertainty of the delivery of this review – it would be prudent to develop a longer term strategy to encompass the ambitions set out in the councils Corporate plan.</p> <p>The council operates a robust budget setting process which engages service managers to fully understand the short term and on-going risks to our costs and budgets, to build these into our financial forecast for the medium term. This is reviewed and addressed in the S151 statement of robustness of the budgets and adequacy of reserves, presented to Council alongside the budget each February.</p> <p>Assessment - Amber</p> <p><u>Further Improvements / Actions</u> – development of a longer term financial strategy to demonstrate robust approach to financial sustainability and alignment with our Corporate plan and budget.</p>
H	LCC complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	26/27	Has the authority prepared a suitable capital strategy?	The Council complies with the CIPFA Prudential Code.

			<p>Has the authority set prudential indicators in line with the Prudential Code?</p> <p>Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?</p>	<p>The CIPFA Prudential Code requires councils to ensure that capital spending plans are affordable, sustainable and prudent.</p> <p>Our capital strategy is approved with our budget each year and supports a ten year rolling capital programme. The strategy sets out the key principles and objectives of our capital spending to support decision making and ensure the programme is affordable over the longer term.</p> <p>In line with the code, the Council sets Prudential Indicators and has monitoring procedures to ensure that the authority stays within authorised limits. All prudential indicators are included in the Council's budget book (appendix N) for approval each year.</p> <p>Treasury Management performance (including prudential indicators) is reported quarterly to OSMB and any breaches are reported to the CFO and OSMB every quarter and at year end in the Review of Financial Performance.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions</u> – None</p>
I	LCC has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	27	<p>Does the authority have in place an agreed medium-term financial plan?</p> <p>Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?</p> <p>Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand?</p> <p>Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand?</p> <p>Does the authority have in place 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>The council has a rolling multi-year Medium Term Financial Plan (MTFP), which is included in the MTFS and approved with the budget. The plan is updated each year to take account of changes to funding expectations, and reflect service delivery plan requirements.</p> <p>The MTFP incorporates all cost pressures and savings identified as part of a robust setting process and these are set out in the detailed budget for the year. The executive directors and service managers are fully engaged in this process to ensure service budgets reflect an expected level of activity and spend and to ensure the capital programme is consistent with the capital strategy and incorporates the relevant revenue impact.</p> <p>Cost drivers and demand are considered as part of the budget setting process, and are being prioritised as part of the councils transformation programme.</p> <p>Our MTFP is supported by assumptions about a number of factors affecting the budget, and we model scenarios based on differing levels of risk for each major assumption: high risk; medium risk and low risk.</p>

				<p>Savings targets are only included in the approved budget if there is confidence in their delivery. Delivery of savings is monitored in our quarterly monitoring reports.</p> <p>Executive Directors lead the development of their service budgets, which form the basis of cost pressures and savings included in the MTFP.</p> <p>Our capital strategy clearly sets out that our capital programme spend will need to support the delivery of services or the achievement of the ambitions with in the council's corporate plan.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions –</u></p> <p>To ensure our capital programme clearly aligns with the corporate plan and asset strategies, particularly as part of the budget setting process.</p> <p>The council has individual asset management strategies, but these need bringing together with one overarching strategy to prioritise and support spending decisions.</p> <p>Budget proposals need to align with service performance.</p>
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Section 4: The Annual Budget				
FM Standard ref	Financial Management Standard	Page of the code	Key Questions – from FM Code guidance	Assessment Evidence and any further actions
J	LCC complies with its statutory obligations in respect of the budget setting process.	29	<p>Is the authority aware of its statutory obligations in respect of the budget-setting process?</p> <p>Has the authority set a balanced budget for the current year?</p> <p>Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?</p>	<p>The council complies with the statutory requirements on budget and Council Tax setting. We publish our budget on the Council website and work with our District Council's to produce the required council tax information within the required timescales.</p> <p>The council has set a balanced budget for the current year, with all savings identified. We take a blended approach each year in a mix of balancing the budget through savings and efficiencies and use of earmarked reserves.</p> <p>We engage with key stakeholders when setting the annual budget. We consult via county news and our website. We invite key partners and stakeholders to a budget consultation</p>

				<p>meeting and the budget is scrutinised by the relevant scrutiny committee members.</p> <p>The CFO is aware of circumstances of S114 notice and has had experience of the process from a former role.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions</u> – none</p>
K	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.	29/30	<p>Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves?</p> <p>Does this report accurately identify and consider 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>Does the report set 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 to take to address any shortfall?</p> <p>Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?</p>	<p>In line with Section 25 of the Local Government Act, the budget report includes a statement by the Section 151 Officer (the CFO) on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.</p> <p>The CFO requires each Executive Director area to complete their own robustness statement confirming the adequacy of their budgets to deliver the services expected, to highlight any risk or volatility in their budgets, to confirm the expected delivery of savings incorporated and to give assurance that appropriate measures in place to manage these budgets.</p> <p>The CFO reviews all of these statements, the estimates included in the budgets and potential risks and mitigations. This is reflected in the report along with details of contingency budgets and general reserves available to manage any unexpected costs not budgeted for.</p> <p>The Council currently has sufficient reserves, which ensures its sustainability for the foreseeable future. The additional costs of responding to the Covid-19 pandemic, have in the main, been met by additional government grants, but consideration will need to be given to the longer term impact on our costs and levels of reserves to support this.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions</u> – None</p>

FM Standard ref	Financial Management Standard	Page of the code	Key Questions – from FM Code guidance	Assessment Evidence and any further actions
L	LCC has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	31	<p>How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget?</p> <p>How effective has this engagement been?</p> <p>What action does the authority plan to take to improve its engagement with key stakeholders?</p>	<p>The Council's Constitution ensures we consult with Members of the Public and its partner organisations in accordance with our legal obligations.</p> <p>We engage with key stakeholders when setting the annual budget. We consult via county news and our website; there has been little response via this route in the last couple of years. The budget proposals have seen little impact on service delivery during this time, so a limited response was expected.</p> <p>We invite key partners and stakeholders to a budget consultation meeting and the budget is scrutinised by all the relevant scrutiny committee members.</p> <p>The Council is currently developing its customer engagement strategy, to support our corporate plan. We will need to ensure the budget reflects the ambitions in the Corporate plan and any customer engagement via this route.</p> <p>Assessment - Amber</p> <p><u>Further Improvements / Actions –</u></p> <p>We need to develop a long term financial strategy to ensure our services reflect the engagement with our residents and the delivery of the ten year Corporate plan.</p>
M	LCC uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	31/32	<p>Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication <i>Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal</i>?</p> <p>Does the authority offer guidance to officers as to when an option appraisal should be undertaken?</p> <p>Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?</p> <p>Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty?</p>	<p>The Council's Capital Strategy outlines the capital process which includes submitting a business case, Options appraisal which considers VFM, financial sustainability, risks and capacity to deliver the project. Business cases are then reviewed by DLT before presented to Officer Capital Challenge group ahead of formal decision making.</p> <p>The criteria for a key decision is set out in the councils constitution, and the format of the decision report requires input from relevant professionals, and has a format that gives clear recommendations and outlines associated risks. The report will consider options available and reasons for recommended option.</p> <p>The Project tools available to officers include options appraisal, however, these are not used consistently, as the information can often be determined by the format required by external funders (e.g. Treasury green book for government funding) or by the scale of the project.</p>

			Does the authority report 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>Assessment - Amber</p> <p><u>Further Improvements / Actions –</u></p> <p>Roll out use of consistent options appraisal tool to support the decision making process and incorporate principles if appropriate of <i>Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal</i></p>
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Section 6: Monitoring financial performance

FM Standard ref	Financial Management Standard	Page of the code	Key Questions – from FM Code guidance	Assessment Evidence and any further actions
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	33	<p>Does the authority provide 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>Do the reports cover both forward and backward-looking information in respect of financial and operational performance?</p> <p>Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data?</p> <p>Are the reports provided to the leadership team in a timely manner and in a suitable format?</p> <p>Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?</p>	<p>Reports are created to the specified timetable and reviewed monthly by CLT for discussion and management action.</p> <p>We provide management accounting reports, which include spend in prior periods and a forward forecast, and incorporates risks identified to financial sustainability.</p> <p>Our ongoing service pressures are also built into our forward looking MTFS, which the leadership team engage with putting together, and supports our MTFS budget strategy, aligning service delivery and sustainable finances.</p> <p>We monitor against an approved budget; we forecast for the remainder of the budget period; and we reconcile totals back to the aggregate position. Our forecast position is reporting to members on a quarterly basis, with explanations of variances, and emerging risks identified.</p> <p>Performance information is provided by services against the Council Business Plan and is presented to the Leadership Team, Scrutiny and the Executive on a quarterly basis.</p> <p>Infographics are produced for all measures in the Council's Business Plan showing performance against target, direction of travel, historical performance and, where available, benchmarking.</p>

				<p>A contracting dashboard is being established to ensure the leadership team has monthly oversight of performance of the council's key partnerships and contracts.</p> <p>The leadership team have been proactive in developing the reports for their decision making.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions</u> – to align our financial reporting with service performance reporting providing business intelligence for decision making.</p> <p>To include details of the Council owned companies within our reporting consider their impact on services and financial sustainability.</p>
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	33	<p>Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?</p> <p>Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?</p> <p>Is the authority taking action to mitigate any risks identified?</p> <p>Does the authority report unplanned use of its reserves to the leadership team in a timely manner?</p> <p>Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes?</p>	<p>The council reports on the areas of risk on the balance sheet. Our Investments and Borrowing are determined by our Treasury Management strategy, and performance on this area is reported quarterly to Overview and Scrutiny Management Board.</p> <p>Our reserves position is reported in our outturn report (use of reserves) and our budget report (planned use of reserves), with specific reference to the financial sustainability of the council and its services.</p> <p>Any unplanned use of reserves would be reported in our quarterly financial monitoring reports (although this has not happened in recent years). Any emerging risks to our service budgets are reported to the leadership team on a monthly basis, and as part of our quarterly financial monitoring reports to members to establish any required mitigating actions.</p> <p>The finance team undertake regular reviews of the balance sheet.</p> <p>Specific areas of the balance sheet are reported to managers and relevant Executive Directors– e.g. Debtors and aged debt.</p> <p>Assessment - Amber</p> <p><u>Further Improvements / Actions</u> – to report planned and actual use of reserves together as part of our quarterly monitoring reports to members.</p> <p>To identify any other areas of the balance sheet that may pose a significant risk to the council, and include these if relevant in our financial management reports (e.g. debtors, cash balances)</p> <p>To undertake a review using the tools in "Balance Sheet Management in the Public Services: A Framework for Good</p>

				Practice CIPFA 2017" and introduce processes to ensure that information about key assets and liabilities in the balance sheet is sound and current platform for management.
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Section 7: External financial reporting				
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P	The Chief Finance Officer has personal and statutory responsibility for ensuring that the statement of accounts produced by LCC complies with the reporting requirements of the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i>	35/36	<p>Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?</p> <p>Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?</p> <p>Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i>?</p>	<p>The Council is compliant with the key questions.</p> <p>The Council has received an unqualified audit opinion from our External Auditors for the Statement of Accounts.</p> <p>The CFO carries out an independent review of the Statement of Accounts before it is finalised.</p> <p>Processes are in place to ensure that finance staff keep up to date with changes to CIPFA Code of Practice for Local Authority Accounting</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions</u> – none</p>
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	36	<p>Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?</p> <p>Is the information in these reports presented effectively?</p> <p>Are these reports focused on information that is of interest and relevance to the leadership team?</p> <p>Does the leadership team feel that the reports support it in making strategic financial decisions?</p>	<p>The Council reports internally to its leadership team on financial performance and outturn against the annual budget. We have a robust budget monitoring process which monitors our financial and activity performance in delivering planned outcomes throughout the financial year. These reports are provided to CLT (Monthly) and Executive (Quarterly) and include details on significant variations from budget.</p> <p>Detailed explanations for under and overspends are provided in the report for context and to aid understanding. The reports enable CLT to drill down into the data, to have a sound understanding of over/under spending, delivery of planned savings and any relevant context, such as legislative changes, or changing patterns of demand.</p> <p>This information also supports our Medium Term Financial Planning. CLT review the final outturn report and make recommendations on transfer to and from reserves. This has</p>

				<p>enabled the collective support of the councils Development Fund and support to the Corporate plan.</p> <p>Assessment - Green</p> <p><u>Further Improvements / Actions</u> – none</p>
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