

## CIPFA FINANCIAL MANAGEMENT CODE – ACTION PLAN

FM Standard Ref	FM Standard	Self-Assessment Conclusion <b>Highlights from Grant Thornton report</b>	Target Date & Responsibility	Update July 2023
A	The leadership team is able to demonstrate that the services provided by LCC provide value for money.	<b>Green</b> – compliant and no further improvements required. <b>GT report has rated this as “Amber”. We have included actions to address this under E below.</b>	N/A	For next actions see Standard E below.
B	LCC complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	<b>Green</b> – compliant but improvement suggested: 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.	<del>31/03/23</del> <b>31/12/23</b> <b>Head of Financial Services</b>	A Skills Matrix has been developed and Finance team members are currently completing this. Next step: the results will be used to create a training and development programme for the team.
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	<b>Green</b> – compliant but improvement suggested: Assess our governance arrangements against the new 'Governance Risk and Resilience Framework'. Implement improvement action identified in the AGS - 2021	<del>31/03/23</del> <b>30/10/23</b> <b>Head of Audit and Risk</b>	The organisation has undertaken a cultural stocktake and CLT are formulating an action plan resulting from this.

D	LCC applies the CIPFA/ SOLACE Delivering Good Governance in Local Government: Framework (2016).	<b>Green</b> - compliant and no further improvements required. External Quality Assessment of our Internal Audit function	<b>COMPLETE</b>	We comply with the Code
E	The financial management style of LCC supports financial sustainability.	<b>Green</b> – compliant but improvements suggested: <ul style="list-style-type: none"> <li>• Continuous improvement for financial skills, to move to a mature financial management style. Monitoring completion of financial literacy training.</li> <li>• Look at a more systematic approach to areas of service for review to ensure value for money and financial sustainability. (See <b>GT report pg 5 “Demonstrating value for money at service level”</b>)</li> </ul>	<b>31/03/23 31/12/23</b> <b>Head of Financial Services</b>  <b>31/12/23</b> <b>Head of Financial Services</b>	See update for B above.  A model has been proposed and accepted by CLT. Next step: areas for review to be identified using this model.
F	LCC has carried out a credible and transparent financial resilience assessment.	<b>Green</b> – compliant but improvements suggested: <ul style="list-style-type: none"> <li>• 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).</li> </ul>	<b>31/12/24</b> <b>28/02/24</b> <b>Assistant Director Finance</b>	This will be considered as part of this year’s budget setting process.

		<ul style="list-style-type: none"> <li>Review risk management toolkit and training materials to support emerging risks around financial sustainability etc.</li> <li>Commission an external review of financial resilience.</li> </ul>	<p><b>31/03/23</b> <b>Head of Audit and Risk</b> <b>COMPLETE</b></p> <p><b>31/03/23</b> <b>Assistant Director Finance</b> <b>COMPLETE</b></p>	<p>The risk toolkit has been reviewed and continues to develop alongside the increased profile risk across the Council. Emerging risks and the reporting processes for these continue to develop to aid the effective management of our risk service – part of our 3-year strategy.</p> <p>Review completed and report attached at Appendix B.</p>
G	LCC understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	<p><b>Amber</b> - and improvement required: Development of a longer term financial strategy to demonstrate robust approach to financial sustainability and alignment with our Corporate plan and budget. (See GT report pg 5 “Longer term financial planning”. GT report has also rated this as “Amber”)</p>	<p><del>31/03/23</del> <b>28/02/24</b> <b>Assistant Director Finance</b></p>	<p>This will be considered as part of this year’s budget setting process.</p>

H	LCC complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	<b>Green</b> - <i>compliant and no further improvements required.</i>	<b>N/A</b>	We comply with the Code
I	LCC has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	<b>Green</b> – <i>compliant but improvement suggested:</i> To ensure our capital programme clearly aligns with the corporate plan and asset strategies, particularly as part of the budget setting process. The council has individual asset management strategies, but these need bringing together with one overarching strategy to prioritise and support spending decisions. Budget proposals need to align with service performance.	<b>31/03/23</b> <b>31/03/24</b> <b>Head of Financial Services</b>	We are currently analysing our Balance Sheet assets to determine whether or not asset management strategies exist for all assets. Next step: Plan for any gaps to be filled, then create one single council-wide overarching strategy.
J	LCC complies with its statutory obligations in respect of the budget setting process.	<b>Green</b> - <i>compliant and no further improvements required.</i>	<b>N/A</b>	We comply with the Code
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.	<b>Green</b> - <i>compliant and no further improvements required.</i>	<b>N/A</b>	We comply with the Code
L	LCC has engaged where 31 How has the authority sought to engage with key stakeholders in developing its long-term financial	<b>Amber</b> - <i>and improvement required:</i> We need to develop a long term financial strategy to ensure our services reflect the	<b>31/03/23</b> <b>28/02/24</b>	This will be considered as part of this year's budget setting process.

	The Council's Constitution ensures we consult with Members Page 148 appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	engagement with our residents and the delivery of the ten year Corporate plan. <b>(See GT report pg 5 "Consultation with stakeholders". GT report has also rated this as "Amber")</b>	<b>Assistant Director Finance</b>	
M	LCC uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	<b>Amber</b> - and improvement required: Roll out use of consistent options appraisal tool to support the decision-making process and incorporate principles if appropriate of Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal <b>(See GT report pg 5 "Options appraisal for key financial decisions". GT report has also rated this as "Amber")</b>	<b>31/03/23</b> <b>31/12/23</b> <b>Head of Financial Services</b>	This work is in progress.
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	<b>Green</b> – compliant but improvements suggested: <ul style="list-style-type: none"><li>To align our financial reporting with service performance reporting providing business intelligence for decision making.</li></ul>	<b>30/06/23</b> <b>Head of Financial Services</b> <b>COMPLETE</b>	'DLT Insights' is now operational. This report brings these elements together and feeds into CLT. The format and content will continuously evolve to meet the needs of the organisation.

		<ul style="list-style-type: none"> <li>To include details of the Council owned companies within our reporting consider their impact on services and financial sustainability.</li> </ul>	<p><del>31/12/22</del>  <b>31/08/23</b>  <b>Head of Financial Services</b></p>	<p>A review against the CIPFA publication “Local Authority Owned Companies: a good practice guide” has been completed. Although we only have one company currently trading and that is not at a level material to the Council’s accounts, the review indicated a reasonable standard of compliance with good practice. In light of changes in the market in recent years, a specialist review of that company has been commissioned to ensure that the Council is fully sighted on the operational, financial, governance and commercial opportunities and risks that may impact on the Council and the company in the immediate and medium term.</p>
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O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	<p><b>Amber</b> - <i>and improvements required:</i></p> <ul style="list-style-type: none"> <li>• To report planned and actual use of reserves together as part of our quarterly monitoring reports to members.</li> <li>• 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) To undertake a review using the tools in "Balance Sheet Management in the Public Services: A Framework for Good 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.</li> </ul>	<p><b>COMPLETE</b></p> <p><b>31/03/23</b> <b>Head of Financial Services</b></p>	<p>A review was carried out using the CIPFA framework and three areas were identified as higher risk, where reporting should be enhanced: Property Land &amp; Buildings / Infrastructure Assets / Short Term Debtors. Next step: Reporting on Land &amp; Buildings and Infrastructure Assets to be linked to I above. Reporting to be further developed for Short Term Debtors.</p>
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	<p><b>Green</b> – <i>compliant and no further improvements required.</i></p>	<p><b>N/A</b></p>	<p>We comply with the Code</p>

	the Code of Practice on Local Authority Accounting in the United Kingdom.			
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	<b>Green</b> – <i>compliant and no further improvements required.</i>	<b>N/A</b>	We comply with the Code