

## **Hambleton District Council**

**Report To:** Audit Governance and Standards Committee

**Date:** 25 January 2022

**Subject:** **CIPFA Financial Management Code**

**Portfolio Holder:** Economic Development and Finance  
Councillor P R Wilkinson

**Wards Affected:** All Wards

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### **1.0 Purpose and Background**

- 1.1 The purpose of this report is to provide Members with a review of compliance with the CIPFA Financial Management Code and a statement of compliance.
- 1.2 A report was presented to Audit, Governance and Standards Committee at its meeting on 23 March 2021 outlining the purpose of the Code and the progress of the Council towards attaining compliance.

### **2.0 Report**

- 2.1 Explicit standards are set out by the Financial Management Code. The standards articulate the practical application of the principles of sound financial management embedded in legislation, guidance notes and professional standards of practice and ethics. It covers the actions and roles of both Members and Officers. Whilst compliance with the code is mandatory, the Code does not prescribe how that should be achieved.
- 2.2 There are 17 CIPFA Financial Management Standards set out in the Code. The Council has reviewed its current processes, procedures and governance arrangements to assess its compliance with the Code and identify further improvement work that may be needed. This assessment is attached at Annex A of the report and shows the assessment of each category and sub-category.
- 2.3 Annex A clearly shows that the Council meets the standards required by the CIPFA Financial Management Code. Internal audit undertook a review of this assessment and reviewed the supporting evidence to validate the assessment in December 2021. At the time of writing some additional evidence is being provided but the results of the work will be disclosed at the meeting. This assessment should give Members further assurance that of the robustness of the financial practices and procedures within the Council.

### **3.0 Links to Council Priorities**

- 3.1 Compliance with standards supports the Council's overall aims and priorities by promoting probity, integrity and honesty. All of this supports the Council to become a more effective organisation.

#### **4.0 Risk Assessment**

4.1 There are no specific risks associated with accepting the recommendations in this report.

#### **5.0 Financial Implications**

5.1 There are no specific financial implications associated with this report.

#### **6.0 Legal Implications**

6.1 The Code does not have any statutory backing. However, it is good practice to comply with professional codes. There is also an obligation for Members of CIPFA, such as current interim Director of Finance to adhere to the Code.

#### **7.0 Equality/Diversity Issues**

7.1 Equality and diversity issues have been considered. There are no specific issues associated with this report.

#### **8.0 Recommendation**

8.1 That the Committee notes the assessment of the Council's compliance with the CIPFA Financial Management Code and the review undertaken by internal audit.

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Interim Director of Finance

**Background papers:** None

**Author ref:** NPO

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## SECTION 1 – THE RESPONSIBILITY OF THE CFO AND LEADERSHIP TEAM

Code of Standards / Statements of Standard Practice	Current Assessed Status	Reasons / Evidence Base	Supplementary evidence	Any further Actions
<p><b>A</b></p> <p>The leadership team demonstrates that the services provided by the authority provide value for money.</p>	Comply well	<p>VFM assessment undertaken by external auditors as part of their annual review.</p> <p>Leader team refers to senior officers and elected members, not just the CFO. That the CFO is acting in concert with senior officers and not in isolation. Financial advice provided is timely and relevant</p> <p>All service developments or investments are considered in terms of outcome for the residents and costs. Decisions are made in terms of value for money and impact on residents.</p> <p>Management Team review performance across all services on a regular basis and report formally to Scrutiny Committee on quarterly basis.</p> <p>Consistent low council tax levels and high service satisfaction from residents.</p>	<p>The annual budget setting process commences with detailed work between service accountants and individual departments. The proposed budgets are reviewed at various levels before being presented for approval at Full Council/Cabinet.</p> <p>During this process, where necessary savings and spend to save initiatives are identified. This ensures that the Council's resources are employed in a cost effective and value for money conscious way.</p> <p>The Financial Regulations puts structures in place to multiple quotations and tenders before a new contract is entered into.</p>	
<p><b>B</b></p> <p>The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) in Local Government</p>	Comply Well	<p>The s151 (Director of Finance and Commercial) has reviewed their role as specified within the document and is satisfied that the requirements are met.</p> <p>In July 2021, Members decided to appoint an external interim section 151 Officer with extensive experience to oversee the Council and its financial standing to March 2023.</p>		
<p><b>B1</b></p> <p>The CFO is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver strategic objectives sustainably and in the public interest</p>	Comply well	<p>The s151 is a standing member of the Council's Management Team, attends Cabinet and Council meetings in a formal capacity</p> <p>It is the responsibility of the s151 Officer to prepare Financial Strategy, Capital Programme and Budget Reports for Members to consider when determining resources that are required to met the Council Plan.</p>		

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary evidence	Any further Actions
<b>B2</b>	The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and aligned with the Financial Strategy.	Comply Well	<p>The s151 Officer is actively involved through the decision- making process. All reports require the approval of the s151, via their role on Management Team, and the s151 Officer ensures that financial risks and implications are considered for all reports.</p> <p>S151 Officer chairs Programme Management Board that considers all capital investments before submission to the programme and Members for decision.</p> <p>The Strategic Risk Management Group is also chaired by S151 Officer and reports regularly to Management Team and Scrutiny Committee.</p>	All reports that have financial implications are sent to Finance for review and approval. Part of this process requires the consideration of short and long-term implications and an understanding of the risks associated with them.	
<b>B3</b>	The CFO must lead the promotion and delivery of good financial management by the whole organisation so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.	Comply Well	<p>Financial Strategy is set out by s151 Officer in conjunction with the Portfolio Holder Economy and Finance.</p> <p>Regular budgetary control reports are produced for service managers and quarterly reports are prepared for Management Team and Cabinet on the overall financial position of the Council.</p> <p>Financial training is offered to all new Members and Cabinet Members are trained on the Financial Strategy on an annual basis.</p>		
<b>B4</b>	The CFO must lead and direct a finance function that is resourced to be fit for purpose and regularly review the skill sets of all finance staff with senior budget / financial management responsibility	Comply	Addressed through the individual performance management process and compliance with Continuing Professional Development requirements. The Finance team are fully CCAB qualified accountants or AAT qualified.		Continue to review in the light of emerging LGR workload.

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary evidence	Any further Actions
B5	The CFO must be professionally qualified and suitably experienced and be able to demonstrate adherence to CPD requirements on an annual basis	Comply Well	<p>Both the interim s151 (CIPFA) and Deputy s151 (ACCA) (Corporate Finance Manager) have the required professional qualifications and meet CPD requirements.</p> <p>Interim s151 was recruited with extensive experience across the local authority sector and in s151 roles specifically to increase the strength of the finance function.</p>		
B6	The CFO should promote the highest standards of ethical behaviour in the conduct of financial management.	Comply Well	<p>The financial procedure rules and internal controls ensure that ethical and other standards of behaviours are in place. The financial procedure rules are fit for purpose to see Hambleton District Council to March 2023. New rules for the new North Yorkshire Authority are being developed as part of the transition work.</p> <p>The day-to-day actions of both S151 and Corporate Finance Manager engender sound financial management and ethical behaviours.</p>		
B7	The CFO should be able to provide the leadership team with sound advice on the key principles of local government finance and ensure that the authority has access to high standards of technical financial advice	Comply Well	<p>Interim S151 Officer has extensive knowledge of local government finance and experience at Director level in a range of organisations. This knowledge and experience helps guide an experienced team in producing reports and managing the financial affairs of HDC.</p> <p>External technical advice is used to add value. In addition specific advice is sought when required to support specific projects.</p> <p>Members of Finance, through qualification and experience have acquired a sound knowledge of Local Government Finance as is applicable to their area of work and expertise.</p>	<p>Through recruitment and on-the-job training, members of Finance are kept up to speed on the requisite financial knowledge for their area of employment.</p> <p>Expert financial advice for VAT, Treasury are contracted. Specific advice has been sought on developments such as Treadmills, Crematorium and Commercial Investment. The latter was not pursued.</p>	

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary evidence	Any further Actions
<b>B8</b>	The CFO should report explicitly on the affordability and risk associated with the capital strategy and where appropriate have access to specialist advice to enable them to reach their conclusions	Comply Well	<p>The Council has a Capital Strategy that has been approved and the associated funding implications explained and budgeted for. This was approved as part of the 201/22 budget process in February 2021. HDC employ Link Asset Management for specialist treasury advice that supports this work.</p> <p>Local Government Reorganisation (LGR) is a key factor for consideration. Reports on determining 2022/23 programme consider deliverability in terms of both timescale and the impact on future finances.</p>		
<b>B9</b>	The CFO must establish the reporting and monitoring processes and integrate the treasury indicators into the overall financial planning process.	Comply Well	Long standing reporting and monitoring processes are embedded within the Council.		
<b>B10</b>	The Chief Finance Officer of Local Government Pension Scheme (LGPS) administering authorities satisfies the requirements of the CIPFA code of Practice on Public Sector Pensions Finance Knowledge and Skills	Comply	North Yorkshire County Council administer the LGPS on behalf of HDC. They comply with this requirement.		Need some evidence

**SECTION 2 – GOVERNANCE AND FINANCIAL MANAGEMENT STYLE**

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any further Action
<b>C</b>	<b>The leadership team demonstrates its actions and behaviours responsibility for governance and internal control</b>	Comply Well	<p>The Council's governance arrangements include a framework of assurance, as detailed within the Annual Governance Statement. The Annual Governance Statement is reviewed on an annual basis and approved at Audit Governance and Standards Committee along with the Statement of Accounts and Value for Money audit opinion.</p> <p>Fortnightly Management Team meetings agenda regular items on governance, internal control, performance management and risk. In addition regular reports on finance, key corporate projects and operation HR issues are considered.</p>	<p>Accounts and statements have been published on time every year and are available on website.</p> <p>External Audit reports have been slow. 2019/20 report is still awaited.</p>	
<b>D</b>	<b>The authority applies the CIPFA / SOLACE Delivering Good Governance in Local Government: Framework (2016)</b>	Comply Well	The Council has adopted the CIPFA / SOLACE principles in the form of the Annual Governance Statement.		
<b>D1</b>	The authority maintains an effective audit committee	Comply Well	<p>Audit, Governance and Standards Committee is well established and reviews its effectiveness</p> <p>It meets 4 time per municipal year and the Chair has direct access to both Internal and External Auditors.</p>		
<b>D2</b>	The Audit, Governance and Standards Committee receives and monitors the implementation of internal and external audit recommendations. When threats to the financial sustainability of the authority are identified by auditors the audit committee should ensure that the recommendations are communicated to the leadership team and that the committee are informed of the effectiveness of the leadership team's response	Comply Well	Audit Committee sees the management response and implementation plan from audit recommendations. Each Audit and Standards Committee receives reports from both internal and external auditors on progress of recommendations.		

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any further Action
E	The Financial Management Style of the authority supports financial sustainability				
E1	The organisation has an effective framework of financial accountability that is clearly understood and applied throughout, from the political leaders, elected members to directors, finance officers and front-line service managers	Comply Well	<p>There is a clear framework for financial accountability across the Council. Service Mangers are responsible for their budgets liaise with the Finance Team on a monthly / quarterly basis. The implementation of the new finance system on 01/04/2020 has raised awareness to segregation of duties and control of budget authorisation.</p> <p>Budget Outlook is presented to Management Team monthly where the financial position can be scrutinised and challenged.</p> <p>Management Team have a culture of collective responsibility for financial matters and decision are made as group.</p> <p>s151 meets with the Deputy leader Portfolio Holder for Economic Development and Finance every 2 weeks and the Chief Executive and Deputy Chief Executive meet with the Leader and Deputy Leader weekly.</p> <p>Regular reports on financial AND management performance are submitted to Management Team with formal reports to Cabinet on budget and capital programme and Scrutiny on Performance and Risk each quarter.</p>		
E2	Finance teams and the areas they support are actively committed to continuous improvement focused on efficient and effective delivery and organisational performance.	Comply Well	<p>A dedicated finance representative is attached to each service manager and the finance team are committed to continuous improvement, challenge, and advice.</p> <p>Performance is regularly reviewed and reported to Directors and Management Team.</p>	Positive attitude towards these reports and they have been refined to focus attention on key issues.	



Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any further Action
E3	Enabling transformation; the finance team have input into strategic and operational plans taking into account proactive risk management, clear strategic directions and focus-based outcomes	Comply	The Council is ambitious as the Council Plan portrays numerous far reaching key projects. Corporate Finance input into strategic project plans at inception stage through appraisals to Programme Management Board and Cabinet reports that seek approval of Council for resources. Corporate Finance have become more involved in implementation stage, specifically Crematorium and Treadmills schemes.		Need to manage as LGR process continues
E4	Managers understand they are responsible for delivering services cost effectively and are held accountable for doing so. Financial literacy is diffused throughout the organisation so that decision takers understand and manage the financial implications of their decisions.	Comply Well	A core part of the Business Partnering support provided by Finance to Service Departments includes the improvement of financial literacy and bringing to bear the implications of financial choices. Line Managers have clear responsibilities and take them on in the reporting lines and formal reporting structures.		
E5	The Financial Management of the authority has been critically evaluated.	Comply	<p>A three-day peer review took place in 2017 when the Local Government Association came on site with peers from other councils.</p> <p>The appointment of a new interim s151 Officer has brought fresh challenge to the processes and structures adopted within HDC. Some improvements have been made.</p>	<p>Whilst this is outdated, a review by the new interims151 gives confidence that the process remains robust.</p> <p>A North Yorkshire wide LGR Finance Implementation Group has been created and meets fortnightly. Some of the work programme is about maintaining budgetary and financial rigour through the transition phase. Interim S151 Officer plays a lead role in this.</p>	

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any further Actions
<b>F</b>	<b>The authority has carried out a credible and transparent Financial Resilience Assessment</b>				
<b>F1</b>	Financial resilience is stress tested against best- and worst-case scenarios which cover a wide range of financial, demographic and social challenges	Comply Well	<p>The Financial Strategy 2021/22 to 2024/25 contains a comprehensive Financial Risk Analysis. The level of balances retained by the Council means that it is strong and resilient financially.</p> <p>Key investment decisions over the past two years have been made in the full knowledge of the risk of both doing and not doing the work. The economic impact of COVID 19 on the economy has also influenced the scale of delivery.</p>	The Capital Strategy, Financial Strategy and the Capital Programme are underpinned by a thorough understanding of risk and financial resilience.	
<b>F2</b>	The authority uses independent objective quantitative measures to assess the risks to its financial sustainability	Comply	Limited use of the CIPFA Resilience Indicators has helped underpin the assessment by Interim S151 Officer.		Need to review again when more up to date data is available.
<b>F3</b>	Decision making by the authority demonstrates a sound understanding of its risks and the risks of its strategic business partners	Comply Well	<p>The Council Plan sets out the vision and shapes the Services provided. Delivery requires detailed risks as part of the Council's Risk Register. This is overseen by the Strategic Risk Group, Chaired by Interim s151 Officer reported to Audit, Governance &amp; Standards Committee annually and quarterly to Scrutiny Committee.</p> <p>ALL reports for decision by Cabinet or Council have a section that covers the risks associated with the matter in hand.</p>	Service risk registers identify the implications of potential failure and failure of significant partners.	
<b>G</b>	<b>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</b>	Comply Well	<p>The Council has a 4 years Financial Strategy due to the impact of Covid-19 and with Local Government Reorganisation on the horizon. Prior to this a 10- year financial strategy has been in place and this is supported by the 10- year capital programme and the 4-year Council Plan.</p> <p>The Financial Strategy, Capital Programme and Council Pan are reported to Members annually.</p>		

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any further Actions
H	<b>The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities</b>	Comply Well	The Council complies with this Code and reports to Cabinet and Council on an annual strategy and outturn basis as well as quarterly monitoring reports.		
H1	The authority has a capital strategy aligned to its long-term financial strategy	Comply Well	<p>The Capital Strategy is approved at Council every year for the last three years. This supports the 10-Year Capital Programme and the funding implications are included in the budget and Financial Strategy. Moving forward LGR influences this.</p> <p>The initial budget and capital programmes for 2022/23 have been drafted in line with the current Financial Strategy but adapted to consider LGR. Will be updated in line with the 2022/23 local Government Financial Settlement when known.</p>		

## SECTION 3 – LONG TO MEDIUM TERM FINANCIAL MANAGEMENT

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any further Actions
<b>H2</b>	The authority has an asset management plan that reviews the condition, sufficiency and sustainability of assets in the light of business needs which links to the Financial Strategy The plan should evidence rigorous assessment of the asset portfolio in relation to service delivery	Comply	The Council has an asset management plan that has informed the investment made in the Capital Programme over the past 3 years. It continues to inform investment decisions, particularly around leisure assets and decarbonisation programme.	New stock condition surveys and investment plans will be required by the new North Yorkshire Authority. Decisions on points of service delivery and the aggregation of assets in each locale will inform this.	Not in the light of LGR.
<b>H3</b>	The authority maintains processes to ensure that information about key assets and liabilities in its balance sheet is a sound and current platform for management action	Comply	Key areas of the balance sheet are monitored on a regular basis		
<b>I</b>	The authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans	Comply Well			
<b>I1</b>	The authority has a rolling multi-year Medium Term Financial Plan	Comply Well	The council has a four-year rolling Financial Strategy 21/22 to 24/25 and for the last 10 years has had a 10-year long term strategy		
<b>I2</b>	The authority has sustainable service plans that are consistent with its Financial Strategy	Comply Well	The Council has Service Plans, monitored on a quarterly basis to Scrutiny Committee. The Services Plans relate directly to the Council Plan which includes a section on financial sustainability.		
<b>I3</b>	The Medium-Term Financial Plan should refer to other organisational plans and service plans	Comply	The 4-year financial strategy links to the service plans through the budget and the reserves in the financial strategy align with some of the Council's organisational plans. The impact of improved services or efficiency are modelled in the Financial Strategy.		

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any further Actions
14	To inform the Leadership Teams decisions, the authority has a single document tracking progress in the delivery of planned savings over the period of the MTFP	Comply Well	<p>The Budget Outlook reported to Management Team regularly provides this. The MTFS is updated and also shared with the Leadership Team as significant changes happen. In 2020/21 and early 2021/22 major focus has been on the impact of COVID 19 on service delivery, costs and loss of income. Regular reports have focussed Management Team and Cabinet on the impact.</p> <p>Please note that savings are not the only issue. Income generation is a key strand to HDC Strategy.</p>	The financial resilience of HDC and the strong financial management culture across the whole Leadership Team has enabled services to be delivered as best as possible under the Lockdown restrictions and the recovery phase in a safe manner.	
15	<p>The authority publishes its plans for the use of reserves over the period of the Medium-term Financial Plan.</p> <p>The level of reserves at 31st March in any one year should not fall below the level previously agreed.</p> <p>The authority should demonstrate adherence to the most recent guidance on reserves from CIPFA's Local Authority Accounting Panel</p>	Comply Well	<p>Reserves are regularly monitored, as evidenced in the quarterly monitoring reports and the planned use of reserves is set out in the Financial Strategy.</p> <p>Reports would indicate where the criteria for minimum reserve balances have been breached.</p>		

## SECTION 4 – THE ANNUAL BUDGET

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Actions	Support Required
<b>J</b>	The authority complies with its statutory obligations in respect of the budget setting process	Comply Well	All statutory obligations are met		
<b>J1</b>	The budget report is consistent with the current Medium-Term Financial Plan	Comply Well	The budget report states it is produced within the constraints of the Financial Strategy.		
<b>J2</b>	The annual report proposing the budget is reviewed by the leadership Team before being presented for approval and it also details the position on reserves	Comply Well	Management Team approve the budget prior to it being presented to Cabinet and the outturn report and quarterly monitoring reports detailed the movements on reserves.		
<b>K</b>	The budget report includes a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	Comply Well	A statement is produced annually and is presented as part of the Council Tax report.		

## SECTION 5 – STAKEHOLDER ENGAGEMENT AND BUSINESS CASES

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any Further Action
L	The authority has engaged with key stakeholders in developing its long-term financial strategy, MTFP and annual budget	Comply Well	<p>The Council consults on its budget proposals annually through a questionnaire which is reported to Cabinet and Council in February. The s151 Officer liaises with business leads across the District and presents to them annually in line with the budget consultation process.</p> <p>For 2022/23, draft revenue and capital budgets were agreed at December Cabinet for formal consultation with stakeholders. This has been through an on-line survey for all residents. Business Leaders have been approached with a specific mail shot and key business groups.</p>		
M	The authority uses a documented option appraisal methodology to demonstrate VFM of its decisions	Comply	Options appraisals are undertaken on some projects across the council. Project Management Board meets monthly to hold project managers to account .		
M1	Option appraisal is compliant with the principles of “IFAC/PAIB and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal”		<p>As above. Where options appraisals have been undertaken, they have complied with the requirements.</p> <p>Post completion reports sign off a project</p>		A review of the impact of investments in service 2 years on would inform future service decisions.
M2	The accounting treatment of material decisions is considered and demonstrated as part of the formal option appraisal process	Comply Well	Financial advice is provided on the accounting treatment as part of any project. Project leads liaise with Finance team and Financial Implications are reported to Management Team in all reports and at Cabinet.		

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any Further Action
M3	The authority applies the principles contained in the CIPFA Service Reporting Code of Practice and utilises appropriate costing techniques in the development of business cases	Comply Well	The Council fully complies with SERCOP requirements.		



## SECTION 6 – PERFORMANCE MONITORING

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any Further Action
N	The leadership takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	Comply Well			
N1	Timely financial and performance information is available to services managers. The organisation ensures that information is appropriately tailored and streamlined to avoid the risk of 'data overload'	Comply Well	Financial monitoring reports are discussed with budget holders on a regular basis and at least quarterly. This provides a summary of the service, and full details of each of the cost centres under their control. Performance information is provided separately through the quarterly performance monitoring.		
N2	All financial monitoring reports include: <ul style="list-style-type: none"> <li>The name of the budget holder responsible for the information presented</li> <li>Commitment Accounts</li> <li>Include the approved budget against which monitoring is taking place</li> <li>A forecast for the remainder of the budget period</li> </ul>	Comply Well	The budget information includes the Director and the Budget Manager responsible for the areas.  Commitments are shown where the data is available.  The monthly, year to date and full year budget is shown on the budget manager reports.  These are processed following budget manager meetings and are shown on the next set of reports.		
N3	Financial monitoring reports for high risk budgets are scrutinised by members of Management Team on a regular basis.	Comply Well	Budget updates for key projects e.g. Crematorium, Treadmills, etc are reported to Board meetings on a regular basis. Budget Outlook is presented to Management Team monthly Financial monitoring is a standing item on the Cabinet forward plan on a quarterly basis and the Portfolio Holder is regularly updated by the s151		

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Supplementary Evidence	Any Further Action
N4	The authority has arrangements which allow annual service budgets to be recalibrated in response to unforeseen developments.	Comply Well	Budget managers can liaise with Corporate Finance to put through forecast adjustments at any point during the year and can also submit on-going growth if the issue is likely to recur. The Council's budget allows flexibility but ensures that the budget is tightly controlled so as to not overspend and Management Team apply this rigour. Any changes are reported to Members within the quarterly review and approval sought.		
N5	At the financial monitoring Quarter end the leadership team receives the actual budget position with forecast outturn for the year ahead.	Comply Well	Quarterly reports are reviewed by Management Team prior to going to Cabinet and Council and include predicted outturn.		
N6	There are appropriate arrangements in place for the project management and cost control of capital projects.	Comply Well	Project Management Board receives monthly and quarterly reports on ALL capital projects. Each project board also reviews actions and seeks to mitigate any potential increases in cost.		
O	The authority monitors the elements of its balance sheet which pose a significant risk to its financial stability				
O1	Unplanned and planned use of reserves are reported (quarterly) to the management team of the organisation and to Council.	Comply Well	Financial monitoring on a quarterly basis is a standing item on the Cabinet forward plan – Revenue Monitoring and Reserves - and this report includes a section on reserves.  Any reports that include the use of reserves or borrowing are detailed in the Financial Implication section of the Cabinet report		
O2	Cash flow is managed through application of Treasury Management in the Public Services: Code of Practice and Cross- Sectoral Guidance Notes (CIPFA, 2017).	Comply Well	The cashflow of HDC is reviewed on a daily and weekly basis within the Corporate Finance Team. Interim s151 Officer reviews regularly and considers the requirement to undertake any borrowing.  The Council receives annually the Treasury Management Strategy Statement prior to the beginning of the financial year and the cashflow is monitored quarterly through the Capital and Treasury Management report with the outturn being reported annually every year.		

## SECTION 7 – EXTERNAL FINANCIAL REPORTING

Code of Standards / Statements of Standard Practice		Current Assessed Status	Reasons / Evidence Base	Actions	Support Required
P	The CFO 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	Comply Well	The statutory financial statements are approved by the s151 officer prior to their publication		
Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions	Comply Well	Outturn report is produced for Management Team and shows all variations between budget and outturn. The Leadership Team utilise this information to consider level of future reserves to support investment decisions and any service changes.		