

**REPORT TO:** Audit and Governance Board

**DATE:** 24 September 2025

**REPORTING OFFICER:** Finance Director

**PORTFOLIO:** Corporate Services

**SUBJECT:** CIPFA Financial Management Code

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

- 1.1 To inform Audit and Governance Board of the Council's self-assessment against the CIPFA Financial Management Code. The report assesses the Council's position against key areas for a number of financial management standards and where appropriate identifies follow up action to comply with the Code.

## **2.0 RECOMMENDED: That**

- (i) the self-assessment against the Financial Management Code, be approved; and**
- (ii) the self-assessment against the Financial Management Code be updated and reported on an annual basis and reported to the Board.**

## **3.0 BACKGROUND**

- 3.1 CIPFA Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating financial sustainability.
- 3.2 The FM Code is based on a series of 6 principles supported by specific standards which are considered necessary to provide the strong foundation to:
- financially manage the short, medium and long-term finances of a local authority
  - manage financial resilience to meet unforeseen demands on services
  - manage unexpected shocks in financial circumstances.
- 3.3 The six principles of the Financial Management Code and supporting standards are reported at Appendix A.

- 3.4 Each local authority (and those bodies designated to apply the FM Code) must demonstrate that the requirements of the code are being satisfied. Demonstrating this compliance with the FM Code is a collective responsibility of Elected Members, the Chief Finance Officer (CFO) and professional colleagues in the Council's senior leadership team.
- 3.5 The development of the FM Code reflects a recognition that self-regulation by the sector must be the preferred response to financial management failures. The FM Code has sought therefore to rely on the local exercise of professional judgement backed by appropriate reporting. To ensure that self-regulation is successful, compliance with the FM Code cannot rest with the CFO acting alone.
- 3.6 Attached at Appendix B is the Council's assessment against the six key principles followed by financial management standards which underpin the principles. Each key question has been assessed to ascertain how the Council's current procedures comply to the standard, assessed to high, medium or low compliance. Where identified and required, follow up action has been suggested which will be reviewed and reported back on an annual basis.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 None.

#### **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 5.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**
- 5.2 **Building a Strong, Sustainable Local Economy**
- 5.3 **Supporting Children, Young People and Families**
- 5.4 **Tackling Inequality and Helping Those Who Are Most In Need**
- 5.5 **Working Towards a Greener Future**
- 5.6 **Valuing and Appreciating Halton and Our Community**

There are no direct implications, however the Council's financial position is key to the delivery and achievement of all the Council's priorities.

#### **6.0 RISK ANALYSIS**

- 6.1 Completion of the FM Code will assist the Council in identifying improvements to good financial management and financial sustainability.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 None.

## **8.0 CLIMATE CHANGE IMPLICATIONS**

8.1 None

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
CIPFA Financial Management Code	Halton Stadium	Steve Baker Head of Revenues and Financial Management

## Appendix A – Financial Management Code Principles and Standards

