

Responsibilities of the Chief Finance Officer and Leadership Teams

Financial Management Standard A

The leadership team is able to demonstrate that the services provided by the authority provide value for money.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?	H	<p>The four pillars of value for money are economy, efficiency, effectiveness and equity.</p> <p>In making decisions, allocating resources and planning the delivery of services the Council's reporting mechanism is such that financial implications, risk implications and consideration on Council priorities are always reported.</p>	None
Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?	M	<p>Council has in place the following to promote value for money at a corporate level:</p> <ul style="list-style-type: none"> • Clear Governance • Scrutiny Officer • Audit & Governance Board • Value for money assessment by External Audit • Engage with service users through the Corporate Plan • Finance and Procurement Standing Orders • Role of the Procurement Team • Regular Peer Review undertaken by LGA. • Monitoring performance and finances through Management Team, Executive Board, and Policy & Performance Boards 	A review of council wide contract management arrangements is currently being undertaken as part of the Transformation Programme.

		<ul style="list-style-type: none"> • Internal Audit Reviews • Transformation Programme Board for example – review of all Council contracts 	
Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?	M	<p>The Council is able to draw on the judgements of external audit in promoting value for money. This is a report which is reported to Audit & Governance Board and published annually on the Council's website, reference is made to this in the narrative statement to the Statement of Accounts.</p> <p>The Transformation Programme Board also consider and review specific service themes to bring about financial efficiency, improved working practices and value for money.</p>	Potential for improvements through: Regular service reviews through Policy & Performance Boards including the use of benchmarking data.

Financial Management Standard B

The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government. The five Key principles being:

- **Principle 1:** The CFO in a local authority is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.
- **Principle 2:** The CFO in a local authority 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 authority's overall financial strategy.
- **Principle 3:** The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- **Principle 4:** The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
- **Principle 5:** The CFO in a local authority must be professionally qualified and suitably experienced.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
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?	H	<p>The CFO of the Council is a qualified member of CIPFA. The CFO reports directly to the Chief Executive, works closely with the Council's Monitoring Officer, and is a member of the Council's leadership team with financial information and advice provided to the leadership team at all relevant points.</p> <p>The Council's leadership team review all reports prior to decisions being taken by Executive Board, Policy and Performance Boards, and Council.</p> <p>The Medium Term Financial Strategy is maintained on an on-going basis and is formally reviewed by decision makers on an annual basis.</p> <p>The CFO is a key officer on the following groups:</p>	

		<ul style="list-style-type: none"> • Chief Officers Management Team • Executive Board • Audit and Governance Board • Corporate Policy and Performance Board • Transformation Programme Board 	
Does the CFO lead and champion the promotion and delivery of good financial management across the authority?	H	<p>CFO has a strong framework for implementing and maintaining good financial management across the authority, supported by the various Divisions within the Finance Department.</p> <p>CFO leads the implementation and maintenance of a framework of financial controls and procedures for managing financial risk, accounting processes and financial management procedures.</p> <p>In helping to coordinate and facilitate a culture of efficiency and value for money the CFO attends the Council's Transformation Board and the Finance Team support the Transformation Delivery Unit.</p>	
Is the CFO suitably qualified and experienced?	H	<p>The CFO is a member of CIPFA.</p> <p>The CFO is experienced and has many years of working in local Government. The CFO has a good understanding of the principles of financial management and an understanding of the wider business.</p>	

<p>Is the finance team suitably resourced and fit for purpose?</p>	<p>M</p>	<p>Whilst there is a depth of experience within the finance function, the Council's financial position has placed the team under significant pressure aligned to available resources.</p> <p>Staff within the function are encouraged and supported to develop their finance knowledge through further studies. Within Financial Management there are two staff studying CIMA and CIPFA and a further three studying AAT.</p> <p>The level of support and knowledge has been increased in the past year through the appointment of a dedicated VAT Officer.</p>	<p>To continue to develop professional training amongst finance staff.</p>
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Governance and Financial Management Style

Financial Management Standard C

The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Does the leadership team espouse the Nolan principles?	H	<p>The Council promote the Nolan principles, those being:</p> <ul style="list-style-type: none"> • Selflessness • Integrity • Objectivity • Accountability • Openness • Honesty • Leadership <p>The above are achieved through scrutiny of decisions, governance, internal control and through reporting of related party transactions for members and the Council's leadership team.</p>	
Does the authority have in place a clear framework for governance and internal control?	M	<p>The Council's Constitution is reviewed on an annual basis with changes reported and agreed through the Executive Board.</p> <p>Governance structure is led through Executive Board as the Council's main decision making body. Policy and Performance Boards meet on a quarterly basis with set agreed terms of reference (committee purpose) setting out the scope of their responsibilities.</p>	<p>Council should have in place regular reviews to oversee arrangements with partnerships, to ensure they operate effectively and monitor the partnership's objectives.</p> <p>Whilst the Council will have members sitting on partnership boards, consideration should be given to annual partnership review which is reported annually to Executive Board.</p>
Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?	M	The Council has an Internal Audit function which conforms to the Public Sector Internal Audit Standards. The Internal Audit function is led	Audit and Governance Board, to agree a process for co-opting an independent member

		<p>effectively by the Council's Head of Audit, the function is reviewed and verified by external assessment on a regular basis.</p> <p>Internal Audit works to an agreed plan with a set number of resource days planned out at the start of each year.</p> <p>Recommendations from the Council's external auditors are all reported through the Council's Audit and Governance Board. These are supported by a Council response and follow up action reviewed at the next set audit.</p>	<p>onto the Board, in accordance with Cipfa's Audit Committee Guidance.</p> <p>A new risk management policy is to be reported to the Council Executive Board and Audit and Governance Board in September 2025. This has been drafted in conjunction with subject matter experts at Zurich Municipal, the Council insurers. The aim of the policy to provide direction and alignment to current risk management processes.</p>
Does the leadership team espouse high standards of governance and internal control?	M	<p>The Council has a Code of Conduct, reported through the Constitution for members of the leadership team. A register of interest for the leadership team is maintained and reviewed on an annual basis.</p> <p>Full Council review all key decisions taken by Executive Board and Policy Performance review relevant decision taken by Executive Board.</p>	<p>Consideration be given to further robustness being included within report recommendations through ensuring all decisions have been scrutinised and signed off by relevant professionals. Eg Finance and Legal Services.</p>
Does the leadership team nurture a culture of effective governance and robust internal control across the authority?	H	<p>The leadership team supports and encourages effective governance and scrutiny arrangements operated by elected members, including a member scrutiny co-ordinator, with arrangements being maintained in accordance with the Constitution.</p> <p>The leadership team has a robust control environment in operation across the Council, in accordance with Financial Standing Orders, with ongoing reviews by Internal Audit and oversight by Procurement and Financial Management.</p>	

Financial Management Standard D

The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements?	H	During 2023/24 the Council developed a values and behaviours framework which provides a common language around values, fostering a positive organisational culture where employees feel empowered and motivated to uphold these principles. By defining expected behaviours, the Council is promoting accountability and consistency across all levels, leading to increased trust and cohesion within teams. The framework will also serve as a compass in times of uncertainty or conflict, guiding ethical decision-making, and ensuring that actions are in line with the Council's mission and vision. The framework was launched at the Council's Celebrating Success Award Ceremony. Award categories were aligned to the five headlines within the framework, with additional categories for Apprenticeship of the Year and the Community Service Award.	
Does the authority have in place a suitable local code of governance?	H	The Council's Local Code of Corporate Governance, which forms part of the Council Constitution, sets out the processes in place to ensure that officers behave in ways that exemplify high standards of conduct and effective governance. These arrangements are wide ranging and communicated by Management Team to staff in a variety of ways including induction procedures, the employee code of conduct, Finance Standing Orders, Procurement Standing Orders, registers of	

		interests, staff bulletins, registers of gifts and hospitality, whistle-blowing procedures, HR policies and fraud awareness training. The Local Code of Corporate Governance is subject to annual review.	
Does the authority have a robust assurance process to support its AGS?	H	<p>The AGS is reviewed and reported on an annual basis.</p> <p>In reviewing the 2024/25 AGS the Council has:</p> <ul style="list-style-type: none"> • Reviewed the Council's existing governance arrangements against its Local Code of Corporate Governance • Considered any areas where the Local Code of Corporate Governance needs to be updated to reflect changes in the Council's governance arrangements and best practice guidance • Taken account of various internal and external sources of assurance over the operation of the Council's governance framework • Assessed the effectiveness of the Council's governance arrangements and highlighted any planned changes in the coming period • Reviewed previously identified governance issues and the progress made against these during 2024/25. 	

Financial Management Standard E

The financial management style of the authority supports financial sustainability.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Does the authority have in place an effective framework of financial accountability?	H	<p>The Council's Constitution includes Finance Standing Orders. This includes information on:</p> <ul style="list-style-type: none"> • Responsibilities • Financial Planning & Budget Setting • Budgetary Control • Accounting and Financial Management • Asset Control • Expenditure Control • Income Control • Collection & Control of Money • Irregularities, Fraud and Corruption 	
Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	M	<p>The Council has a Transformation Programme in place since April 2023. Budget Constraints have been at the centre of this programme, delivering services more efficiently and effectively.</p> <p>The External Auditor assesses the Council's approach to economy, efficiency and effectiveness through the annual Value for Money assessment.</p>	<p>Alongside the financial benefits, Transformation Programme to highlight quality improvements to services as a result of the programme.</p> <p>Council are developing an Equality Impact Assessment (EIA) procedure with planned rollout of EIA training to employees during Autumn 2025 to ensure compliance with the Equality Act 2010 and the Public Sector Equality Duty.</p>
Does the authority's finance team have appropriate input into the development of strategic and operational plans?	M	Each service department has a dedicated Finance Officer to develop and assist with departmental finances. This finance business partnering approach is helpful when considering departmental strategic and operational plans but there are opportunities for improvement.	<p>Finance to have formal sign off all finance implications when a department is in the process of developing strategic and operational plans.</p> <p>Finance Officers to share information with Corporate Finance Team for consideration of</p>

			accounting and medium term financial implications.
Do managers across the authority possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so?	M	<p>Finance Officers provide a dedicated business partnering approach to all departments but do so with limited resources.</p> <p>There is a training programme for the Council's Learning & Development team for all managers across the Council and Financial Management contribute towards this process.</p>	Financial Department to consider introducing more formal training to managers across the Council. To make them aware of their responsibilities and where to go to for financial support, information and guidance.
Has the authority sought an external view on its financial style, for example through a process of peer review?	H	<p>LGA undertook a peer review in 2024.</p> <p>Peer progress review undertaken June 2025.</p>	
Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?	H	<p>Training is provided to members on an annual basis, through an annual elected members training programme with the option for members of a personal action plan.</p> <p>Officers training needs are identified through the recently updated Employee Development and Performance framework.</p>	

Financial Management Standard F

The authority has carried out a credible and transparent financial resilience assessment.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Has the authority undertaken a financial resilience assessment?	L	The Council has not undertaken a specific financial resilience assessment, although there are parts of the assessment which the Council will have undertaken, as per the next questions and response.	
Has the assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?	M	<p>Factors considered as part of any financial resilience assessment include:</p> <p>Getting Routine Financial Management Well – Financial monitoring reports are provided to Senior Management Team on a bi-monthly basis from 2024/25. This tracks the Council's financial position on a regular basis and provides assurance to the reported position.</p> <p>Planning and Managing Capital Resources Well – Council has an Asset Management Working Group which meets on a regular basis. Building and road maintenance budgets have been cut by 10% from 2024/25. This may impact and quicken the need for capital spend further down the line.</p> <p>Using Performance Information Effectively – Council undertakes an ongoing benchmarking exercise which in addition to cost will also look at performance to develop unit costs for comparison.</p>	<p>Transformation targets to be clearly linked to service areas, there is a requirement to track transformation targets back to benchmarking to evidence the differential in the unit cost of a service between Halton and average comparators.</p> <p>Reserves to be replenished through the Council's Medium Term Financial Strategy.</p>

		<p>Having Clear Plans for Delivering Savings - The Council review savings on a bi-monthly basis and RAG rate them in terms of being achieved. Savings are clearly linked to budget setting and medium term financial plans.</p> <p>Managing Reserves Well – The reserves the Council holds are now insufficient to meet spending forecasts. The Council has made representation to Government for exceptional financial support over the medium term. Review of reserves is undertaken and reported to the Council's leadership team on a bi-monthly basis.</p>	
Has the authority taken appropriate action to address any risks identified as part of the assessment?	M	<p>The Council have been aware of the risks around gaps to its medium term financial position for a number of years. Factors which have been exacerbated by demand within services, particularly children and adult social care. The Council's Transformation Delivery Unit was approved for establishment in February 2023 with a target of £20m efficiencies over the following three years.</p> <p>It is established that transformation of services is critical to the Council making progress towards future balanced budget positions. Revision of transformation targets has been reviewed in line with benchmarking and reported as part of the Financial Recovery Plan.</p>	<p>An assessment of costs required to get the Council to achieving targeted transformation efficiencies needs to be undertaken and assessed how any potential cost will be funded.</p>

Financial Management Standard G

The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?	H	<p>The main risks to the Council's financial sustainability are well known. Regular reporting of costs highlights demand for the following service areas being a main contributor to financial uncertainty.</p> <ul style="list-style-type: none"> • Children in Care • Internal ASC Care Homes • Home to School Transport • Recruitment Difficulties -Agency Spend. <p>The Council's pace of change in reacting to demand is also a limiting factor to financial sustainability.</p> <p>In addition lack of financial support from Government in funding these costs adds to financial sustainability risks.</p> <p>A Fair Funding consultation was undertaken by Government during the summer of 2025 which the Council responded to. The initial view is the Council will benefit from a fair funding review of needs and resources. Whilst this will be helpful towards achieving a sustainable budget further significant budget reductions will be required.</p>	
Does the authority have a strategic plan and long-term financial strategy that adequately address these risks?	M	<p>The Council has a Corporate Plan running from 2024 to 2029. There is no specific financial strategy that runs alongside this but there is the</p>	<p>The Financial Recovery Plan will require ongoing development as efficiencies and income generation schemes are brought forward.</p>

		<p>Medium Term Financial Strategy which is updated on a regular basis.</p> <p>The latest medium term financial forecast addresses the risk to financial sustainability by including funding for overspends, inflation, demand pressures etc...</p> <p>A Financial Recovery Plan is to be reported to Executive Board in September 2025. This sets out what will be required to achieve a sustainable budget position over the medium term.</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 (eg using a technique such as scenario planning)?	M	<p>The Council will look at scenarios in terms of ideal and worst case scenario's, what it doesn't do is look at plausible alternative combinations or circumstances. Previously if members have not agreed to saving proposals the majority have been dismissed without any further scenarios being considered.</p>	<p>Alternative scenarios should be considered in terms of efficiencies and in terms of growth items.</p> <p>For example following Children's Social Care Ofsted inspection there is an expectancy of £4.2m of spend being required to improve the position. Further scenarios could have been tested and reported to evaluate which would bring about better value for money.</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?	M	<p>Current and future budget gaps are reported to senior officer management team and Executive Board via the Medium Term Financial Strategy.</p> <p>The Council's longer term financial sustainability was reported in detail to the leadership team, Executive Board and all Council Members, as part of considering whether to apply to Government for Exceptional Financial Support.</p>	<p>Having received provisional approval for Exceptional Financial Support it is important that work on continuous development to the Financial Recovery Plan takes place with urgency.</p>

Financial Management Standard H

The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Has the authority prepared a suitable capital strategy?	H	Council approved the 2025/26 Capital Strategy in March 2025. This is updated on an annual basis.	
Has the authority set prudential indicators in line with the Prudential Code?	H	Council approved the 2025/26 Treasury Management Statement (including prudential indicators) in March 2025.	
Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?	H	Monitoring of performance against prudential indicators is reported twice yearly. Once at the end of September and again at the end of March.	

Financial Management Standard I

The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Does the authority have in place an agreed medium-term financial plan?	H	<p>Council has in place a Medium Term Financial Strategy (MTFS) which is reported to Council in Autumn of each year. The medium term financial forecast is updated and reported to Council within the annual Budget Report.</p> <p>The latest MTFS is to be reported to Executive Board in September 2025, covering the 5 year period 2026/27 to 2030/31.</p>	
Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?	H	<p>The MTFS is consistent with service plans and the capital strategy.</p> <p>Any changes to service delivery design which have financial implications will be reported through Chief Officers Management Team and/or Executive Board. An example of this would be Children's improvement programme.</p> <p>The MTFS is updated to take into account financial implications from changes to the capital programme.</p>	
Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand?	M	<p>The latest MTFS takes into account drivers of cost and demand. An example of a cost driver would be the increasing complexity of social care.</p> <p>The MTFS will include reference to political factors and changes in legislation where known.</p>	The Council needs to develop a process for better understanding future demand against key service areas

		<p>Similarly with economic factors the MTFS will be updated and take advice from subject experts eg inflation forecasts, energy and employment changes.</p> <p>The MTFS is limited in terms of demand pressures as it calculates this factor based on historical information or one-off information from service leads.</p>	
Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand?	H	The latest MTFS includes variation analysis for pay, council tax, and social care demand.	
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?	M	Latest Asset Management Plan dated 2018 and latest Disposal Programme reported to Executive Board in February 2020.	Consideration to be given to updating Asset Management Plan and Asset Disposal Plan.

Financial Management Standard J

The authority complies with its statutory obligations in respect of the budget setting process.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Is the authority aware of its statutory obligations in respect of the budget-setting process?	H	<p>The Council is aware of the need to:</p> <ul style="list-style-type: none">• Set and agree an income and expenditure budget prior to the beginning of a financial year to which the budget relates.• Full Council approving the annual budget together with the associated tax demand.• Council section 151 Officer reporting to the Council on the robustness of the estimates made in the annual budget and on the adequacy of financial reserves.	
Has the authority set a balanced budget for the current year?	H	<p>The Council has set a balanced 2025/26 budget. In doing so it has received an in-principle capital direction from Government, known as Exceptional Financial Support (EFS).</p> <p>It is forecasted within the 2025/26 budget for £29.385m of EFS to be utilised.</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?	H	<p>The Council is aware of circumstances for issuing a Section 114 notice.</p> <p>Regular meetings have taken place with colleagues from Ministry of Housing, Communities & Local Government over the past 2 years to update them on the Council's financial position and advice taken on how to progress and develop.</p>	

Financial Management Standard 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.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
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?	H	The 2025/26 Budget Report includes a statement in line with Section 25 of the Local Government Act 2003.	
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?	H	<p>The 2025/26 Budget Report includes estimates and some variations around;</p> <ul style="list-style-type: none"> • Service Demand • Pay • Capital Programme • Funding Levels • Saving Plans and Targets <p>Contingency budget available for any actual variations to estimates.</p>	
Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?	H	Adequacy of reserves are considered within the 2025/26 Budget Report and reviewed and reported on a bi-monthly basis.	
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?	H	<p>It is considered that they are insufficient hence the need for the Council to call on Exceptional Financial Support.</p> <p>It is identified within the report that reserve levels will need to be replenished within the Medium Term Financial Strategy.</p>	

Financial Management Standard L

The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
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?	M	<p>Engagement through:</p> <ul style="list-style-type: none"> Discussions with Directorate Leads on how 2025/26 budgets have been developed and the assumptions / estimates used. Senior officer engagement with service leads across the Council. Annual consultation with the Chamber of Commerce Chief Operating Officer for Halton Place Partnership is a member of the Council's leadership team Regular Council dialogue with key stakeholders including Council employees, Police, Fire, Health, Voluntary Sector, Chamber of Commerce. 	Consideration to be given to increased engagement with the Public Sector covering the Council's immediate and medium term financial position.
How effective has this engagement been?	L	Minimal response	<p>Need to consider how the Council engages in the future with stakeholders.</p> <p>How does the Council ensure the message is being received by key stakeholders. What feedback is received.</p>
What action does the authority plan to take to improve its engagement with key stakeholders?	L	The Chief Executive and respective Executive Directors have regular meetings with stakeholders at which the current and longer-term financial position is discussed.	Action plan of engagement with key stakeholders to be considered.

Financial Management Standard M

The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal?	M	<p>Included within the annual Capital Strategy document is a Capital Project Financial Assessment Form. The aim of this document is to financially appraise proposed additions to the Council's Capital Programme.</p> <p>Bids for revenue growth (funded through contingency) have to be considered through a 'business case' scenario and requires sign off from the Council Leader, Portfolio Lead for Resources, Chief Executive and Section 151 Officer.</p>	<p>To consider the guidance in the IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal'.</p> <p>To consider how the guidance can be turned into a template investment appraisal model.</p>
Does the authority offer guidance to officers as to when an option appraisal should be undertaken?	M	Guidance for capital investment included within the annual Capital Strategy document.	To consider in line with above action.
Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?	M	Quantitative impact is considered as part of option appraisals eg income, expenditure and associated cashflows.	To consider formally reporting on qualitative factors to include within option appraisals eg economic factors, cost benefit analysis, multi criteria analysis and impact assessments.
Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty?	M	Analysis is undertaken with regard to payback and variations around the capital financing cost of schemes.	To consider increasing the level of techniques to address uncertainty and financial risk.
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)?	L	Included within reports to Executive Board are sections covering financial implications and risk, although the content and quality of these sections is variable.	To consider increased reporting of option appraisals. It is important these are fully supported by appropriate narrative to ensure report users understand what the option appraisal tools are saying and that they are not understood.

Financial Management Standard N

The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
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?	H	Reporting of in-year and spend outturn forecasting have been reported to the Council Leadership Team every other month from 2024/25.	
Do the reports cover both forward and backward-looking information in respect of financial and operational performance?	H	<p>The reports cover both forward and backward looking information. End of year outturn positions are forecast with supporting narrative included any significant changes from the previous reporting period.</p> <p>Included within the reports is information relating to variations in demand and the financial impact of this.</p>	
Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such as contract monitoring data?	M	Reports covering performance are issued to Policy and Performance Boards.	Consideration should be given to how these reporting arrangements are improved to ensure delivery partnerships are cost effective, bring about value for money and performance in line with set targets and expectations.
Are the reports provided to the leadership team in a timely manner and in a suitable format?	H	<p>Financial reports issued are considered to be:</p> <ul style="list-style-type: none"> • Clear • Accurate • Timely • Relevant • Well Structured • Concise 	

		Feedback always sought where report users suggest improvements.	
Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?	H	Where feedback is provided, future reports are amended to take this into account (if possible and of benefit).	

The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?	M	Included within budget monitoring reports is information covering reserve balances. Treasury Management monitoring reported at the six month point of the financial year and again at year-end.	To consider greater reporting on volume and value of debtors on a bi-monthly basis. To consider the value of debtors, collection rates and the impact on cashflow. Consideration to reporting of Treasury Management monitoring to a quarterly basis.
Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?	M	As above but for reserves only (on a regular basis).	
Is the authority taking action to mitigate any risks identified?	H	Action has been taken over the past year to reduce the level of debtors the Council holds covering Adult Social Care, in particular the impact of full cost payers for social care users.	
Does the authority report unplanned use of its reserves to the leadership team in a timely manner?	H	Reserve levels are reported every other month.	
Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes?	M	As above reserves are reported.	Further consideration to reporting of debt levels within management accounts reporting process.

Financial Management Standard P

The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?	H	CFO is aware of Council responsibility to produce and publish statutory accounts in line with Cipfa Code of Practice on Local Authority Accounting in the United Kingdom.	
Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?	H	Responsibilities around the statement of accounts is included within the CFO job description.	
Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?	H	Draft financial statements for 2024/25 published by 30 June in line with required publication date.	

Financial Management Standard Q

The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.

Key Question	Level of Compliance (H/M/L)	Assessment	Follow Up Action
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?	H	It is and within good timescales	
Is the information in these reports presented effectively?	H	It is considered the financial outturn reporting is: <ul style="list-style-type: none"> • Clear • Accurate • Timely • Relevant • Well Structured • Concise 	
Are these reports focused on information that is of interest and relevance to the leadership team?	H	Information in reports includes: <ul style="list-style-type: none"> • Outturn position and how this compares to budget • Narrative on how services have performed against budget. • Issues included within outturn report should be of no surprise to leadership team as will have been reported on a regular basis throughout the year. • Performance against saving targets included. • Performance against capital programme included. 	
Does the leadership team feel that the reports support it in making strategic financial decisions?	H	Where feedback and improvement requests received on quality of reports these will be considered and if relevant factored into future reports.	