

	CIPFA FM Code – Self Assessment		APPENDIX A
FM Ref.	Statement of Standard Practice	Assessment of NCC performance	Evidence to support assessment
	Section 1 The Responsibilities of the Chief Finance Officer and Leadership Team		
A	The leadership team demonstrates that the services provided by the authority provide value for money.	Meets	Delivering value for money (vfm) services is a key element of the overarching council plan 'Your Nottinghamshire, Your Future'. This states:- <i>As a Council, our duty is to provide a diverse range of services, to protect and shape the environment in which we live, and to create the right conditions for a strong local economy. We must also make sure that all of these aims are delivered in a way that provides the best possible value for our taxpayers.</i> Good progress is being made with transformation and change projects and NCC has received an unqualified vfm opinion from External Audit.
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government	Meets	The S151 Officer is the Service Director Finance Infrastructure & Improvement, reporting directly to the Chief Executive. The S151 officer is a member of the Corporate Leadership Team (CLT) meeting which considers all material business decisions. The S151 Officer is 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 align with the organisation's financial strategy. The S151 Officer has access to and provides comments on all reports in advance of Committee report publication in accordance with the Council's constitution. The S151 Officer is a qualified accountant (CPFA) with over 30 years of post-qualification experience and partakes in the Cipfa CPD scheme.
	Section 2 Governance and Financial Management Style		
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	Meets	The S151 and CLT all demonstrate their adherence to the 'Seven Principles of Public Life'.

D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	Meets	The NCC Local Code of Corporate Governance sets out the governance framework for the authority. This confirms that NCC has adopted the CIPFA / SOLACE framework.
E	The Financial Management Style of the authority supports financial sustainability	Meets	The Council's constitution clearly sets out the responsibility for financial management across the Council. The Council's Planning & Performance Framework sets out the process for aligning the Council's Plan, Departmental Strategies and Performance with that of the Council's Budget and monitoring regime. The Finance & Major Contracts Management Committee has clear responsibility for the management of the Council's finances and financial performance. The Improvement & Change Committee's responsibilities include the management of the Council's performance and transformation programmes (including savings programmes). The Council's Medium Term Financial Strategy sets out the Council's plans and the financial challenges faced by the Council.
	Section 3 Long to Medium Term Financial Management		
F	The authority has carried out a credible and transparent Financial Resilience Assessment	Meets	The Council does benchmark all its services and is reviewing the output from the Cipfa Resilience Index work. A successful LGR Peer Review of the Council's Finances was undertaken in 2018/19 and no issues were identified in its long-term planning processes or finances. A risk assessment of the Council's financial risk and reserve strategy is undertaken and set out in the Council's Budget Report.
G	The authority has a Long Term Financial Strategy for financial sustainability.	Working Towards	An external assessment was undertaken of the Council's reserves strategy in 2016/17. The Council has a variety of plans, including the annual Budget, the MTFS and a capital strategy. The MTFS identifies a shortfall in funding over the MTFS of £34m. Work is ongoing to identify savings options and the use of reserves to enable more longer term sustainable transformation to be achieved.

H	The authority has a capital strategy aligned to its long term financial strategy	Meets	The Authority has a capital strategy that sets out a framework for the management of capital finance over the medium to long term and is based around the strategic ambition for the future of the Council.
I	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	Meets	The Authority takes capital and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.
J	The authority has a rolling multi-year Medium Term Financial Plan	Exceeds	The Authority has a Medium Term Financial Plan which forms an integral part of the Council's corporate planning processes. The MTFP provides a comprehensive review of the Council's overall financial position for the current year and an overview of the position for the following three years, on a rolling basis. This is a live strategy and updated and reported to CLT/Members as changes and risks emerge.
K	The authority has sustainable service plans that are consistent with its long term financial strategy and the medium term financial plan	Meets	The authority has four detailed departmental strategies which have been designed to ensure the Council offers the best possible services whilst making the most efficient use of the Council's resources. They outline the priorities and programmes of activity that will be pursued in the coming year to achieve delivery of the overall Council Plan.
Section 4 The Annual Budget			
L	The authority complies with its statutory obligations in respect of the budget setting process.	Meets	The annual budget report which sets out the proposed budget for the coming year is a key document for the Authority and flows consistently and clearly from the MTFP. It also demonstrates compliance with the Prudential Code.
M	The budget report includes an assessment of its consistency with the current medium term financial plan and long term financial strategy.	Meets	To ensure consistency, the budget report includes document tracking which shows how the previous reported financial plan has been revised to arrive at the current plan. This informs elected Members and senior management of the realism of the plans. The reasons for any changes can be challenged and lessons learned can be identified.
N	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.	Meets	The annual budget report includes a detailed statement by the Service Director – Finance Infrastructure & Improvement. See 2019/20 Budget Report to Full Council on 28

			February 2019, page 19.
	Section 5 Stakeholder Engagement and Business Plans		
O	The authority has engaged with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget.	Meets	The Council consults with all appropriate stakeholders in developing changes to its MTFS and annual budget.
P	The authority uses a documented option appraisal methodology to demonstrate the VFM of its decisions	Meets	The Council's Planning & Performance Framework sets out the Council's approach to transformation and change. All savings options are managed/documented using Prince 2 principles. All reports to Committee set out why the decision is required, the options considered, consultations undertaken and all aspects of governance and financial assessments applied to the decision. Savings options complete outline and full business cases and reviewed/approved by CLT and the Administration prior to consultation and requirements for decision reports. Where relevant Equality Impact Assessments are undertaken and reported.
Q	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.	Meets	The Council's financial accounts demonstrate adherence to the principles contained in the CIPFA Service Reporting Code of Practice.
	Section 6 Monitoring Financial Performance		
R	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	Exceeds	Departmental and Corporate leadership teams receive monthly reports setting out budget, spend to date and forecast, along with a detailed commentary based on comments and observations from individual budget managers and the advice of the relevant finance team. Variances are highlighted and commented on and action is taken to address any areas of overspending.
S	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.	Meets	The key elements of the balance sheet are reported to the corporate leadership team on a regular basis. The General Fund Balance and planned utilisation is reported to the Corporate Leadership Team on a monthly basis. The usable reserves are reported to CLT on a regular

			basis and the management accounts set out a detailed level of balance sheet information.
	Section 7 External Financial Reporting		
T	The Chief Finance Officer 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.	Meets	The Service Director – Finance Infrastructure & Improvement has personal responsibility as set out in the standard and certifies the annual statement of accounts accordingly.
U	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	Meets	As well as the statutory accounts and an annual management accounts report, a detailed analysis of variations from budget, assessing if these are temporary or permanent, is prepared each year and presented to CLT for them to review and take decisions. This information is reviewed and assessment of implications upon the MTFS is undertaken.

Basis of Assessment

The assessment has been undertaken on the basis that NCC Exceeds, Meets, or is Working Towards compliance with the relevant standard, and provides evidence to support this view.