

Responsibilities of the Chief Finance Officer and the Leadership Team			
Code Ref	Financial Management Standard	Suggested Evidence and Requirements	Assessment and Action(s) Required to meet minimum standards 2021/22
Responsibilities of the Chief Finance Officer and the Leadership Team			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	<p>The authority has a clear and consistent understanding of what value for money means to it and its leadership team.</p> <p>There are suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services.</p> <p>The authority is able to demonstrate the action that it has taken to promote value for money and what it has achieved.</p>	<p>The Council has a clear commitment to the provision of value for money which is included in the Corporate Plan as a purpose '<i>We will provide good quality, value for money services.</i>' with associated actions under each of the key priorities for the provision of efficient and effective services.</p> <p>Performance management processes for budget monitoring, service planning and the Corporate Plan are in place including regular monitoring being reported to Corporate Leadership Team (CLT) and Cabinet.</p> <p>The Annual Budget and Medium-Term Financial Strategy (MTFS) is underpinned by value for money and sustainability principles. The Council has historically delivered savings and achieved a favourable General Fund position.</p> <p>The Council has Financial Regulations, Contract Procedure Rules, Procurement Policy and Strategy, Capital Gateway Process and Risk Management Strategy.</p> <p>The Council has a schedule for planned service reviews.</p>

			<p>The Council achieved an unqualified Value For Money conclusion from the external auditors (Mazars) in respect of its 2019/20 Accounts and anticipate a similar outcome for 2020/21, demonstrating its arrangements for securing value for money.</p> <p>The Annual Governance Statement focusses on all aspects of governance including reporting on processes around value for money in cost effective and sustainable service provision.</p> <p>No action required.</p>
<p>B</p>	<p>The Authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.</p>	<p>The CIPFA Statement requires that the Chief Financial Officer (CFO):</p> <ul style="list-style-type: none"> • Is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation’s strategic objectives sustainably and in the public interest. • Must be actively involved in, and able to bring influence to bear on, all material business decisions • Must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. • Must lead and direct a finance function that is resourced to be fit for purpose. • Must be professionally qualified and suitably experienced. 	<p>The Corporate Finance Manager (CFM) has been formally appointed as Chief Finance Officer (Section 151 Officer) and is also a member of the CLT.</p> <p>The CFM reports to the Director of Resources and Business Transformation. Monthly meetings also take place between the Chief Executive and CFM.</p> <p>The CFM also meets regularly with the Portfolio Holder for Finance.</p> <p>The authority’s governance arrangements allow the CFM to bring influence to bear on all material business decisions, and has direct access to all CLT members, the Audit Committee, Internal Audit and External Audit.</p> <p>The Council has a medium-term business and financial planning process to deliver the Council’s strategic objectives, including an MTFs, an annual budget process and regular and timely monitoring of budget performance.</p> <p>Professional advice on decisions which have financial implications is provided by the Finance Team and is included in every report. In addition, accountants work</p>

			<p>with budget holders in advance of major decisions to ensure that the financial implications are accurate and well understood.</p> <p>Finance Training had been delivered to all Members and budget holders.</p> <p>The Finance function has the resources, expertise and systems to perform its role effectively. Ensuring the required expertise is in place will require constant review considering the innovative projects which are being explored.</p> <p>There are contracts in place for specialist financial advice (treasury management, financial management & planning and taxation).</p> <p>The CFM is a CIMA qualified accountant (2002) who has previously undertaken the role of Deputy Section 151 Officer at this and another Council. He has wide ranging senior local government finance experience.</p> <p>Actions Required Review the current finance system as the current contract ends, with a view to either increasing the use of system functionality to deliver efficiencies and allow finance team to increase value adding support activities or replace it with one which better meets the needs of the Finance function. This will ensure the Finance function remains fit for purpose to support continued good financial management across the Council.</p>
Governance and Financial Management Style			

C	<p>The Leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.</p>	<p>The leadership team espouses the Nolan principles.</p> <p>The authority has a clear framework for governance and internal control.</p> <p>The leadership team has established effective arrangements for assurance, internal audit and internal accountability. The leadership team espouses high standards of governance and internal control.</p> <p>The leadership team nurtures a culture of effective governance and robust internal control across the authority.</p>	<p>The Council has a Constitution and a Local Code of Corporate Governance both embedding the Nolan Principles.</p> <p>The Council's Constitution contains the framework in which the Council works and how decisions are made. The Constitution includes Responsibility for Functions, Terms of Reference, Rules of Procedure (including Financial Regulations and Contract Procedure Rules) Members Code of Conduct, Code of Conduct for Officers. The Constitution is reviewed annually. The last review was May 2021.</p> <p>Internal Audit services are provided by Central Midlands Audit Partnership (CMAP). CMAP, on behalf of the Council, determine an annual programme of audits across the authority to provide assurance about the effectiveness of risk management, control and governance processes. CMAP report on their plan and audit reviews to Audit Committee.</p> <p>CMAP has given an opinion that the Council has a "satisfactory system of internal control" (the highest level of assurance opinion which can be given) for 2020/21.</p> <p>Actions Required To ensure all agreed internal audit recommendations are implemented by the agreed implementation dates.</p>
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D	<p>The Authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)</p>	<p>The authority is aware of the provisions of the CIPFA Delivering Good Governance Framework.</p> <p>The authority has sought to apply the principles, behaviour and actions set out in the Framework to its own governance arrangements.</p> <p>The authority has in place a suitable code of governance.</p>	<p>The Council has an approved Local Code of Corporate Governance consistent with the CIPFA Delivering Good Governance Framework. The Local Code is reviewed annually by Audit Committee.</p> <p>The production of the Annual Governance Statement (AGS) as part of the Statement of Accounts also includes a review of compliance with the CIPFA Framework including an update on progress towards the completion of actions previously identified to address control or risk issues along with proposed actions for the following year.</p> <p>No action required.</p>
E	<p>The Financial Management Style of the authority supports financial sustainability</p>	<p>Strong financial management is assessed against a hierarchy of</p> <ol style="list-style-type: none"> 1. delivering accountability 2. supporting performance 3. enabling transformation. <p>Need to perform well at each level before moving to the next. This is broadly linked to economy, efficiency and effectiveness.</p>	<p>The Council has an effective framework of financial accountability through:</p> <ul style="list-style-type: none"> • Member delegations which include financial responsibilities; • Officer delegations which include financial responsibilities; • Financial Regulations which set out financial responsibilities for Council, Cabinet, Portfolio Holders, Chief Officers, Budget Managers and all • employees of the Council and all Members. <p>The Council has established a Performance Management Framework: clear performance targets are set for each Service and performance achieved is subject to regular monitoring using objective performance indicators. Employees undergo an annual Personal Development Review linked to a competency framework.</p> <p>The Finance Team are currently embedding a Finance Business Partnering approach.</p> <p>The finance team are supporting number of transformational programmes, including the Future High</p>

			<p>Street Fund, Towns Fund, Leisure Transformation, Affordable Housing New Build.</p> <p>Actions Required To continue to further embed the Finance Business Partnering approach.</p>
Long to Medium Term Financial Management			
F	<p>The Authority has carried out a credible and transparent Financial Resilience Assessment.</p>	<p>The authority has undertaken a financial resilience assessment.</p> <p>The assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios.</p> <p>The authority has taken appropriate action to address any risks identified as part of the assessment.</p>	<p>CLT and Cabinet have reviewed the CIPFA Financial Resilience index and is comfortable with the position for Ashfield, given the investment strategy Ashfield has pursued in recent years.</p> <p>Alternative scenarios are not currently incorporated into the current MTFS although financial assumptions are clear and open to challenge.</p> <p>The Council's Corporate Risks include:</p> <ul style="list-style-type: none"> • Level of central government funding 2020 onwards • Failure to identify savings required by MTFS <p>Actions Required Development of the MTFS 2022-2027 to include scenario planning, sensitivity analysis and specific reference to the financial resilience assessment (February 2022).</p>
G	<p>The Authority understands its prospects for financial sustainability in the longer term and has reported this clearly to Members.</p>	<p>The authority has a sufficiently robust understanding of the risks to its financial sustainability.</p> <p>The authority has a strategic plan and long-term financial strategy that addresses adequately those risks.</p> <p>The authority reports effectively to the leadership team and to members its prospects for long-term financial</p>	<p>The 5-year rolling MTFS Estimated Funding Gap is updated and reported to Cabinet and Council each year as part of the budget setting process.</p> <p>The current MTFS approved by Council 4th March 2021 identifies a gap of £2.466m in 22/23 rising to £3.018m by 25/26. The MTFS identifies the Councils approach to addressing the budget gap as additional income generation, the identification of efficiencies, Invest to Save, and utilising reserves to aid the smoothing of the funding gap in 2022/23.</p>

		<p>sustainability, the associated risks and the impact of these for short- and medium-term decision making</p>	<p>The CLT and Cabinet continue to meet regularly to identify and agree options to address the gap. The gap for 22/23 has been significantly reduced due to the business rate reset slipping into the following year, and due to savings and efficiencies being identified.</p> <p>An understanding of longer-term financial sustainability will only be achieved when the current uncertainties and risks associated with the reviews of local government funding (fair funding review, business rates reset, changes to business rates retention and changes to new homes bonus) are known.</p> <p>The Council's Corporate Risks include:</p> <ul style="list-style-type: none"> • Level of central government funding 2020 onwards • Failure to identify savings required by MTFS <p>The Corporate Risks are reported to CLT and Cabinet.</p> <p>Actions Required Report the updated MTFS 2022-2027 to CLT, Cabinet and Council.</p>
H	<p>The Authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.</p>	<p>The authority is aware of its obligations under the Prudential Code. The authority has prepared a suitable Capital Strategy.</p> <p>The authority has a set of prudential indicators in line with the Prudential Code.</p> <p>The authority has suitable mechanisms for monitoring its performance against the prudential indicators that it has set.</p>	<p>The Council is aware of its obligations under the Prudential Code and has assessed itself as compliant with those obligations. The Prudential Code provides a framework to operate within and like the Financial Management Code, there are many areas of compliance where the guidance allows for the Council to decide what actions are appropriate within the framework.</p> <p>The Authority has a Capital Strategy, which includes the Commercial Property Investment Strategy. It is reviewed annually and scrutinised by Audit Committee and approved by Cabinet and Council.</p> <p>Prudential indicators are set as part of the annual Treasury Management Strategy and are then monitored</p>

			<p>in the Treasury Management mid-year report and outturn report. All of which are scrutinised by Audit Committee and approved by Cabinet in accordance with Financial Regulations.</p> <p>The Council has also set Investment Property Indicators in relation to its Investment Properties – these are set as part of the Capital Strategy. They are then reported on at mid-year and outturn to Audit Committee.</p> <p>Previously property investments were undertaken in line with the Council’s Commercial Property Investment Strategy and funded through prudential borrowing. In line with updated requirements the Council has no plans for further debt for yield schemes.</p> <p>Actions Required To assess the implications and implement the new requirements arising from changes in the Prudential Code (Once the consultation is complete and revised code issued - expected Dec 2021 to be implemented for 2022/23).</p>
I	<p>The Authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans.</p>	<p>The authority has in place an agreed medium term financial plan.</p> <p>The medium-term financial plan is consistent with and integrated into relevant service plans and its Capital Strategy.</p> <p>The medium-term financial plan has been prepared on the basis of a robust assessment of the relevant drivers of cost and demand.</p> <p>The medium-term financial plan has been tested for resilience against realistic potential variations in key drivers of cost and demand.</p>	<p>The 5-year rolling MTFs Estimated Funding Gap is updated and reported to Cabinet and Council each year as part of the budget setting process.</p> <p>The MTFs is consistent with the Corporate Plan, Service Plans and the Capital Strategy.</p> <p>The development of the service budgets is considered by each Directorate. Requiring them to identify cost drivers and demand, and mitigations and savings.</p> <p>The MTFs is a prudent estimate for each Directorates in respect of drivers and demand.</p> <p>The Council maintains several earmarked reserves to manage any significant variances in year, particularly in</p>

			<p>respect of initiatives such as the Corporate Transformation Reserve, Commercial Property Investment Reserve.</p> <p>The Council also holds a Business Rates Equalisation Reserve to manage and mitigate the current and future uncertainty around Business Rates funding.</p> <p>No action required.</p>
J	<p>The Authority complies with its statutory obligations in respect of the budget setting process.</p>	<p>The authority is aware of its statutory obligations in respect of the budget setting process.</p> <p>The authority has set a balanced budget for the current year.</p> <p>The authority is likely to be able to set a balanced budget for the forthcoming year.</p> <p>The authority is aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so.</p>	<p>The Council understands its obligation in respect of the budget-setting process. The Council has set a balanced budget for the current year that was approved by Full Council.</p> <p>The current MTFS approved by Council 4th March 2021 identifies a gap of £2.466m in 22/23 rising to £3.018m by 25/26. The CLT and Cabinet continue to meet regularly to identify and agree options to address the gap. The gap for 22/23 has since been significantly reduced due to the business rate reset slipping into the following year, and due to savings and efficiencies being identified. It is expected a balance budget will be set for the forthcoming year.</p> <p>The authority is aware of the circumstances under which it should issue a section 114 notice and how it would go about doing so. This includes latest guidance issued by CIPFA considering COVID-19.</p> <p>No action required.</p>

K	<p>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.</p>	<p>The authority's most recent 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.</p> <p>The report accurately identifies and considers the most significant estimates used to prepare the budget, the potential for these estimates to be incorrect and the impact should this be the case.</p> <p>The authority has sufficient reserves to ensure its financial sustainability for the foreseeable future.</p> <p>The report sets 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 taking to address any shortfall.</p>	<p>The current Annual Budget and MTFS update approved by Council 4th March 2021 includes a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.</p> <p>The budget report sets out the key assumptions for</p> <ul style="list-style-type: none"> • Pay inflation • Contract Inflation • Utilities Inflation • No allowance for any inflationary increase in District Council Tax increase from 2021/22 • No allowance for any growth in the Council Tax Base <p>It does not currently consider the impact of changes in these assumptions.</p> <p>The Council maintains several earmarked reserves such as the Corporate Transformation Reserve, Commercial Property Investment Reserve, insurance reserves, NNDR equalisation reserve, asset repair and renewal reserve and a significant General Fund reserve.</p> <p>The current MTFS reports on the level of earmarked reserves and General Fund reserve.</p> <p>Action Required As previously referred to, the development of the MTFS 2022-2027 is to include scenario planning and sensitivity analysis regarding changes in assumptions.</p>
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L	<p>The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget</p>	<p>The authority knows who its key stakeholders are.</p> <p>The authority has sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget.</p> <p>The authority has assessed the effectiveness of this engagement.</p> <p>The authority has a plan to improvement its engagement with key stakeholders.</p>	<p>The Council engages with CLT, Cabinet and budget holders in updating the annual budget and MTFS. The Council has not undertaken a formal budget consultation since 17/18.</p> <p>Actions Required In conjunction with Cabinet, to consider a budget consultation process - online or through a panel, with a view to improving engagement and encouraging active participation in respect of the whole budget.</p>
M	<p>The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.</p>	<p>The authority has 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'.</p> <p>The authority offers guidance to officers as to when an option appraisal should be undertaken.</p> <p>The authority's approach to option appraisal includes appropriate techniques for the qualitative and quantitative assessment of options.</p> <p>The authority's approach to option appraisal includes suitable mechanisms to address risk and uncertainty.</p> <p>The authority reports the results of option appraisals in a clear, robust and informative manner that gives clear recommendations</p>	<p>The Council does have a whole life cycle financial option appraisal model that should be utilised across the Council. The model is a weighted benefit model and includes an assessment of qualitative factors and quantitative factors.</p> <p>Currently the Council is participating in several programmes that require specific business case formats to be used specified by the external funder i.e. Towns Fund and Future High Streets Fund (FHSF). The business cases must be green book compliant and follow the same principle as the Council's own option appraisal model but are more detailed and rigorous in respect of Cost Benefit Ratios and identifying qualitative outcomes.</p> <p>The Council has a project delivery framework with standardised documentation that should be used for all projects – the financial option appraisal model is part of the process. The project delivery framework offers guidance to officers undertaking the appraisal – all information is found on 'Helios' on the intranet.</p> <p>Finance officers review the financial option appraisal models that are completed as part of project proposals</p>

		<p>and outlines the risk associated with any preferred option(s).</p>	<p>the other project documentation making up the business case reviewed by Corporate Services and Transformation Team. The Business Case is considered and approved by CLT, and Cabinet where this is required.</p> <p>The project delivery framework with standardised documentation includes a project risk template.</p> <p>Action Required Ensure compliance with the Option Appraisal Model and deliver targeted training where this may be required.</p>
<p>N</p>	<p>The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</p>	<p>The authority provides 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.</p> <p>The reports cover both forward and backward-looking information in respect of financial and operational performance.</p> <p>There are mechanisms in place to report the performance of the authority's significant delivery partnerships.</p> <p>The reports are provided to the leadership team in a timely manner and in a suitable format.</p> <p>The leadership team is happy with the reports that it receives and with its ability to use these reports to take appropriate action.</p>	<p>Budget Monitoring reports are provided regularly to CLT and the position as at 31 July, 30 Sept, 31 Jan and 31 March are reported to Cabinet.</p> <p>The budget monitoring reports are based on forecast for the year based on actuals to date and known commitments. The reports provide analysis of variances and explanations. This allows CLT to raise questions and to identify any remedial actions. The reports also include progress on achievement of budgeted savings.</p> <p>The reporting requirements for partners are set out in contracts and agreements. The financial implications of the reporting from partners are incorporated into the budget monitoring by the budget holder, who also has responsibility for managing the partnership.</p> <p>A standard project monitoring process for all projects including those delivered by partners is currently being developed and implemented due to the increasing number of projects and partners, as a result of the Towns Fund and FHSF.</p>

			<p>The leadership team is happy with the reports that it receives and with its ability to use these reports to take appropriate action.</p> <p>No action required.</p>
O	<p>The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.</p>	<p>The authority has identified the elements of its balance sheet that are most critical to its financial sustainability.</p> <p>The authority has put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet.</p> <p>The authority is taking action to mitigate the risk identified.</p>	<p>The Council identifies and monitors earmarked reserves and the General Fund reserve as part of the budget setting reports, budget monitoring reports and outturn reports.</p> <p>The investment properties being a large asset value on the balance sheet are monitored through reports to Commercial Investment Working Group and Audit Committee (Strategy, mid-year and Outturn).</p> <p>Cashflow, investments and borrowing are monitored through Treasury Management Reports (Strategy, mid-year and Outturn). This includes a full analysis of the balance sheet to forecast the needs to borrow position.</p> <p>The Council has several provisions that are monitored throughout the year e.g., business rate appeals, benefit overpayments and rent arrears.</p> <p>No action required</p>
P	<p>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.</p>	<p>The authority's leadership team is aware of the CFO's responsibilities in terms of the preparation of the annual financial statements.</p> <p>The authority's CFO is aware of their responsibilities in terms of the preparation of the annual financial statements.</p> <p>These responsibilities are included in the CFO's role description, personal objectives</p>	<p>Mandatory training has been delivered to all budget holders including CLT and Members that included the role of the CFO and identified their responsibilities for preparing the financial statements.</p> <p>CFO responsibilities in terms of the preparation of the annual financial statements is included within their job description and personal objectives.</p> <p>The financial statements have been prepared on time and in accordance with the requirements of the</p>

		<p>and other relevant performance management mechanisms.</p> <p>The authority's financial statements have hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.</p>	<p>Code of Practice on Local Authority Accounting in the United Kingdom. This is evidenced by a consistent unqualified audit opinion for several years.</p> <p>No action required.</p>
Q	<p>The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.</p>	<p>The authority's leadership team is provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget.</p> <p>The information in these reports is presented effectively.</p> <p>These reports are focused on information that is of interest and relevance to the leadership team.</p> <p>The leadership team feels that the reports support it in making strategic financial decisions.</p>	<p>The CLT along with Cabinet are provided with an Outturn report detailing significant variations to the revised revenue (General Fund and HRA) and capital budgets. The reports request approval of proposed transfers to and from of earmarked reserves. The Chief Finance Officer and CLT consider the treatment of any surpluses and reserves before discussion with Members and formal approval.</p> <p>CLT feels that the reports support it in making strategic financial decisions.</p> <p>No action required.</p>