

Section 151 Officer Assessed Level of Compliance with the CIPFA FM Code at

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
Responsibilities of the Leadership Team and Chief Financial officer (CFO)				
A	The leadership team can demonstrate that the services provided by the authority provide value for money	17-18	Legislative requirement for Authorities to deliver VFM. Delivery of VFM depends on decisions by Elected Members. Shared responsibility across the Leadership Team to communicate and understand the risks involved.	<p>All Member decisions are published in the public domain with evidence provided as part of the decision report to evidence that all legal and financial implications have been considered.</p> <p>The Council has a constitution in place which includes requirements on Contracts and Standing Orders.</p> <p>There is a contract register and all payments over £500 are published in the public domain.</p> <p>Any increases in budget are required to be reported through Cabinet and approved.</p> <p>The Council has subscribed to LG Inform which enables benchmarking on costs to be reviewed and for officers and members to understand how costs and services compare to other Councils.</p> <p>Whilst there is an understanding in the top of the organisation further embedding could be improved lower down in the organisation where practically larger numbers of smaller amounts of money are spent.</p> <p>External Auditor provides a specific Value for Money Assessment each financial year.</p> <p>Actions: Toolkit training on procurement and VFM to be provided to all managers.</p>

<p>B</p>	<p>The authority complies with the CIPFA Statement on the Role Of Chief Finance Officer in Local Government.</p>	<p>18-19</p>	<p>In summary this Statement requires that the 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 	<p>The Head of Corporate Services is the Council’s Section 151 and Chief Financial Officer.</p> <p>The Head of Corporate Services is a key member of the Leadership Team and is also including in meetings with other Statutory Officers, Cabinet and Council.</p> <p>All reports required to consider financial implications and be cleared by Section 151 before publication.</p> <p>Member briefings take place on the Medium-Term Financial Strategy and updates are reported through the year.</p> <p>Training is provided to all budget holders on Financial Management and use of Integra the Council’s financial system.</p> <p>All reports are reviewed by the JCE and S151 before they are published and discussed in committee.</p>
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			<p>business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy.</p> <ul style="list-style-type: none"> • Must lead the promotion and delivery by the whole organisation of good financial management so that public money is always safeguarded 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. 	<ul style="list-style-type: none"> • The Finance team consists of 8 Hart based officers, 4 officers in the Mendip team and 1 officer in the Internal Audit Team. • This Team includes 3 qualified accountants, 1 part qualified accountant and 2 qualified accounting technicians. All officers undertake continuing professional development. • The Council also subscribes to additional professional expertise and advice in relation to technical accounting, treasury management, financial management & planning, and taxation. <p>Actions: To continue to support continuing professional development outside the finance team especially for managers.</p>
Governance and Financial Management Style				
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	21	<p>A proper scheme of delegation that ensures that frontline responsibility for internal and financial control starts with those who have management roles.</p> <p>Clarity over the role of Head of Paid Service and Monitoring Officer. Audit Committee provides independent assurance over governance and risk</p>	The Financial Procedure Rules create the role of a Budget Holder. Job descriptions and job evaluation system recognise management of resources as a key responsibility. This is assigned at a level so that service delivery and budget can be aligned.

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			and internal control arrangements, with a focus on financial management, financial reporting and audit and assurance.	<p>The role of Monitoring Officer and Head of Paid Service are defined in the Council's code</p> <p>The terms of reference for Audit Committee cover the areas referenced.</p> <p>The Annual Governance Statement details the Council's internal control arrangement and is published.</p> <p>Regular meetings between Leadership Team and Cabinet Members.</p> <p>Actions: None Identified.</p>
D	The authority applies the CIPFA/SOLA CE Delivering Good Governance in Local Government: Framework (2016)	22	This framework recommends that the review of the effectiveness of the system of internal control is reported in an annual governance statement	<p>The Council prepares and Annual Governance Statement and Local Code of Corporate Governance in line with the framework.</p> <p>The draft is provided to Audit Committee for review and approval in advance of its inclusion in the Statement of Accounts.</p> <p>The Local Governance Framework reflects the current constitution and governance processes.</p> <p>Actions: None Identified</p>

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E	The financial management style of the authority supports financial sustainability	22-23	Strong financial management is assessed against a hierarchy of (1) delivering accountability, (2) supporting performance and (3) enabling transformation.	<p>The monthly detailed budget monitoring purposes ensure that's budget holders are responsible for the delivery of their budget and Heads of Service are required to review and sign this off monthly. Regular service reporting also takes place to individual Cabinet Members.</p> <p>Actions: To embed the link between accountability, performance, and transformation through the newly re-introduced service boards.</p>
Long to Medium Term Financial Management				
F	The authority has carried out a credible and transparent financial resilience assessment	25-26	Requirement to test sustainability against plausible scenarios of cost drivers, service demands, resources, and key risks. Review of alternative options to match demand and resources.	<p>Financial Resilience is considered as part of the review of the Medium-Term Financial Strategy.</p> <p>Quarterly detailed budget monitoring is carried out where the overall financial position is reported to Members.</p> <p>The Council carries out a detailed review of going concern annually as part of the completion of the statement of accounts; this is reviewed by the External Auditors</p> <p>The updated Resilience Index was published by</p>

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				<p>CIPFA in December 2020. There were no areas of concern for this Council at the point it was reported.</p> <p>Actions: Further scenario and stress testing to be included as part of the development of the MTFS.</p>
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	26	Based on the above, have a long-term financial strategy that links to vision, strategy, and outcomes. This should include a vision of what services will look like in the future to achieve financial sustainability. The length of the long-term is undefined and should be linked to the risks faced. Potentially should be 10 years+.	The Council produces a five-year MTFS, but this does not include a vision of what services will look like in the future to achieve financial sustainability. Actions: To further develop a 10-year MTFS.
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	26-27	<p>The Council has a long-term Capital Strategy that ensures that assets are managed, and future are linked to capital resources available.</p> <p>Commercial investment activity should be considered over a suitable time horizon with risks fully considered. Ensure compliance with Prudential Code if borrowing.</p>	<p>The Council prepares a Capital Strategy in compliance with the Prudential Code that includes information on Assets/vehicle Management Plans and Condition Surveys.</p> <p>The Council takes advice from Link Asset Management regarding Capital Strategy and compliance with the Prudential Code</p> <p>A 25-year revenue model is in place to identify the longer-term implications of capital and commercial investment i.e., ensuring sufficient provision (MRP) is made.</p> <p>Actions: None Identified.</p>
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	27	Translation of the long-term view into a more detailed medium-term financial plan. The time frame of which should support financially sustainable decision making. Clear link to service plans.	The service and financial planning process has been enhanced to strengthen the analysis on the contribution services make to delivering outcomes in the Strategic Plan.

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				<p>The outcomes of this process inform the MTFS and financial planning process.</p> <p>Actions: To review the lessons learned from the service and financial planning process.</p>
Annual Budget				
J	The authority complies with its statutory obligations in respect of the budget setting process.	29	<p>These are generally covered by part 2 of Local Government Act 2003. This includes robustness of estimates and reserves (covered below) and the requirement for financial monitoring.</p> <p>It also includes section 114 of the Local Government Finance Act 1988, which requires the CFO to issue a report if the Council is about to incur unlawful expenditure. This would include setting an unbalanced budget.</p>	<p>All estimates and reserves are reviewed by the Chief Finance Officer as part of the MTFS.</p> <p>At this point in time, we have sufficient resources to discount a Section 114 notice.</p> <p>Actions: None Identified.</p>
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.	29-30	Reserves to be considered as part of the budget process and should be 'adequate' and 'necessary'. Should enable the Council to manage unexpected events from within its own resources. The budget report details earmarked reserves held, the purpose of each reserve and estimated opening and closing balances.	<p>The MTFS includes a statement from the chief finance officer on the robustness of estimates and a statement on the adequacy of the proposed reserves.</p> <p>A risk assessed minimum level of reserves is included in the MTFS.</p> <p>Actions: None Identified.</p>

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Stakeholder Engagement and Business Plans				
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget.	31	<p>Enabling residents to understand that resources are limited, and spending must be 11 prioritised. Leadership Team redirects resources to areas of higher priority.</p> <p>Understanding of statutory service delivery requirements. Use stakeholder consultation to set priorities. Helps to encourage community involvement, which could help reduce costs.</p>	<p>Basic budget consultation is currently undertaken alongside consultation on the strategic plan. There are many opportunities to extend this to more community stakeholders.</p> <p>Actions: To further develop the approach to budget consultation and Strategic Plan consultations.</p>
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	31-32	Decisions are made from clear business cases that detail the up-front and ongoing costs and benefits. Where appropriate the time value of money should be considered. Alternative options should be considered. The complexity of the business case should be proportionate to the decision.	<p>Detailed business cases are required for all significant procurement's commercial investments.</p> <p>Actions: Extend business case requirements for all detailed savings plans and MTFS related decisions.</p>
Monitoring Financial Performance				
N	The leadership team acts using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	33	The Council should have timely information on its financial and operational performance. Performance indicators should be reviewed, alongside any overspends/ undelivered savings.	Financial performance is reported on a quarterly basis to Overview and Scrutiny Committee and Cabinet, it is reported to the Chief Financial Officer monthly.

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				<p>Actions: To consider further integration of the financial reporting.</p>
O	<p>The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.</p>	33	<p>There is reference to monitoring material elements of the balance sheet that might give indications of departures from financial plans. Specific reference is made to commercial asset portfolios, contingencies, and provisions.</p> <p>Cash flow is managed in accordance with guidance.</p>	<p>As part of the MTFs, the Council produces five-year Balance Sheet projections, and these are monitored in the Treasury Management Reports to Overview and Scrutiny Committee and Cabinet.</p> <p>The key elements are monitored by Cabinet and Overview and Scrutiny Committee through Performance reports</p> <ul style="list-style-type: none"> ● Council Tax and Business Rate Arrears. ● Sundry Debt ● Investments and Borrowing. ● Commercial Investments <p>Actions: Further performance reporting on Council Tax and Business Rates arrears, Sundry Debt and Commercial Investments be provided as part of the new Service Board Performance reporting regime.</p>
External Financial Reporting				
P	<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</p>	35	<p>The CFO has statutory responsibility for (1) producing the accounts and ensuring they are published on a timely basis (2) maintaining financial records (3) certification of the accounts and confirmation of a 'true and fair view'.</p>	<p>These are all complied with. Assurance is provided through External Audit and Internal Audit.</p> <p>Actions: None Identified.</p>

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	Accounting in the United Kingdom			
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	25	The narrative report that accompanies the accounts provides a link to achievement of outcomes and performance. The Leadership Team understand variances from budget and how they have been managed. The future implications of variances should also be considered i.e., will it affect the financial strategy/ financial resilience.	Detailed narrative is provided with each quarterly budget report. Variance analysis is also required as part of monthly budget monitoring. Quarterly reporting reconciles to the Budget set each February. Actions: None Identified