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Ref	Description	Pages of the Code	Detail	2021 RAG Rating	Prior 2023 RAG Rating	Evidence Base	CFO Draft Assessment and Actions Required
Responsibilities of the Chief Finance Officer and Leadership Team							
A	The leadership team is able to 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.	G	G	External Audit – Value for Money Assessment as part of the Audit for the Statement of Accounts.	
B	The Authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	18/19	<p>In summary this Statement requires that the CFO:</p> <ol style="list-style-type: none"> 1. 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; 2. Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure 	A	A	Each of the summary elements for the CIPFA Statement is adhered to and applied within North Tyneside.	

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			<p>immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy;</p> <p>3. 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;</p> <p>4. Must lead and direct a finance function that is resourced to be fit for purpose; and</p> <p>5. Must be professionally qualified and suitably experienced.</p>				
Governance and Financial Management Style							
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	21	A proper scheme of delegation that ensures that frontline responsibility for internal and financial control starts with those who have management roles. Clarity over the role	G	G	The Authority have a proper scheme of delegation in place which includes the roles of Head of Paid Service and Monitoring Officer. These are included in	

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			of Head of Paid Service and Monitoring Officer. Audit Committee provides independent assurance over governance, risk and internal control arrangements, with a focus on financial management, financial reporting and audit and assurance. Leadership Team with a culture of constructive challenge based on realism. Goals, assumptions and implementations plans are rigorously examined.			the Authority's constitution which was recently updated September 2021.	
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	G	G	The Annual Governance Statement is submitted to Annually and accompanies the Statement of Accounts. The AGS is reviewed annually and amended where necessary.	
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.	G	G	Financial Management is embedded within the organisation. Bi-monthly reports are received by Cabinet and Members undertake quarterly Budget and Performance sessions	2022/23 – Overspend of £6.081m on GF and MTFP with gap of £35.033m to 2026-2027 this will require robust monitoring during the year and with a refreshed focus on delivering a

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			Need to perform well at each level before moving to the next. This is broadly linked to economy, efficiency and effectiveness.			with Directors of Service.	balanced budget in 2024/25
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. CIPFA will be providing Authorities with a Financial Resilience Index which may assist in this.	G	G	The Authority recently took part in a financial resilience assessment which was carried out by Newcastle Council. This has helped to inform where potential improvements could be made to improve the Authority's financial resilience.	Financial Resilience assessment needs to be refreshed to understand the current position of the Authority using financial KPI;s including the Authority's Balance Sheet. This will form part of the Budget and Performance reports to Cabinet and the sessions that will replace the current Budget and Performance sessions that are undertaken. Use of reserves in 2022/23 and the current level of the Strategic Reserves against current risks within the budget for 2023/24 not only in the GF but also including the risks associated with

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							Schools and the Investment Plan.
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+.	G	G	The Authority produces a Medium-Term Financial Strategy which includes an assessment of the resources available over a 4-year period. An assessment of any potential pressures or growth needed for service delivery is also undertaken and is used to understand the longer-term financial picture for the Authority.	
H	The Authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	26/27	The Authority has a long-term Capital Strategy that ensures that assets are managed, and future plans are linked to capital resources available. Commercial investment activity should be considered over a suitable time horizon with risks fully considered. Ensure compliance with Prudential Code if borrowing.	G	G	The Authority produces a 5-year Capital Strategy which is approved as part of Budget setting by full Council each year.	
I	The Authority has a rolling multi-year medium-term	27	Translation of the long-term view into a more detailed	G	G	As above	

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	financial plan consistent with sustainable service plans		medium-term financial plan. The time frame of which should support financially sustainable decision making. Clear link to service plans.				
The Annual Budget							
J	The Authority complies with its statutory obligations in respect of the budget setting process	29	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. It also includes section 114 of the Local Government Finance Act 1988, which requires the CFO to issue a report if the Authority is about to incur unlawful expenditure. This would include setting an unbalance budget.	G	G	The Authority sets its budget setting process in September of each year which is agreed by Cabinet. The MTFS includes a statement by the CFO on the robustness of estimates and reserves.	
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 Authority to manage unexpected events from within its own resources. The budget report details earmarked	G	G	As above	

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			reserves held, the purpose of each reserve and estimated opening and closing balances.				
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	Enabling residents to understand that resources are limited and spending has to be prioritised. Leadership Team redirects resources to areas of higher priority. Understanding of statutory service delivery requirements. Use stakeholder consultation to set priorities. Helps to encourage community involvement,	G	G	Budget engagement is undertaken each year with a range of stakeholders during December and January. Cabinet's initial budget proposals include details of the resources available to undertake the range of Services delivered by the Authority and key stakeholders are consulted on potential proposals for the upcoming financial year.	
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	G	G	The Authority produces budget proposals which form part of Cabinet's initial budget proposals. These outline potential efficiency savings which are proposed and describe how these will be achieved with any prescribed milestones for delivery.	Yes we do have a documented option appraisal methodology but does this really demonstrate value for money in decision making? The Capital gateway process does, but again this could be enhanced

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			proportionate to the decision.			For Capital the Authority has a gateway process which has been in place for a number of years. All Capital projects must go through a gateway process prior to approval in and inclusion within the Investment Plan. Gateway submissions are approved through the Investment Programme Board, the Board has Members, Directors of Service and Officers which attend each meeting.	so all investment decisions are tested against VFM whether revenue or Capital
Monitoring Financial Reporting							
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	33	The Authority should have timely information on its financial and operational performance. Performance indicators should be reviewed, alongside any overspends / undelivered savings.	G	G	In addition to the bi-monthly reporting to Cabinet, the SLT and Leadership Forum receive regular updates which allow managers to understand the financial performance for the General Fund, Housing Revenue Account, Investment Plan and Schools Finance.	

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O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	33	Need to await the guidance notes as the Code itself is unclear on the requirements. 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. Cash flow is managed in accordance with guidance.	G	G		
External Financial Reporting							
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	36	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'.	G	G	The Accounts are produced in line with the Accounts and Audit regulations and publication deadlines.	
Q	The presentation of the final outturn figures and variations from budget	36	The narrative report that accompanies the accounts provides a link to	G	G	The Annual Statement of Accounts includes the information and	

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	allows the leadership team to make strategic financial decisions		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.			narrative which provides a link to the achievement of outcomes and performance in line with the Our North Tyneside Plan.	
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