

Heading	Orig. Ref	Brief Description	Current Evidence	2021/22 RAG Rating	2023 RAG Rating	Additional Recommended Actions	Target Completion	Priority	Status / Further Actions	Ref	New RAG Rating
Responsibilities of the CFO & Leadership Team											
Financial Leadership	A	The role of Cabinet and the officer leadership team in good financial management and ensuring services provide VFM;	External Audit – Value for Money Assessment as part of the Audit for the Statement of Accounts.	G	G	Review cabinet reports on financial issues (MTFS, budget, treasury management, capital strategy, July Review, HRA budget; major financial decisions		Completed	All cabinet decisions have lead member and SLT approval, specific financial implications detailed.	1	G
						Review cabinet member activities re financial management. Interview Directors and lead Cabinet members.	Q3	3	Arrange meetings with lead members and directors to discuss financial information to allow VFM decisions	2	
						Review access of cabinet members to information.	Q3	3	All new cabinet members receive training. Assess via interview. Confirm policy with Legal/mayor's office	3	
						SLT: review financial agenda items.		Completed	SLT review all financial reports and MTFP. Sponsors on workstreams and feedback to SLT	4	
						Sample SLT reports for financial content.		Completed	Director of Resources / s151 officer provides challenge for financial implications of all SLT reports	5	
						Review directorate senior management team agenda for financial updates		Completed	All SMTs discuss finance at least every other month.	6	
						items for finance content and sample.	Q2	3	Carry out sample check of SMT agendas / reports	7	

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	B	In summary this Statement requires that the CFO: 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 immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; 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,	Each of the summary elements for the CIPFA Statement is adhered to and applied within North Tyneside.	A	A	Consider SLT structure and s151 access and influence with SLT.		Completed	Director of Resources / s151 officer provides challenge for financial implications of all SLT discussions	8	A
						Review degree of sharing of financial information with SLT.		Completed	SLT responsible for finance and regularly request information.	9	

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		efficiently and effectively;									
		4. Must lead and direct a finance function that is resourced to be fit for purpose; and				Review structure, benchmark against comparable organisations (use CIPFA / London Councils / SLT).	Q3	2	Carry out benchmarking with CIPFA.	10	
		5. Must be professionally qualified and suitably experienced.				Review talent management, professional training and skills training arrangements. Interview sample of finance staff.	Q2	2	Review of IPRS, team plans and succession planning. Carry out survey to inform planning	11	
Governance & Financial Management Style											
Framework for financial accountability;	C	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 of Head of Paid Service and Monitoring Officer.	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 the Authority's constitution which was recently updated September 2021.	G	G	Review scheme of delegation		Completed	Carried out recently	12	G
						Review financial standing orders		Completed	Carried out recently	13	
						Review any other financial rules; and how they work in practice.	see plan	2	Visibility and training on financial rules still a priority in finance service plan.	14	
Financial risk management		Audit Committee provides independent assurance over governance, risk and internal control arrangements, with a focus on financial management, financial reporting	Audit committee sample check corporate risks and carry out deep dive to review the issues to gain assurance. Also considered at Overview & Scrutiny and OPB with partners.			Risk: review finance risk register and surrounding process.		Completed	Head of finance & senior risk manager meet monthly to review risk register. OPB consider partnership risks monthly	15	
						Review reporting of risk in cabinet reports and reports to ELT, budget process, budget monitoring, option appraisal, by sampling.		Completed	All financial reports include risk assessment, built into financial planning, financial monitoring and project appraisals.	16	

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		and audit and assurance.									
Financial literacy of organisation;		Leadership Team show financial awareness with a culture of constructive challenge based on realism.				Review quality of reports in relation to financial matters.	Q3	2	Finance involved at a late stage in production of some strategy reports. Tie into SLT interviews/include finance in review	17	
		Financial management at all levels of the Authority demonstrates good financial awareness				Assess budget holder capability.	Q4	2	Provide financial awareness training for budget holders that is compulsory	18	
Supporting strategic and operational planning;		Goals, assumptions and implementations plans are rigorously examined.	Cabinet reporting procedures, gateway process, finance approval of vacancies, grant process, SLT minutes, SMT meetings, resident panel, business forum. S151 clearance process.			Review extent to which Finance works with policy team, departmental management teams on strategy development by Interview		Completed	All strategic plans go through a number of rigorous reviews with relevant named parties involved	19	
						Assess quality of strategic documents on financial issues - corporate plan, departmental service plans		Completed		20	
Financial advice to cabinet and committees		Finance to advise committees and cabinet, which demonstrates good financial awareness	Overview & Scrutiny has merged with Finance sub-group - now called Overview & Scrutiny Coordination and Finance Committee			Review quality of financial comments in sample of cabinet reports.		Completed	All cabinet reports go through finance, committees always receive written responses to any questions	21	
						Review Finance attendance at committee meetings		Completed	Finance always well represented at committee meetings to ensure all questions are understood	22	

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Good financial governance meets CIPFA/SOLACE framework	D	This framework recommends that the review of the effectiveness of the system of internal control is reported in an annual governance statement	The Annual Governance Statement is submitted to Annually and accompanies the Statement of Accounts. The AGS is reviewed annually and amended where necessary.	G	G			Completed	Bi-annual reporting to audit committee, reviewed by SLT and signed off by CEX and mayor	23	G
The financial management style of the Authority supports financial sustainability	E	Strong financial management is assessed against a hierarchy of (1) delivering accountability; (2) supporting performance; and (3) enabling transformation. Need to perform well at each level before moving to the next. This is broadly linked to economy, efficiency and effectiveness.	Financial Management is embedded within the organisation. Bi-monthly reports are received by Cabinet and Members undertake quarterly Budget and Performance sessions with Directors of Service.	G	G			2	Financial Management is embedded within the organisation. Bi-monthly reports are received by Cabinet and Members undertake quarterly Budget and Performance sessions with Directors of Service. Finance reports go through SMT, SLT, LMB then cabinet	24	A
Long to Medium Term Financial Management											
The Authority has carried out a credible	F	Medium term financial strategy (MTFP). Alignment of MTFP with service planning	The Authority produces a Medium-Term Financial Plan which includes an	G	G	Review process for assembling MTFP, completeness and quality, frequency		Completed	MTFP reviewed annually to improve process and fit into current SLT planning, inusing fit with ONT and mayoral priorities	25	G

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and transparent financial resilience assessment			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.			Analysis of MTFP alignment with service plans		3	Review service plans outside finance for inclusion of MTFP outcomes	26	
		Financial resilience assessment	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.			Increase frequency and quality of resilience assessment and reporting		Completed	Current review with financial resilience index and increase tempo of reviews with neighbour LAs	27	
	G	Capital strategy	The Authority produces a 5-year Capital Strategy which is approved as part of Budget setting by full Council each year.	G	G	Review fitness for purpose, how often updated, alignment with service plans		Completed	Looking into creating a 10-year investment over the existing capital strategy	28	G

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	H	Compliance with prudential code on borrowing	Robust treasury management strategy reviewed annually	G	G	Review affordability of borrowing, compliance, reporting	Q4	3	Considering impact of alternative treasury strategies	29	G
	I	Use of reserves	Strong controls and reporting on all reserves, clear decision making on use of unringfenced reserve following reserves and balances policy	G	G	Review plan for use of reserves, reporting of variances	Q4	2	Unringfenced reserves have been depleted and plan in place to replace and bring back to required levels	30	A
		Group and company structures	Group accounts produced successfully for last few years, as a requirement of new trading companies. Assessed annually by EY			Review fitness for purpose, effectiveness		Completed	EY audit group accounts annually	31	
		Recharges and internal trading				Recharges – review compliance with code of practice	Q3	3	Support service recharged reviewed 2023/24. Other internal recharges to be reviewed as part of 15 MTFP workstreams	32	
						Review mechanisms and effectiveness of internal trading arrangements	Q3	3	As above	33	
The Annual Budget											
The Annual Budget	J	The Authority complies with its statutory obligations in respect of the budget setting process	The Authority sets its budget setting process in September of each year which is agreed by Cabinet.	G	G	Review process for setting annual revenue and capital budgets. Fitness for purpose. Compliance with statutory requirements.		Completed	Budget setting process is in line with constitution of LA as mayoral authority.	34	G

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	K	The Authority complies with its statutory obligations in respect of the budget setting process. Alignment with MTFS		G	G	Review budget alignment with MTFS		Completed	MTFS reviewed annually and sits above MTFP, approved by cabinet alongside process review	35	G
		Robustness of estimates and adequacy of reserves	The MTFS includes a statement by the CFO on the robustness of estimates and reserves.			Analysis of historic robustness		Completed	Calculation performed annually to assess level of ring-fenced and unringfenced reserves against gross and net revenue budget.	36	
						Basis for calculating reserve requirements, review process.		Completed	Reserves and balances reviewed annually and includes in plan	37	
Stakeholder Engagement and Business Plans											
Stakeholder Engagement	L	The Authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	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.	G	G	Review engagement with stakeholders on financial aspects of decisions, sample cabinet reports		Completed	Engagement team now host several sessions with a wider residents panel, better representing the whole borough and asking residents for feedback on likes/dislikes of existing engagement process to then revise engagement strategy for 2024/25	38	G

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	M	Decisions are made from clear business cases that detail the up-front and ongoing costs and benefits.	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.	G	G	Review transparency of decision making, use of costing and estimation techniques, sample business cases	Q3	3	Review business case process and template, needs to strengthen options appraisals and improve understanding capital and revenue impact. LA has recently refreshed EIA process.	39	G
Monitoring Financial Performance											
Monitoring Financial Performance	N	Budget monitoring	In addition to the bi-monthly reporting to Cabinet, the SLT and Leadership Forum receive regular updates which allow senior leadership to understand the financial performance for the General Fund, Housing Revenue Account, Investment Plan and Schools Finance.	G	G	Budget monitoring: Review process, presentation of data to budget holders, senior management oversight		Completed	Monthly finance meetings with budget holders with relevant seniority linked to risk	40	G
						Review underlying quality of financial data		Completed	All income and expenditure to date reviewed as part of monthly monitoring process to improve forecasting	41	
						Finance team support to departments/budget holders on budget monitoring		Completed	Clear finance link officers identified to all services, with	42	
		Use of financial systems and technology				Review use of technology to automate processes	Q3	1	Replacement ERP system currently being considered, spec being worked up	43	

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						and speed up availability of information					
						User friendliness and accessibility of information		Completed	Constant updating of reporting tools to improve user friendliness	44	
		Use of financial data, modelling				Review accessibility of data, delivery of business insights, alignment of financial forecasting with operational performance and throughputs	Q2	1	Better link to performance	45	
		Revenue and capital projects				Sample project documentation, interviews	Q2	2	Capital monitoring process under review to improve outcomes. Revenue projects folded into monthly budget monitoring	46	
	O	Key controls and reconciliations; The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	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	Review operation of key controls and reconciliations	Q2	2	Review of controls and reconciliations underway following end of finance outsourcing partnership. Review management of balance sheet	47	G

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		Responding to unforeseen developments				Review recent financial responses to unforeseen changes.		Completed		48	
External Financial Reporting											
Statutory accounts and other returns	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'. (4) All other returns are completed in accordance with guidelines	The accounts are produced in line with the Accounts and Audit regulations and publication deadlines. The Annual Statement of Accounts includes the information and narrative which provides a link to the achievement of outcomes and performance in line with the Our North Tyneside Plan.	G	G	Review arrangements designed to ensure personal responsibilities of s151 officer are complied with		Completed	s151 is aware of responsibilities, Nominated deputy	49	G
						Review relationship with external auditor		Completed	Regular meetings with external audit at operational and strategic levels. Attend all audit committees	50	
	Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions		G	G	Review presentation of outturn and other annual financial data to organisation		Completed	Outturn is reviewed at SMTs, SLT, cabinet and audit committee before final publication.	51	