

## **CIPFA financial management standards**

### **Section 1: The 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.
- B** The authority complies with the CIPFA *Statement on the Role of the Chief Finance Officer in Local Government*.

### **Section 2: Governance and financial management style**

- C** The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.
- D** The authority applies the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* (2016).
- E** The financial management style of the authority supports financial sustainability.

### **Section 3: Long to medium-term financial management**

- F** The authority has carried out a credible and transparent financial resilience assessment.
- G** The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
- H** The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.
- I** The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.

#### **Section 4: The annual budget**

- J** The authority complies with its statutory obligations in respect of the budget setting process.
- 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.

#### **Section 5: 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.
- M** The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.

#### **Section 6: Monitoring financial performance**

- N** The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.
- O** The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.

#### **Section 7: 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*.
- Q** The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.