

Requirement	Bury Council Current Position
Section 1	The Responsibilities of the Chief Finance Officer and the Leadership Team
Principals	<ul style="list-style-type: none"> • Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture. • Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs. • Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making. • Adherence to professional standards is promoted by the leadership team and is evidenced. • Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection. ☐ The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources
STANDARD A – The leadership team demonstrates that the services provided by the authority provide value for money	<p>Good financial management and the roles of elected members and leadership team. The ‘leadership team’ will include executive committees, elected mayors, portfolio holders with delegated powers and other key committees of the authority and senior officers.</p> <p>This role cannot be performed in isolation and requires the support of the other members of the leadership team. Statutory responsibility for the financial management of the authority rests with the CFO, the CFO is reliant on the actions of the leadership team, both collectively and individually as elected members and senior officers.</p>
CFO assessment and Actions required	<p>A VFM statement is provided alongside the statement of accounts.</p> <p>The external Auditors report highlights any material errors in the accounts.</p> <p>Executive members meet on a regular basis with their portfolio holders</p> <p>Executive team is presented with and collectively challenge one another on the financial position of the Councils services on a monthly basis</p> <p>During 2022/23 there is a Senior Leadership Development Programme where each service presents the key challenges and issues facing their service. Finance is due to present in August</p> <p>2021/22 saw the establishment of a finance and performance subgroup of the Overview and Scrutiny Committee which allows greater in depth scrutiny of financial issues</p>

	Action: non identified
STANDARD B – The Authority complies with the CIPFA Statement on the Role of the CFO in Local Government	<p>The chief financial officer (CFO) in a public service organisation:</p> <ul style="list-style-type: none"> • The CFO is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority’s strategic objectives sustainably and in the public interest • They 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 authority’s financial strategy • Must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. To deliver these responsibilities the chief financial officer, must lead and direct a finance function that is resourced to be fit for purpose and must be professionally qualified and suitably experienced.
CFO assessment and Actions required	<p>The Director of Finance is the Councils S151 and Chief Financial Officer.</p> <ul style="list-style-type: none"> • The CFO is a full member of CIPFA with over 20 years of experience leading senior teams. She undertakes this role of shared CFO between the Bury locality of NHS GM ICB and Bury Metropolitan Council (Director of Finance) • She has a weekly 121 with the Chief Executive and is key member of the Executive team. • She has a fortnightly meeting with the cabinet member for Finance and frequent meetings with the Leader to discuss relevant subjects. • All Cabinet and Council reports are discussed in advance and require S151 comments and approval before they are published • The Finance Directorate is currently undergoing a restructure to ensure it is fully resourced and fit for purpose. All senior roles will need to be appropriately qualified with evidence of CPD. All unqualified or part qualified staff will be supported to undertake formal and informal training. To support us with the current and future recruitment we are recruiting a significant number of apprentice posts through the directorate. <p>Action</p> <ul style="list-style-type: none"> • Complete the finance restructure as per timetable and ensure good appointments to any vacancies • Support Development of all staff • Apply for accreditation through the professional accountancy bodies
Section 2	Governance and Financial Management Style
STANDARD C – The leadership team demonstrates in its actions	Good governance is evidenced by actions and behaviours as well as formal documentation and processes. The tone and action at the top are critical in this respect, and rest with the leadership team – both senior officers and elected members,

and behaviours responsibility for governance and internal control	as well as the CFO. A successful leadership team has a culture of constructive challenge that excludes an optimism bias in favour of a realism bias and is built on a rigorous examination of goals, underlying assumptions and implementation plans. Recruitment of independent members of audit committee?
CFO assessment and Actions required	The constitution defines the roles of Head of paid Service and the monitoring officer. The finance Procedure Rules are evidence of a scheme of delegation that ensures that frontline responsibility for internal and financial control starts with those who have management roles. Terms of reference for Audit and Member Standards Committee as the Council’s Audit Committee cover the areas referenced. Training is produced and delivered to Audit Committee members and all Elected Members by the CFO and Deputy Chief Finance Officer. Once the finance restructure is recruited to further training will be undertaken with budget holders The Executive Team meets once per week and meetings are divided into two sections, one for normal business and a second section to discuss relevant Financial matters such as MTFs and savings proposals to close future years financial gaps. Action: non identified
STANDARD D - The Authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework 2016	Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. This CIPFA/SOLACE framework recommends that the review of the effectiveness of the system of internal control that are required to undertake by their respective accounts and audit regulations should be reported in an annual governance statement. The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times.
CFO assessment and Actions required	The Council prepares and Annual Governance Statement in line with the framework. The AGS is approved by Executive Team and Audit Committee in advance of its inclusion in the accounts and presentation to Cabinet. Action: non identified
STANDARD E - The Financial Management Style of the authority supports financial sustainability	The financial management challenges faced by many local authorities are unprecedented in recent history and show no signs of easing. This is significant because it means that different styles of financial management are necessary. Financial sustainability will not be achieved by continuing with the behaviours of the past since these do not meet the demands of the present – or the future, which may be even more challenging. To remain financially sustainable authorities, need to develop their financial management capabilities. CIPFA believes that the strength of financial management within an organisation can be assessed by a hierarchy of three ‘financial management (FM) styles’: <ul style="list-style-type: none"> • delivering accountability • supporting performance

	<ul style="list-style-type: none"> enabling transformation. <p>CIPFA recognises that while the highest standards of financial management should be the expectation, in practice some local authorities are at different stages of development. In these circumstances, compliance with the FM Code may initially be achieved by credible proposals to raise financial standards beyond the basic delivery of accountability</p>
CFO assessment and Actions required	<p>The Executive team alongside the CFO recognise the need for an appropriately qualified and skilled finance team and are supporting the Finance restructure and increased training and development within the service. There is a need for an enhanced understanding of budgets and financial planning by all budget holders across the authority and an understanding of the relationships between capital programmes, F&C, reserves, MTFs and cash flow.</p> <p>Action:</p> <ul style="list-style-type: none"> Following the restructure and recruitment to vacancies, transformation ways of working and behaviours will be led partly by HR and partly by the new Finance Management team. A programme of Budget holder and member education and training has commenced but will need to continue and be developed further. The development of improved financial monitoring and reporting, working with services to link this with activity and outcomes. The review of income and debt recovery for the authority with a clear plan of improvement and reviews.
Section 3	Medium to Long Term Financial Management
STANDARD F- The authority has carried out a credible and transparent Financial Resilience Assessment	<p>An authority must ensure that while the formal publication of the medium-term financial plan (MTFP) may only reflect government settlements, it is the responsibility of the leadership of the organisation, including elected members, senior management and the section 151, to have a long-term financial view acknowledging financial pressures.</p> <ul style="list-style-type: none"> Reserves depletion time Level of reserves Charge in reserves Council budget flexibility Council tax to net revenue expenditure ratio
CFO assessment and Actions required	<p>The Finance Service prepares best, worst and expected case scenarios how the budget might be balanced in each of these scenarios.</p> <p>The Finance Resilience index published in December 2021 shows areas of higher risk (reserves sustainability and social care ratio) and lower risk (debt and levels of reserves) and these have been incorporated into the budget process. Benchmarking within Adult Social Care has been used extensively and with good effect.</p> <p>Actions:</p>

	<ul style="list-style-type: none"> • On appointment of a Chief Accountant, they will undertake a detailed Financial Resilience Review • We recognise the significance of balancing the budget with reserves in recent years that is not sustainable. The MTFS therefore aims to reduce the reliance on reserves whilst transformational change is embedded. • Work is currently under way to expand the use of benchmarking into other directorates. • Continued overspending in CYP due to high demand of services and the impact of COVID, however work continues to address the underlying issues. • A review of reserves was undertaken as part of the 2021/22 accounts process but a further in-depth review will be undertaken over the summer of 2022/23 to understand the ability to add to the smoothing reserve that was created as part of the 2022/23 budget setting process
STANDARD G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The authority will need to demonstrate how the risks identified (see above) have informed a long-term financial strategy. This should include a statement that sets out both the vision and the underlying strategy, together with the mix of interventions that the organisation will adopt in delivering services to achieve the intended outcomes – this should be the corporate plan.
CFO assessment and Actions required	The authority currently has a 4 year MTFS and a 30 year HRA business plan. The GM Treasurers regularly benchmark their MTFS assumptions with one another Actions: <ul style="list-style-type: none"> • To further review the HRA business plan and undertake sensitivity analysis on it • In view of the current national economic outlook and rising levels of inflation and cost of living crisis the MTFS will be reviewed and subject to further sensitivity analysis and stress testing
STATEMENT H - The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	The Prudential code stresses that a longer-term approach is necessary to ensure that Capital strategy and asset management plans are sustainable. The Capital Strategy should contain the following <ul style="list-style-type: none"> • Capital strategy • Balance sheet management • Long term vision • Commercial investment activity - relevant guidance on borrowing for acquisitions of commercial properties, a local authority should not put public money and services at risk.
CFO assessment and Actions required	The Council prepares a Capital Strategy in compliance with the Prudential Code that includes information on Assets/vehicle Management Plans and Condition Surveys.

	<p>Actions:</p> <ul style="list-style-type: none"> • A revenue model to be prepared to identify the longer term implications of capital and commercial investment. • Establishment of a capital gateway and planning board with a subcommittee specifically for Education
STATEMENT I - The authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans	The MTFP should enable the leadership team to have confidence in its long-term strategy for its financial sustainability. Importantly, financial and operational plans must be demonstratively aligned to the strategy at all levels.
CFO assessment and Actions required	<p>The authority prepares a MTFP in accordance with guidelines</p> <p>Actions:</p> <ul style="list-style-type: none"> • Further develop the MTFP by improving techniques and sensitivity analysis. • Review of the use of reserves to ensure financial resilience • Corporate challenge regarding unachieved savings
Section 4	The Annual Budget
STANDARD J - The authority complies with its statutory obligations in respect of the budget setting process	Local authorities need to ensure that they are familiar with the legislative requirements of the budget setting process. CFO will need to work closely with the chief executive, monitoring officer and the leadership team to ensure statutory processes and a timetable necessary to set a legal budget are understood. The monitoring officer is the custodian of the constitution.
CFO assessment and Actions required	<p>The council produces a detailed budget report supported by the MTFP, Treasury management strategy and capital strategy. Work begins on the budget in advance of the local government settlement and specific elected member training is delivered on the budget and senior members of the finance team also work with each political party to support them in developing their alternative budget. Budget presentations are also delivered to political groups ahead of the formal governance processes</p> <p>The governance process includes taking the annual budget through Overview and Scrutiny Committee and Cabinet prior to being presented at annual Budget Council</p> <p>Actions: None Identified.</p>
STANDARD K - The budget report includes a statement by the Chief Finance Officer on the	<p>The best budget plans are those owned and articulated by the whole leadership team and senior managers, not simply the CFO.</p> <p>It is the responsibility of the CFO to advise the local authority on the appropriate level of reserves and the robustness of the estimates.</p>

robustness of the estimates and a statement of the adequacy of the proposed financial reserves	The budget should show detail and explanations of all reserves with estimates.
CFO assessment and Actions required	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. A risk assessed minimum level of reserves is included in the MTFS. The information from the CIPFA Resilience Index was included in the MTFS. Actions: None Identified.
Section 5	Stakeholder engagement and business cases
STANDARD L - The Authority has engaged with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget	Stakeholder consultation helps to encourage community involvement not just in the design of services but in their ongoing delivery. This is especially the case when a local authority adopts an enabling approach to public service delivery which, along with the active involvement of the third sector, may facilitate future reductions in service costs.
CFO assessment and Actions required	The council takes the MTFS and budget to Cabinet and O&S committee as part of consultation. Staff groups and the public are also consulted on in terms of any savings proposals which may impact service users, residents or staff Actions: None Identified
STANDARD M - The authority uses a documented option appraisal methodology to demonstrate the VFM of its decisions	The authority's decisions must be informed by clear business cases based on the application of appropriation option appraisal techniques. Professional accountants can be expected to comply Investment Appraisal for Sustainable Value Creation. It is the responsibility of the CFO to ensure that all material decisions are supported by an option appraisal which in its rigour and sophistication is appropriate for the decision being made. All decisions are supported by appropriate business cases
CFO assessment and Actions required	Finance staff are involved in all Business Cases presented to Cabinet as part of the Budget and MTFS. Actions: <ul style="list-style-type: none"> • To develop the capital gateway process for all capital investments. • Following the introduction of Business Partners further refine and develop the Business Case process for revenue expenditure and income generation
Section 6	Monitoring Financial Performance

<p>STANDARD N - The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability</p>	<p>Significant unplanned overspends and/or carrying forward undelivered savings into the following year might be a sign that an authority is not translating its policy decisions into actions. It is a requirement of this code that authorities should more closely monitor the material elements of their balance sheet that may give indications of a departure from financial plans.</p>
<p>CFO assessment and Actions required</p>	<p>Budget monitoring and reporting is undertaken and reported to the Executive team and finance staff regularly meet with the senior managers within services</p> <p>Actions:</p> <ul style="list-style-type: none"> • System enhancements are being reviewed to improve the budget monitoring abilities of budget holders alongside training. • Review of timeline to ensure reporting is undertaken in real time enabling Executive team and Departmental Leadership teams to respond in a timely manner.
<p>STANDARD O - The Leadership Team monitors the elements of its balance sheet which pose a significant risk to its financial stability</p>	<p>It is a requirement of this code that authorities should more closely monitor the material elements of their balance sheet that may give indications of a departure from financial plans.</p>
<p>CFO assessment and Actions required</p>	<p>The monitoring of the balance sheet occurs quarterly and at year end.</p> <p>Actions:</p> <ul style="list-style-type: none"> • The formation of a monthly report to monitor the activity of the balance sheet with projections for cash flow, debt, investments and borrowing.
<p>Section 7</p>	<p>External Financial Monitoring</p>
	<p>Evidence of Compliance</p>
<p>STANDARD P - The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with</p>	<p>The CIPFA Statement requires that the statements of account are published on a timely basis to communicate the authority's activities and achievements, its financial position and performance. It also requires certification of the accounts by the chief finance officer. The confirmation that the accounts present a 'true and fair' view is one of the fundamental roles of the statutory chief finance officer. The statutory and professional frameworks for the production and publication of the accounts underpin their importance and demonstrate that they have a key part to play in accountability to taxpayers and other stakeholders in showing how public money is used.</p>

the Code of Practice on Local Authority Accounting in the United Kingdom	
CFO assessment and Actions required	The accounts are reviewed in detail by the CFO and DCFO. Assurance is provided through External Audit and Internal Audit Actions: None Identified.
STANDARD Q - The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions	It is key to ensure that the authority and its leadership understand how effectively its resources have been utilised during the year, including a process which explains how material variances from initial and revised budgets to the outturn reported in the financial statements have arisen and been managed.
CFO assessment and Actions required	The Executive Team are presented with the outturn position and key variances prior to publication of the accounts and in a timely manner. Comments and questions are reviewed and answered. Actions: None Identified.