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**FINANCIAL MANAGEMENT CODE**

Committee: Audit Committee

Date: 17<sup>th</sup> October 2022

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1. ISSUE

- 1.1 To update Committee on the Council's application of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Financial Management Code.

2. RECOMMENDATION

- 2.1 Committee is asked to note the contents of this report.

3. BACKGROUND / OPTIONS

- 3.1 Following the discussion at Committee on the 25<sup>th</sup> July 2022 with regard to the Council's application of the CIPFA Financial Management Code, it was resolved

"That the report be noted and that a report be submitted to the next meeting of the Committee on the survey of the adequacy of financial reports and action plan for improving the level of compliance with the Financial Management Code."

- 3.2 This is the requested report.

4. ARGUMENTS / CONCLUSIONS

- 4.1 The July report highlighted four potential area for improvement where further work / consideration was felt necessary over the Summer period. These areas are discussed in the following paragraphs.

- 4.2 Financial Reporting

Surveys were undertaken during the Summer to obtain the views of members, senior officers and service leads on the adequacy of financial reports.

The general consensus was that the information currently provided is giving all stakeholders the information they need to undertake their respective rolls. Budget holders, were happy with and understood the reports they received (see section 5.4 below).

With regard to reports for Committee, members universally liked the format of the reports, but there was a slight differing of opinion on the quantity of narrative required. Some members wanting greater detail, while others liked the preciseness of the reports, knowing they could ask further detailed questions where they felt this necessary.

#### 4.3 Sensitivity Analysis

With the rate of inflation now a significant issue for the Council and the residents of East Cambridgeshire more generally, it is agreed that some sensitivity analysis around this should be included in the budget report for 2023/24.

#### 4.4 Joint Finance and Performance Reporting

The possibility of joint finance and performance reporting has been considered at Corporate Management Team, but it is believed that the current process of separate financial and performance reporting remains fit for purpose, so no change is planned at this time.

#### 4.5 Financial Training

The Finance Team has reviewed the finance training needs of budget holders and service leads over the Summer months and where knowledge gaps were identified, one-to-one training has been provided to resolve. At the end of the training, budget holders were asked to sign a form confirming their knowledge of:

- The budget and reports they receive from Finance
- The budgetary control process
- The process for determining forecast outturns
- The budget preparation process

#### 4.6 Other Training

Not linked to the Financial Management Code, but at Committee on the 25<sup>th</sup> July 2022 there was also a request that Committee be provided with details of general, non-job specific, training provided to officers of the Council. This training includes:

- Corporate Induction
- Data Protection (GDPR)
- Cyber security
- Equality and Diversity
- Environment protection
- Budget holder
- Procurement
- Health & Safety
- Conflict Management

- Managing challenging phone calls
- Fire Extinguisher, bomb threat and suspicious packages
- First Aid
- Fire Warden

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<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
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