

## Self-Assessment - Financial Management Code - Update

Ref	Financial Management Standard	Our Response June 2021	RAG Rating June 2021	Updated position November 2021	Updated RAG rating
A	The leadership is able to demonstrate that the services provided by the authority provide value for money (VFM)	<p>On 17 March 2021 Cabinet approved the Council Performance Framework for 2021-2022.</p> <p>A performance framework has been developed to reflect how the Council is performing against city new and changing priorities, as articulated in Relighting Our City.</p> <p>This performance framework will provide high-level city data on key priorities, benchmark city performance against national and regional data, highlight the impact of targeted interventions, inform strategic decision-making in relation to provision and encourage scrutiny of those strategic decisions.</p> <p>The performance framework will look at two different types of indicators, city indicators and impact indicators which will be reported to Cabinet on a quarterly basis: city indicators are</p>	Amber	<p>To-date Cabinet have received two reports (July and November 2021), which bring together performance against our Relighting Our City priorities and the financial performance. In July 2021, Cabinet received a report against City level indicator. In November 2021, Cabinet received a report the performance against impact indicators.</p> <p>The performance and finance reporting will continue to be strengthened and reported to cabinet on a quarterly basis.</p> <p>The Council continues to develop and deliver against its priorities, aligning resources to key priorities and benchmarking our performance against national statistics - such as Wolves at Work 18-24 - Youth Employment. In November 2021, Council approved £3 million to support the Council and City's number one priority - a comprehensive programme of targeted intervention - Wolves at Work 18-24 Programme - to support our young people into sustainable employment, apprenticeships, education and training.</p>	Amber

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		<p>high level indicators that although the council will influence, they may not be able to directly effect. Impact indicators are indicators that demonstrate what the Council is directly doing to improve outcomes and in turn influence the city indicators.</p> <p>In addition to the overarching framework the following areas provide assurance in specific areas:</p> <p>The Council's Project Assurance Group (PAG), provides assurance that the Council's projects and programmes are operating in line with expected corporate standards. PAG also provides scrutiny of business cases, ensuring that they are robust and demonstrate a clear understanding of time, costs, scope, risk and benefits / disbenefits. VFM is a key aspect of the business case.</p> <p>Key projects also have internal boards and working groups. Where appropriate the boards include</p>		<p>Work is ongoing to continue to develop and utilise benchmarking across specific services.</p> <p>Work will be undertaken during 2022 on a value for money review of the Housing Revenue Account (HRA). This will include building on initial benchmarking findings of an independent review and a review the 'housemark' benchmarking report which Wolverhampton Homes have participated in.</p> <p>In addition, the Council's external auditors are due to report back on their VFM 2020-2021 conclusion by 11 January 2022.</p>	

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		<p>members of the Senior Executive Board (SEB). These boards evaluate options, before key decisions are made and monitor progress. Where appropriate, expert consultants are utilised on major projects.</p> <p>The Medium Term Financial Strategy (MTFS) delivers a robust financial plan through a rigorous budget setting process.</p> <p>The External Auditor provides a VFM assessment in which they determined that the 'Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources'.</p> <p>The Councils Counter Fraud Team prevent and detect fraud which contributes towards protecting public funds and ensuring VFM by stopping / recovering fraudulent transactions. Counter Fraud updates are reported to the Audit and Risk Committee.</p>			

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		<p>Benchmarking is undertaken for specific services such as Adult Social Care, however this could be widened to other service areas.</p> <p>The council work in partnership with neighbouring local authorities, in areas such as children's social care to secure VFM for services across the region.</p> <p>The Council also participates in data sharing / benchmarking with SIGOMA, ADASS and other organisations.</p> <p><b>Further Action</b></p> <p>The delivery of the performance framework will provide further assurance that the authority is delivering value for money.</p> <p>In addition, benchmarking specific council services will be enhanced.</p> <p>A value for money review of the projects within the Housing Revenue</p>			

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		Account (HRA) will also be considered.			
B	The authority complies with the CIPFA Statement of the Role of the Chief Finance Officer in Local Government	<p>This is reviewed and completed each year by the Chief Finance Officer (CFO).</p> <p>The CFO is a fully qualified CIPFA member and reports directly to the Chief Executive.</p> <p>The responsibilities of the role of the CFO are detailed within the Constitution.</p> <p>The CFO is a member of the Senior Executive Board and has influence on all material business decisions, ensuring financial implications are provided on all reports.</p> <p>The CFO, through the Strategic Finance Team provides financial and treasury management reports throughout the year to Cabinet and Council.</p>	Green	<p>The Statement of Accounts 2020-2021 has been audited by the Council's external auditors and in their opinion the financial statement:</p> <ul style="list-style-type: none"> <li>• gives a true and fair view of the financial position of the group and of the Authority as at 31 March 2021 and the group's expenditure and income and the Authority's expenditure and income for the year then ended;</li> <li>• have been properly prepared in accordance with CIPFA/LASCCA code of practice on local authority accounting in the United Kingdom 2020-2021</li> <li>• have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.</li> </ul>	Green

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		<p>The Strategic Finance team is suitably resourced with appropriately qualified staff.</p> <p>There are contracts in place for specialist financial advice (treasury management, specific financial support).</p> <p>The annual Statement of Accounts 2019-2020 received an unqualified external audit opinion.</p> <p>Strategic Finance has received substantial assurance in the key financial systems internal audit.</p> <p><b>Further Action</b></p> <p>It is proposed that the statement is shared with SEB.</p>			
C	The leadership team demonstrates in its actions and	The Council's Audit and Risk Committee has an independent member as well as Councillor representatives. The Committee receives updates, provides independent assurance over	Green	In May and July 2021, Council approved amendments to the Councils Constitution to ensure it continues to reflect legislative and organisational changes, ensuring the Council is remains able to meet its duties.	Green

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	behaviours responsibility for governance and internal control	<p>governance, risk and internal control. The Audit and Risk Committee reports to Full Council on an annual basis.</p> <p>The internal audit annual opinion provides reasonable assurance on the Council's governance, risk management and control processes. This is reported to the Audit and Risk Committee.</p> <p>The Annual Governance Statement draws and comments on the management and internal control framework of the Council, especially the work of internal and external audit and the Council's risk management arrangements.</p> <p>SEB own and are accountable for the Strategic Risk Register and Internal Audit Plan.</p> <p>SEB have oversight and review the Council's forward plan – the timetable for taking key decisions to Cabinet and Council.</p>		From the internal audit reviews completed and reported so far during 2021-2022, there have been no issues identified that would impact on the ability to give reasonable assurance on the adequacy and effectiveness of the internal control, governance and risk management framework in the annual audit opinion at the year-end.	

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		<p>The Council is a learning organisation, reviews of the Monitoring Officer are presented to SEB and the Executive Team.</p> <p>The Head of Paid Services is responsible for the proper recruitment and organisation of staff. The Council's Monitoring Officer has a specific duty to ensure the Council, its officers and its elected members maintain the highest standards of conduct in all they do.</p> <p>The Constitution includes the Financial and Contract Procedure Rules, scheme of delegation and the roles and responsibilities of Senior Officers, elected members and committees. It also sets out the responsibilities of Heads of Services, Budget Managers and employees. It includes the scheme of delegation for decisions. These responsibilities are reinforced in the Management Accountability letter which all</p>			



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		managers are required to sign on appointment.			
D	The authority applies the CIPFA / SOLACE Delivering Good Governance in Local Government: Framework (2016)	<p>The Governance and Ethics Committee is a cross-party group which considers and advises the appropriate Council bodies on matters relating to governance and the Constitution.</p> <p>The Audit and Risk Committee provide independent assurance on the adequacy of the governance and risk management framework and the associated control environment. This Committee receive the draft Annual Governance Statement for review and consideration prior to approving the final statement and action plan, which is subsequently monitored and reported on.</p> <p>The Council has a local Code of Corporate Governance. However, this does need updating in order to reflect the latest CIPFA / SOLACE Delivering Good Governance in local Government Framework.</p>	Green	The Council is currently in the process of updating its Local Code of Corporate Governance.	Green

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		<p>This is reported in the Annual Governance Statement.</p> <p><b>Further action</b></p> <p>The Local Code of Corporate Governance will be reviewed and updated during the 2021-2022 year in order to reflect the latest CIPFA/SOLACE framework.</p>			
E	The financial management style of the authority supports financial sustainability	<p>The Constitution details Cabinet/Committee functions elected members and officer delegations.</p> <p>The Constitution includes the Financial and Contract Procedure Rules and sets out the responsibilities of Senior Officers, Heads of Services, Budget Managers and employees. These responsibilities are reinforced in the Management Accountability letter which all managers are required to sign on appointment. Budget managers are responsible for budget monitoring, and Strategic Finance -</p>	Green	<p>The Council continues to review the Constitution to ensure it is lawful and effective and reflects any organisational changes to so that the Council can continue to meet its duties. In 2021-2022, Council approved a number of amendments to the Council's Constitution.</p> <p>The Council's 'one council' approach to budgets aligned to the council's priorities is demonstrated through the combined quarterly performance and financial reports to Cabinet. In addition, in November 2021, the Council approved £3 million to support Wolves at Work 18-24; a comprehensive programme to support young people into employment, apprenticeships, education or training. A "One</p>	Green

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		<p>review, challenge, advice and have oversight of the whole process.</p> <p>All reports include financial and other key implications. Financial implications are signed off by Strategic Finance.</p> <p>Decisions are reported through leadership teams, and SEB for approval before they are considered by Cabinet.</p> <p>The Council has a 'one council' approach and budgets aligned to the Council's priorities. The Medium Term Financial Strategy is driven by the Section 151 Officer, but also owned by SEB.</p> <p>SEB have regular focussed sessions on the budget and the MTFS to inform strategic decision making.</p> <p>Directors lead on providing updates to SEB and ensuring their Cabinet members are briefed on financial</p>		City' response to the youth unemployment issue within the City.	

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		<p>monitoring / implications within their service area.</p> <p>Strategic Finance are represented on major project groups and attend Directorate Leadership Teams to provide strategic advice and challenge to enable successful delivery.</p> <p>The Council supports an enabling management style, allowing transformation to be undertaken within services, improving service delivery, driving out efficiencies, and delivering better value for money. The Council ensures that finances and other resources are put in place to ensure that these transformation programmes can be delivered effectively.</p>			
F	The authority has carried out a credible and transparent financial	The Council's Five Year Financial Strategy Framework clearly sets out the Council priorities and is aligned to Our Council Plan 2019-2023.	Amber	Work has progressed well on identifying proposals to close the forecast budget deficit for 2022-2023 and 2023-2024. In July and October Cabinet received updates on the budget strategy for both 2022-2023 and 2023-2024. In October 2021, it was reported that the	Amber

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	resilience assessment	<p>The Strategy provides the strategic framework to address the budget challenge facing the council over the medium term.</p> <p>The Council reports updates on the Budget and three year MTFS throughout the year, reports clearly set out the projected budget deficit, the assumptions, uncertainties and risks.</p> <p>In response to the pandemic, the Council has approved its five-point recovery plan, 'Relighting Our City'. On 17 March 2021 Cabinet approved the refreshed Relighting Our City Recovery Framework which demonstrated how the budget is linked to the key priorities.</p> <p>The Council's Capital Strategy sets out the long-term context in which capital expenditure and investment decisions are made.</p> <p>The capital programme covers a 5 year period and provides a level of</p>		<p>Council is on track to balance the budget for 2022-2023, however, proposals were mainly one-off and not sustainable over the medium term. The report detailed measures that would continue to be developed and testes in order to provide a sustainable medium term strategy.</p> <p>There continues to be significant uncertainty around the level of resources that will be made available to local authorities over the medium term. In September 2021, Government announced that a three-year spending review would be held on 27 October 2021. It is hoped that the provisional settlement expected to be announced mid December will provide some clarification on the funding over the next three years.</p> <p>The Final Budget Report which will be presented to Cabinet in February will include an extension to the MTFS to incorporate assumptions for 2024-2025, in line with the three year spending review.</p>	

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		<p>contingency to ensure provision is made to sustain key council assets such as fleet, ICT and properties.</p> <p>In addition, the Council Housing Revenue Account is based on a 30 year time horizon and is presented to Cabinet and Full Council on an annual basis.</p> <p>The Council has set a balanced budget for the last seven consecutive years without the need to use general reserves. The Council does, however, have planned use of specific reserves built into the budget.</p> <p>A full risk assessment is undertaken as part of the MTFS. The Council's Strategic Risk register incorporates the MTFS as a risk due to the level of uncertainties facing the Council over the medium term. Mitigations are identified for risks where appropriate; risks are monitored, reviewed and reported against on a regular basis.</p>			

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		<p>In relation to demand led services, in particular social care, Strategic Finance supports the services to undertake scenario modelling on potential future demand to determine demographic growth requirements, inflation implications and impact on suppliers.</p> <p>The main challenge facing the Council is the level of uncertainty on the level of resources that will be made available to the council over the medium term. Strategic Finance considers different scenarios to inform the financial strategy.</p> <p>A number of reserves are held to mitigate against future financial risks such as Budget Contingency reserve, Business Rates equalisation reserve, Treasury Management equalisation reserve. Reserves are also held to support transformation of services, development of projects and delivery of Relight priorities.</p>			

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		<p>The Council has successfully maintained the level of reserves.</p> <p>On an annual basis, a specific Reserves Working Group undertake a review of the appropriateness of reserves held by the Council and make recommendations to Cabinet on any future reserves no longer required for their original purpose.</p> <p><b>Further Action</b></p> <p>Whilst the Council has a Five Year Financial Strategy framework, and three year MTFS, due to the uncertainty over future funding streams focus has been given to addressing the next year's budget deficit in order to set a balance budget and recalculating the potential impact on future years.</p> <p>During 2021-2022 more focus will be given to looking over the medium term with the aim of developing</p>			



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		proposals that address the deficit over multiple years.			
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	<p>The MTFS remains a Strategic Risk.</p> <p>The MTFS is reviewed and updated on an ongoing basis including a continual review of the assumptions and projections of the strategy, risks, and the effectiveness of key transformation projects.</p> <p>The Council reports updates on the Budget and MTFS throughout the year, reports clearly set out the projected budget deficit, the assumptions, uncertainties, risks and the plan in place to address the budget gap. The Five-year Financial Strategy provides a strategic framework to address the budget challenge facing the Council over the medium term.</p> <p>In relation to demand led services, in particular social care, Strategic Finance supports the services to undertake scenario modelling on</p>	Green	<p>The MTFS still remains a Strategic Risk and updates are provided on a regular basis.</p> <p>The Budget Report presented to Cabinet in October detailed the current risks and uncertainties facing the council and the assumptions built into the MTFS. It reported that the overall risk associated with the 2022-2023 draft budget and medium term financial strategy remains at Red.</p> <p>The performance and finance quarterly monitoring report presented to Cabinet in November provided a summary of the current forecast costs of the pandemic, including the cost of recovery. Current forecasts suggest that these costs can be met from the Recovery Reserve and Covid Emergency Grant.</p>	Green

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		<p>potential future demand to determine demographic growth requirements, inflation implications and impact of supplier services.</p> <p>The main challenge facing the Council is the level of uncertainty on the level of resources that will be made available to the council over the medium term. Strategic Finance considers different scenarios to inform the financial strategy</p> <p>There is considerable uncertainty over the medium term on the impact of the pandemic and the cost of 'living with covid,' including the additional demand which will continue to be placed on services such as social care, public health and wellbeing. The economic costs of the pandemic will also place additional pressures on the Council's income collected from fees and charges as well as council tax and business rates for years to come.</p>			

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		<p>The Council approved its Recovery Plan, 'Relighting Our City' in September 2020. This plan outlines the Council's commitment to continue to work with partners to support the City to live with and recover from Covid-19. In order to support this work, the Council has established a Recovery Reserve.</p> <p>In addition, the delay of the review of Local Government finances has placed uncertainties on the Council's MTFS.</p> <p>The Council's Capital Programme includes a Corporate Contingency for Growth to fund the Council's replacement programme and support new schemes requiring capital investments. Requests for funding are subject to business cases reviewed in line with corporate priorities.</p>			
H	The authority complies with the CIPFA Prudential	The Council is aware of its obligations under the Prudential Code and has assessed itself as compliant with this principle.	Green	CIPFA have consulted on the Prudential and Treasury Management Codes with the revised codes expected to be published at the end of 2021.	Green

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	Code for Capital Finances in Local Authorities	<p>The Council's Full Council has approved the Capital Strategy which is a key document and forms part of the Council's integrated capital, revenue, strategic management and balance sheet planning. The strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity is undertaken in line with service objectives, whilst taking account of stewardship, value for money, prudence, sustainability and affordability.</p> <p>The Council also has a Housing Revenue Account which is based on a 30 year time horizon and is presented to Cabinet and Full Council on an annual basis.</p> <p>Treasury management activity is monitored and reported on a quarterly basis to Cabinet, with mid-year and annual reports being considered by Full Council. The</p>		<p>Measures proposed include how to define proportionate commercial investment in the context of local authority regeneration work and will also strengthen both codes with a greater focus on climate and environmental, social and government risks when making financial decisions.</p> <p>The Council's Treasury Management Strategy will be reviewed and updated on release of the final guidance. An updated Strategy will be reported to Cabinet and Full Council for approval prior to the commencement of the 2022-2023 Financial year.</p>	

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		<p>Treasury Management Strategy is approved by Full Council each year.</p> <p>The Treasury Management Strategy and performance reports are presented to Our Council Scrutiny Panel for scrutiny and review throughout the year.</p> <p>Specific training on Treasury Management is provided for councillors.</p>			
I	The authority has a rolling multi-year medium term financial plan consistent with sustainable service plans	<p>The MTFS is a 'live' document detailing budget pressures, opportunities, level of resources and the forecast deficit.</p> <p>The continuous budget setting and monitoring cycle captures the major risks, uncertainties and opportunities facing the Council.</p> <p>Medium term financial modelling is undertaken on areas of uncertainty such as social care, and where appropriate growth is built into the MTFS to deal with future forecast demands. Earmarked reserves are</p>	Green	<p>The MTFS continues to be a 'live' document, with updates reported to Cabinet. Reports clearly set out the forecast deficit, uncertainties, risks and the budget strategy to address the budget gap.</p> <p>The impact of Covid and the cost of recovery, particularly for income generating services and social care continue to be closely monitored.</p> <p>The 2020-2021 outturn position enabled the council to safeguard essential earmarked reserves which are held to support service transformation.</p>	Green

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		<p>held to support service transformation with the aim of driving out efficiencies in future years.</p> <p>The Council reports updates on Budget and MTFS throughout the year, reports clearly set out the projected budget deficit, the assumptions, uncertainties, risks and the plan in place to address the budget gap. The Five-year Financial Strategy provides a strategic framework to address the budget challenge facing the Council over the medium term.</p> <p>In order to be prudent, the MTFS incorporates Corporate Contingency budgets to deal with emerging pressures identified during the budget setting process. These pressures are monitored throughout the year and request for funding are subject the submission of business cases, any efficiencies identified against these budgets are released to support future budget deficits.</p>			

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		<p>Regular updates are presented to Leadership Teams, SEB and Cabinet on the Councils financial position over the medium term.</p> <p>The Council also holds a General Fund reserve of £13.7 million, which represents approximately 5% of the net budget requirements to deal with any unforeseen events.</p>			
J	The authority complies with its statutory obligations in respect of the budget setting process	<p>As required by legislation, the Council set a balanced budget on an annual basis, which is presented and approved by Full Council. The annual budget reports are submitted to Full Council for approval prior to the start of the new financial year.</p> <p>The Council has set a balanced budget without the need to utilise general fund reserves for the last seven consecutive years.</p> <p>Updates on the MTFs and Budget are presented throughout the year to Cabinet for approval.</p>	Green	<p>It was reported to Cabinet in July and October that the Council is on track to set a balanced budget for 2022-2023, without the need to use general fund reserves.</p> <p>The Final Budget 2022-2023 will be presented to Cabinet and Full Council in February / March 2022.</p>	Green

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		The Council is aware of the circumstances and process in issuing a Section 114 notice but does not envisage this to be an issue over the medium term.			
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.	<p>The forecast and actual level of reserves are monitored and reported to Cabinet.</p> <p>A number of reserves are held to mitigate against future financial risks such as Budget Contingency reserve, Business Rates equalisation reserve, Treasury Management equalisation reserve. Reserves are also held to support transformation of services, development of projects and delivery of Relight priorities.</p> <p>On an annual basis, a specific Reserves Working Group undertake a review of the appropriateness of reserves held by the Council and make recommendations to Cabinet on any future reserves no longer required for their original purpose.</p>	Green	The Specific Reserves Working Group is scheduled to review the reserves position on 14 December 2021.	Green



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		<p>Whilst the Council does not hold high levels of reserves, through good financial management and prudent planning, it has been able to protect the level of reserves.</p> <p>The Final Budget Report approved by Full Council includes a statement from the Director of Finance (Section 151 Officer) on the robustness of the estimates and levels of reserves.</p>			
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget	<p>The budget consultation process forms part of a continuous process of engagement with residents, businesses and other key stakeholder throughout the year which focuses on understanding people's priorities.</p> <p>The council has also invited residents and businesses to submit questions via social media to which the Leader of the Council and Cabinet Member for Resources have provided responses.</p>	Green	The Council is currently engaging with local people to help shape the refresh of the Council Plan 2019-2024. This has included a resident survey, engagement sessions with equality groups in the city as well as young people, businesses and partners. The engagement builds on the extensive programme undertaken with local people to help shape the Relighting Our City Recovery plan which has supported the organisations transition from the response to the recovery phase of the pandemic. The Council has made a commitment to a continuous conversation with communities and will continue to ensure there are opportunities	Green

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		<p>The Council aligns its resources to Our Council Plan 2019-2024 which set out how we will deliver our contributions to Vision 2030 and how we work with partners and communities to be a city of opportunity.</p> <p>Alongside managing the emergency response to the Covid-19 pandemic, the Council has also undertaken extensive planning for recovery. The Council engaged with around 2,500 people including residents, young people, the voluntary and community sector and other partners, employees, Councillors and businesses across to city which helped shape the Council's five-point recovery plan – 'Relighting Our City'. The Budget Report in March reported that the MTFS will be aligned to the our Relight priorities, with growth being built in to support our Relighting Our City agenda, in addition to the £3 million Recovery reserve held to support our recovery.</p>		<p>for local people to share their views and engage in the policy making process.</p> <p>The digital tool will be re-launched in early 2022</p>	

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		<p>On 17 March 2021 Cabinet approved the refreshed Relighting Our City Recovery Framework which demonstrated how the budget has been linked to the key priorities.</p> <p><b>Further Action</b> A new digital tool will be re-launched in 2021-2022 giving respondents a chance to set their own Council budget in line with their preferences.</p> <p>Work will continue to embed the budget consultation process into the continuous engagement we have with our residents, businesses, and key stakeholders.</p>			
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for	The council uses project management methodology as standard practice, which includes feasibility / options analysis gateway for all registered projects. A later business case gateway check provides further detail on cost / benefit impacts of option selected for further development. The Project Management Group (PAG) provides	Amber	To support the Council's plans to have a one council approach to contract management. A contract management framework based on the National Audit Office's Good Practice Contract Management Framework with a supporting toolkit have been drafted. In addition, relevant officer data is being collated to launch mandatory contract management training for officers. The training which is being utilised is	Amber

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	money of its decisions	<p>scrutiny, support and gateway control to projects.</p> <p>Details are captured in a standardised options appraisal template which is held on central system (Verto).</p> <p>The project methodology at present is a waterfall based approach – with the advancing gateways representing greater levels of understanding about the project.</p> <p><b>Further Action</b></p> <p>The Council is continuing to develop the project methodology / approach as part of ongoing enhancements. The Council's default project methodology at present is the waterfall based approach. However, particularly as a consequence of the uncertainties caused by the pandemic, the need for alternative project management approaches has been brought into sharper focus. Shorter, more critical / urgent</p>		<p>the Foundation Training available through the Government Commercial College.</p> <p>The Council also intends procuring a contract management software system. The system will provide greater visibility of contract performance and a strategic oversight of contracts.</p> <p>The above identified areas will provide a consistent and efficient method where possible and contribute to continuous improvement whilst obtaining value for money. These improvements will also prepare the Council in good stead for the forthcoming new procurement regulations as the Government's green paper, 'Transforming Public Procurement', identified contract management and commercial life cycle as key areas.</p>	

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		<p>projects may be more suited to an agile management approach – this is subject to further work.</p> <p>The Council is also looking to develop a new a contract management framework with supporting documents.</p>			
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	<p>The continuous budget setting and monitoring cycle captures the major risk and uncertainties facing the council.</p> <p>Quarterly budget monitoring reports detailing the forecast annual outturn position and reasons for variances are presented to the Directorate Leadership Teams and SEB for their consideration and approval.</p> <p>Strategic Finance attend leadership teams and major project groups, identifying at an early stage any emerging risks; providing challenge and strategic support.</p>	Green	The budget and monitoring reports presented to Cabinet continue to clearly set out the uncertainties and risks that have emerged as part of the continuous financial cycle.	Green

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		<p>The Strategic Risk Register is reviewed on a regular basis by SEB and Directorate leads which also informs risks at an early stage.</p> <p>As required, growth is built into the MTFS to address risks identified during the monitoring, which are reviewed and agreed by SEB.</p> <p>Corporate contingency budgets are also held for emerging risks that are identified, but where there is still a level of uncertainty at the time of budget setting.</p> <p>Approved budget reduction targets are also reviewed as part of the budget setting process to ensure they are still deliverable, undeliverable targets are removed or re-profiled as appropriate.</p> <p>The Budget reports presented to Cabinet (both MTFS and quarterly monitoring), clearly set out the financial risks.</p>			

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O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability	<p>The level and areas of credit losses are reviewed on a regular basis and feed into the quarterly monitoring which is reported to elected members.</p> <p>Budget managers also have access to reports on any income still owed for their service areas.</p> <p>Cashflow is monitored on a daily basis and updates shared with the Finance Business Partners and Chief Accountant.</p> <p>The Council holds and maintains a comprehensive list of assets. The year-end process includes detailed valuation of assets by external valuers. These are then reviewed and challenged by Strategic Finance. Reasons for movement are explored and explained.</p> <p>The Director of Finance and Deputy Section 151 Officer review and sign off the assumptions used to calculate major estimates.</p>	Green	<p>Cabinet in June received a report on the Council's resources held in earmarked reserves, provisions and general balances held as at 31 March 2021, after taking into account the outturn position for 2020-2021.</p> <p>The Specific Reserves Working Group is scheduled to undertake a full review of reserves on 14 December 2021.</p> <p>A full review of the assets held by the Council was undertaken as part of the 2020-2021 annual external audit.</p> <p>A dashboard has now been developed which details outstanding debt, making it more visible for Budget Managers and Services to review and take any necessary action. This dashboard is currently being rolled out and will form part of the quarterly financial monitoring review by Directorates.</p> <p>Initial feedback from rolling out the dashboard is that it increases visibility and accessibility to the data for the budget manager, which in turn enables them to direct resources where required.</p>	Green

Ref	Financial Management Standard	Our Response June 2021	RAG Rating June 2021	Updated position November 2021	Updated RAG rating
		<p>Provisions are reviewed and agreed with the Director of Finance.</p> <p>The Council has effectively managed its Reserves and reports them to Cabinet. In addition, on an annual basis, a specific Reserves Working Group undertake a review of the appropriateness of reserves held by the Council and make recommendations to Cabinet on any future reserves no longer required for their original purpose.</p> <p>Details around reserves, provisions and balances are shared with SEB.</p> <p>The CFO reviews the Statement of Account and confirms that they are a true and fair view of the financial position of the authority as at 31 March in year of account.</p> <p><b>Further Action</b> As part of the quarterly monitoring, service areas which generate significant income will be asked to</p>			



Ref	Financial Management Standard	Our Response June 2021	RAG Rating June 2021	Updated position November 2021	Updated RAG rating
		review and comment on outstanding income.			
P	The Chief Finance Officer (CFO) 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	<p>SEB and the CFO are aware of the CFO's responsibilities in terms of the preparation of the annual statement of accounts and is compliant with this principle.</p> <p>Any required changes are reviewed and implemented in advance. Staff attend training / seminars to ensure we are aware of any pending updates/ changes.</p> <p>In addition, information / understanding / approaches are also shared amongst regional colleagues.</p> <p>The Council met the statutory deadline for the production of the Statement of Accounts 2019-2020.</p>	Green	<p>The Director of Finance approved the draft Statement of Accounts 2020-2021 on 21 June 2021, in advance of the revised statutory deadline of 31 July 2021.</p> <p>The Audit and Risk Committee approved the Council's Statement of Accounts on 27 September 2021 and they were signed off after the completion of the external audit on 11 October 2021, just outside the revised challenging deadline of 30 September 2021, a similar experience to many other local authorities during the last 12 months.</p> <p>The external auditors have concluded that the 2020-2021 Statement of Accounts have been properly prepared in accordance with the CIPFA/LASCCA code of practice on local authority accounting in the United Kingdom 2020-2021 and in accordance with the requirements of the Local Audit and Accountability Act 2014.</p>	Green
Q	The presentation	The draft outturn figures are presented to Directorate Leadership	Green	The 2020-2021 outturn position was presented to leadership teams in May / June 2021, before	Green

Ref	Financial Management Standard	Our Response June 2021	RAG Rating June 2021	Updated position November 2021	Updated RAG rating
	of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions	<p>Teams and to SEB for review and to agree the final position (including the use of reserves and grants). Directors lead on providing explanations on any variances against budget within their service areas and are expected to explain what action is being taken to address any adverse variances, both in year and for future years. The Outturn position is presented to Cabinet for approval.</p> <p>The Outturn report includes explanation on variations to budget, updates on use of reserves and any newly identified budget risks that may need to be incorporated into the MTFS.</p>		formally being reported to Cabinet on 16 June 2021.	