

Ref.	Description	Detail	CFO Assessment and Actions Required
<b>Responsibilities of the Chief Financial Officer and Leadership Team</b>			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	Responsibility for managing the authority's financial resources and for ensuring its long-term financial sustainability lies with those responsible for making executive decisions and their advisors.	<p>The council has a clear governance structure which is documented in the constitution of the council.</p> <p>The Council's Scrutiny Committee review all financial Executive reports.</p> <p>The remit of the Council's Internal Auditors includes consideration of value for money.</p> <p>The Council's External Auditors carry out a value for money assessment each financial year.</p> <p>The Council has outsourced several service areas to Liberata to deliver services on our behalf. Regular service delivery meetings are held to monitor performance.</p> <p>The Council has outsourced the refuse collection service to Urbaser. Regular service delivery meetings are held to monitor performance.</p> <p>The Council has outsourced its leisure facilities to Burnley Leisure Trust. Regular service delivery meetings are held to monitor performance.</p> <p><b>Actions identified: None</b></p>

B	The authority complies with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government	<p>The Chief Financial Officer (CFO) is required:</p> <ul style="list-style-type: none"> <li>• To be 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</li> <li>• To 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 aligned with the authority's overall financial strategy</li> <li>• The CFO in a local authority 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</li> <li>• The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose</li> <li>• The CFO in a local authority must be professionally qualified and suitably experienced</li> </ul>	<p>The Director of Resources is the Council's Section 151 and Chief Financial Officer.</p> <p>The Director of Resources is a key member of the Management Team.</p> <p>All Executive reports are reviewed and agreed by Management Team.</p> <p>The Director of Resources oversees a team of suitably qualified personnel within the Finance, Internal Audit and Property sections.</p> <p>The Director of Resources is professionally qualified and suitably experienced.</p> <p>The Council subscribes to various external professional services, for example, CIPFA FAN, LG Futures, PSTax, Link Asset Services from which appropriate professional advice is obtained as required.</p> <p><b>Actions identified: None</b></p>
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Governance and Financial Management Style			
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	<p>Consideration should be given to the effectiveness of arrangements in place including:</p> <ul style="list-style-type: none"> <li>• Establishing a clear framework for governance and internal control across the authority including for those entities with which the authority works in partnership</li> <li>• Establishing clear arrangements for assurance and accountability</li> <li>• Espousing high standards of governance and internal control in its own activities</li> <li>• Creating, maintaining and nurturing a culture in which governance and internal control are embedded into the way in which the authority works</li> </ul>	<p>The Council's Constitution defines the roles of all Statutory Officers within the Council and also includes the scheme of Delegation and the Financial Procedure Rules.</p> <p>The terms of reference for Audit &amp; Standards Committee cover the areas of governance and internal control.</p> <p>Internal Audit review the systems of internal control through the Annual Governance Statement.</p> <p>Management Team regular meet with Executive Members at Policy Board and the Executive.</p> <p><b>Actions identified: None</b></p>
D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	The framework recommends that the review of the effectiveness of the system of internal control is included in the Annual Governance Statement	<p>The Council's Annual Governance Statement (AGS) is prepared in accordance with this framework. The AGS is approved by Audit and Standards Committee and published alongside the annual Statement of Accounts.</p> <p><b>Actions identified: None</b></p>

E	The financial management style of the authority supports financial sustainability	CIPFA identifies a hierarchy of three financial management styles: <ul style="list-style-type: none"> <li>• Delivering accountability</li> <li>• Supporting performance</li> <li>• Enabling transformation</li> </ul>	Budget holders are responsible for their budgets, with support from their Finance Business Partners.  The Council's Medium Term Financial Strategy and Capital Investment Programme aims to provide a holistic view to Management Team and Members on the revenue budget, capital programme, fees and charges, earmarked reserves and financial planning.  The Council has a strong reputation for financial planning and the identification and achievement of savings to ensure that budgets are balanced annually.  The Council has also identified several regeneration schemes which have been approved by Members and are aligned to the Council's strategic objectives, for example, Pioneer Place, Charter Walk, Sandygate Halls.  <b>Actions identified: None</b>
<b>Medium to Long Term Financial Management</b>			
F	The authority has carried out a credible and transparent financial resilience assessment	The authority should explore the sensitivity of its financial sustainability to alternative plausible scenarios for key driver of costs, service demands and resources.	The Council's Medium Term Financial Strategy (MTFS ) looks at a forward projection of 4 years and includes three scenarios on funding – an increase of 2%, 0% and -2%. The MTFS is reviewed by Management Team and reported to Members twice per year – February and September.  The key risks facing the council are identified within the MTFS along with mitigating actions.  The Council's Reserve Strategy is included within the MTFS.

			<p>The Council has a strong record of identifying current year and future year savings. These proposals are reviewed by Management Team and Executive Members before being approved by Full Council.</p> <p><b>Actions identified: None</b></p>
G	<p>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p>	<p>After having carried out a financial resilience assessment, the authority should demonstrate how the risks identified have informed the development of its longer-term financial strategy. The authority should report the implications of these risks on its future financial sustainability to its leadership team, including its elected members.</p>	<p>The Council's Medium Term Financial Strategy (MTFS ) looks at a forward projection of 4 years and includes three scenarios on funding – an increase of 2%, 0% and -2%. The MTFS is reviewed by Management Team and reported to Members twice per year – February and September.</p> <p>The key risks facing the council are identified within the MTFS along with mitigating actions.</p> <p><b>Actions identified: None</b></p>
H	<p>The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.</p>	<p>CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital planning.</p>	<p>The Council's Capital Strategy has been prepared in accordance with the Prudential Code.</p> <p>The Council seeks specialist advice from Link Asset Services around borrowing and affordability over the shorter to longer term. This includes ensuring that future repayments are spread sufficiently to ensure affordability of repayment.</p> <p><b>Actions identified: None</b></p>

I	The authority has a rolling multi-year medium term financial plan consistent with sustainable service plans.	The authority should prepare a multi-year financial plan to ensure that its annual budget is in alignment with its longer-term financial aims. The plan should be consistent with associated service plans for the authority's principal services.	<p>The Council's Medium Term Financial Strategy (MTFS ) looks at a forward projection of 4 years and includes three scenarios on funding – an increase of 2%, 0% and -2%. The MTFS helps to formulate the annual budget.</p> <p>The MTFS process requires the identification of savings within service areas. Savings proposals are reviewed by Management Team and the Executive to ensure that they are in alignment with service plans.</p> <p><b>Actions identified: None</b></p>
<b>The Annual Budget</b>			
J	The authority complies with its statutory obligations in respect of the budget setting process.	<p>For local authorities in England and Wales:</p> <ul style="list-style-type: none"> <li>• The Local Government Act 2000 requires the Full Council to approve the annual budget, on the recommendation of the Executive, together with the associated council tax demand;</li> <li>• The Local government Act 2003, Section 25 requires the local authority's Section 151 Officer to report to the Council on the robustness of the estimates made in the annual budget and on the adequacy of the proposed financial reserves assumed in the budget calculations.</li> </ul>	<p>The annual budget is approved by Full Council at their February meeting along with the Council Tax Resolution.</p> <p>The Section 151 Officer is involved in the annual budget setting process and the production of the Medium Term Financial Strategy (MTFS).</p> <p>The Statutory Report of the Chief Finance Officer is submitted to Full Council annually at their meeting in February. The report focuses on the robustness of the estimates made when setting the annual budget along with the adequacy of the Council's reserves and the identification of risks.</p> <p><b>Actions identified: None</b></p>

K	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.	The aim of this report is to provide information and assurance in respect of the estimates included within the annual budget, so that those responsible for scrutinising and approving the budget can take these into account as part of the scrutiny and approval process.	<p>The Statutory Report of the Chief Finance Officer is submitted to Full Council annually at their meeting in February. The report focuses on the robustness of the estimates made in the annual budget along with the adequacy of the Councils reserves and the identification of risks.</p> <p>The Medium Term Financial Strategy (MTFS) and the Treasury Management Strategy are also submitted to Full Council in February to be approved alongside the annual budget and the Council Tax Resolution.</p> <p><b>Actions identified: None</b></p>
<b>Stakeholder Engagement and Business Cases</b>			
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	Stakeholder consultation can help to set the authority's priorities and to reduce the possibility of legal or political challenge. Furthermore, stakeholder consultation helps to encourage community involvement not just in the design of services but in their ongoing delivery.	<p>The Council consults with stakeholders (budget holders, service delivery partners etc) when setting the annual budget. Where savings proposals would impact on service delivery then public consultation would take place.</p> <p>Consultation is undertaken when compiling the Strategic Plan. The Strategic Plan is reported to Full Council.</p> <p><b>Actions identified: None</b></p>
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	Option appraisals are necessary when a decision will have important financial or service implications. The appraisal should identify all income and expenditure, with alternative options considered.	Investment appraisals are carried out for all large regeneration schemes, for example, Sandygate Halls, Pioneer Place, Charter Walk. These appraisals factor in various scenarios of income and expenditure and include a sensitivity analysis.

			<p>The Executive receives reports on the appraisals to consider whether the schemes should progress.</p> <p>All Member briefings occur for all major schemes to ensure that the appropriate level of scrutiny can take place prior to any decisions being taken at Full Council.</p> <p><b>Actions identified: None</b></p>
<b>Monitoring Financial Performance</b>			
N	The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	<p>To enable the leadership team to have access to the information required to identify emerging risks, the authority needs to ensure its leadership team:</p> <ul style="list-style-type: none"> <li>• Receives reports about the right things</li> <li>• Receives reports at the right time</li> <li>• Receives reports in the right format</li> <li>• Takes action in respect of any issues identified</li> </ul>	<p>Quarterly budget monitoring reports (revenue, capital and Treasury) and the annual outturn reports (revenue, capital and Treasury) are reviewed by Management Team prior to being reported to the Executive.</p> <p>The Medium Term Financial Strategy (MTFS), annual budget report, Treasury Management Strategy and Capital Investment Programme are all reviewed by Management Team prior to being reported to the Executive.</p> <p><b>Actions identified: None</b></p>
O	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	The leadership team is able to monitor material elements of the authority's balance sheet which pose a risk to its financial sustainability.	<p>The Council's treasury management advisors (Link Asset Services) carry out an annual balance sheet review on behalf of the council.</p> <p>Quarterly monitoring reports (for revenue, capital and treasury) and considered by Management Team prior to being reported to the Executive. These reports include the up-to-date position on revenue and capital reserves.</p>



			<p>The Council's Medium Term Financial Strategy (MTFS) looks at a forward projection of 4 years and includes three scenarios on funding – an increase of 2%, 0% and -2%. The MTFS is reviewed by Management Team and reported to Members twice per year – February and September.</p> <p>The Executive receive 5 in year treasury management reports (strategy, Q1-3 reports and annual outturn) which inform Members of investments and borrowing.</p> <p><b>Actions identified: None</b></p>
<b>External Financial Reporting</b>			
P	<p>The chief financial officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local authority Accounting in the United Kingdom</p>	<p>It is the responsibility of the Chief Financial Officer (Section 151 Officer) to:</p> <ul style="list-style-type: none"> <li>• Select suitable accounting policies and apply them correctly</li> <li>• Make judgements and estimates that are reasonable and prudent</li> <li>• Comply with the local authority Code</li> <li>• Keep proper accounting records which are up to date</li> <li>• Take reasonable steps for the prevention and detection of fraud and other irregularities</li> </ul>	<p>The Council's Chief Financial officer is the Director of Resources (Section 151 Officer).</p> <p>The Council's annual Statement of Accounts includes a signed statement by the Director of Resources confirming that the accounts give a true and fair view of the financial position of the authority at the reporting date and of its income and expenditure for the current financial year.</p> <p>The annual Statement of Accounts are reviewed by the Council's External Auditors to ensure that they are materially accurate and that the responsibilities of the Chief Financial Officer have been met.</p> <p><b>Actions identified: None</b></p>

Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	Effective financial reporting is key to ensuring that the authority and its leadership team understand how effectively its resources have been utilised during the year, including how material variances from initial and revised budgets to outturn have arisen and been managed.	The annual outturn report details the variances between revised budget and actual income and expenditure for each service area. A narrative around the significant variances is also included in the report.  <b>Actions identified: None</b>
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