



COMPLIANCE WITH THE FM CODE

PURPOSE OF PRESENTATION

- **To inform the CLT of the contents of the latest Financial Management Code, raise awareness and seek updates as appropriate**
- **To demonstrate continuing compliance with the code**

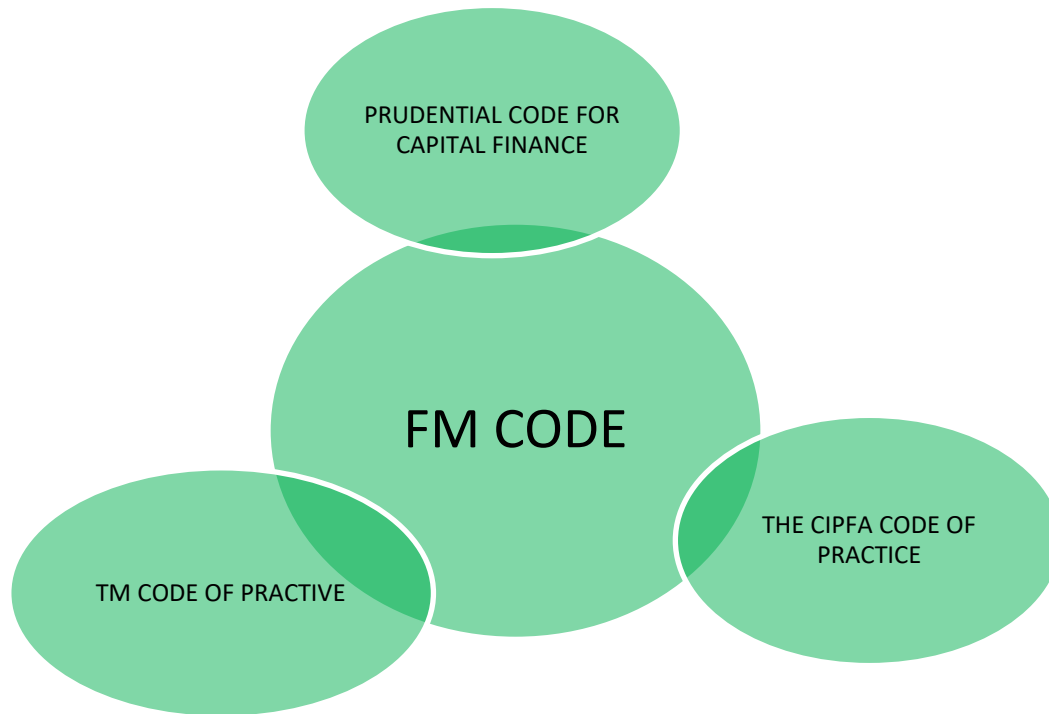


PURPOSE OF THE CODE

The FM Code identifies risks to financial sustainability and introduces a framework of assurance. This framework is built on existing successful practices and sets explicit standards of financial management



BUILDS FROM EXISTING ELEMENTS



PURPOSE

Complying with the standards set out in the FM Code is the collective responsibility of:

- Elected members
- The chief finance officer and their professional colleagues in the leadership team.



PRINCIPLES

The FM Code establishes an approach based on six principles of good financial management:

- 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, driving the annual budget process, supported by effective risk management, quality supporting data and whole life costs.
- Transparency At the core of financial management, using consistent, meaningful and understandable data, reported frequently, with evidence of periodic officer action and elected member decision making.



PRINCIPLES

- Professional Standards Promoted by the leadership team, with adherence evidenced.
- Assurance Recognised as an effective tool, mainstreamed into financial management, including political scrutiny and the results of both external audit, internal audit and inspection.
- Long-Term Sustainability At the heart of all local services' financial management processes, evidenced by the prudent use of public resources.



STANDARDS

- Explicit standards of financial management are also set out by the FM Code.
- These are the minimum standards which have to be complied with in order for the Council to demonstrate its compliance with the FM Code.
- The standards articulate the practical application of the principles of financial management based on the requirements of primary legislation, associated CIPFA codes and guidance on professional codes of practice and ethics.
- Whilst compliance with the standards is mandatory, the FM Code does not prescribe how they should be achieved.

RAG RATING

Status:	Number	%
Red	3	4%
Amber	13	18%
Green	58	78%
Total	74	100%

- The following document is our assessment of compliance with the code for 23/24.