

**Meeting: Audit Committee
Cabinet**

**Date: 28 July 2021
24 August 2021**

Wards Affected: All

Report Title: The CIPFA Financial Management Code – Desk Top Review 2020/21

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1. Purpose of Report

- 1.1 The report sets out a desk top review for 2020/21 undertaken by the Chief Finance Officer (CFO) in line with the CIPFA Financial Management Code of Practice (the Code).

2. Reason for Proposal and its benefits

We want Torbay and its residents to thrive.

We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.

We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

- 2.1 The proposals in this report help us to deliver this ambition by ensuring the Council has in place robust processes to satisfy the principles of good financial management supporting the Council in being fit for the future.
- 2.2 The reasons for the decision are to assist the Council in working towards full compliance with the code. The first full year of compliance is due to be 2021/22.

3. Recommendation(s) / Proposed Decision

Audit Committee resolved:

- (i) That the report be noted and that the Audit Committee reviews the Council's compliance with the Financial Management Code on an annual basis with exception reporting on reoccurring or continuing issues.

Recommendation for Cabinet

- (ii) That Cabinet note the report.

Appendices

Appendix 1: The CIPFA Financial Management Code CFO "Desktop" Review 2020/21

Background Documents

The CIPFA Financial Management Code and Guidance Notes.

Supporting Information

1. Introduction

- 1.1 The code was released by CIPFA in October 2019. The code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The Code therefore for the first time sets the standards of financial management for local authorities.
- 1.2 The Code is based on principles rather than prescription. Torbay Council must demonstrate that the requirements of the code are being satisfied, this is a collective responsibility of elected members, the Chief Finance Officer and the Senior Leadership Team.
- 1.3 The first full year of compliance will be 2021/22. This reflects the recognition that organisations will need time to work towards compliance.
- 1.4 To establish the level of compliance at present the Chief Finance Officer undertook a desk top review which is set out in Appendix 1
- 1.5 An action plan based on the initial desk top review will be completed and will be extended after a more detailed review of the Code during 2021/22.

2. Options under consideration

- 2.1 None

3. Financial Opportunities and Implications

- 3.1 Whilst the desk top review does not have any financial implications in terms of actual money, ensuring we have sound and robust systems reduces the opportunities for error and fraud.

4. Legal Implications

- 4.1 CIPFA's judgement is that although the code does not have legislative backing it applies to all local authorities and builds on existing best practice and for the first time sets explicit standards of financial management.

5. Engagement and Consultation

- 5.1 There has been no engagement and consultation as this is an internal review of the Councils processes.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 Not applicable

7. Tackling Climate Change

7.1 Not applicable

8. **Associated Risks**

8.1 To not undertake the review could result in the Council not being compliant with the code in 2021/22.