

## Slough Borough Council

<b>Report To:</b>	Audit and Corporate Governance Committee
<b>Date:</b>	23 July 2025
<b>Subject:</b>	CIPFA FM code self-assessment
<b>Chief Officer:</b>	Annabel Scholes, Executive Director Corporate Resources (s151 Officer)
<b>Contact Officer:</b>	Vicki Palazon – Finance Consultant (FIP and Companies)
<b>Ward(s):</b>	All
<b>Exempt:</b>	NO
<b>Appendices:</b>	Appendix 1 – CIPFA financial management standards Appendix 2 – CIPFA FM Code – council action plan

### 1. Summary and Recommendations

1.1 This report provides an overview the council's self-assessment of the CIPFA Financial Management (FM) code and action plan.

#### Recommendations:

Committee is recommended to:

- Note the CIPFA FM code self-assessment and action plan.

#### Commissioner Review

This report is outside the scope for pre-publication commissioner review; please check the [Commissioners' instruction 5 to CLT to sign off papers](#) for further details.

### 2. Report

#### Background

2.1 CIPFA published a Financial Management Code (FM Code) which sets out the minimum standards that councils should meet in managing its finances and resources well. The FM Code became mandatory in 2021/22 financial year. Councils should review their compliance with the FM Code periodically to confirm their compliance. There is no prescribed format for councils to self-assess, it is up to each council how they demonstrate self-assessment.

2.2 The FM Code contains principles shown in the next visual which is underpinned by 17 standards (Appendix 1). It is important to note that the principles apply across the council to ensure good financial management is embedded across the council.



2.3 Under the Directions issued November 2024 the council is required to undertake:

1c) A review of the Authority against the CIPFA Financial Management Code to demonstrate its compliance, with recommendations to Commissioners to improve this activity within the first six months and implementation of improvements thereafter.

2.4 The council undertook a comprehensive self-assessment defining 236 assessment criteria to evaluate compliance including evidence used for evaluation. The outcome was discussed and updated through internal governance before sharing with the leadership team for approval. The self-assessment was presented at the May 2025 Finance Improvement Board which comprises of the senior leadership team and Commissioners.

**Self-assessment outcome**

2.5 The outcome confirms that the council is not yet fully compliant with the FM Code, with 62% of the assessment criteria requiring further work to become compliant through an action plan. Of the six minimal assurance criteria, five relate to standard A – the leadership team is able to demonstrate that the services provided by the authority provide value for money. This is expected given the council is working towards becoming a best value council. The remaining one minimal assurance criteria relates to standard N - The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability and specifically to receiving reports on companies, particularly James Elliman Homes. This is being addressed through a Shareholder Unit which has been set up and a reporting framework being put in place.

Assurance	Criteria	Compliance
Substantial (Adequate and effective)	89	38% Full
Reasonable (Some improvements required)	89	
Partial (Significant improvement required)	52	
Minimal (Fundamental improvement required)	6	
<b>TOTAL</b>		<b>236</b>

2.6 For all part compliance assessment criteria, evidence has been reviewed and an action plan has been developed. It is important to note that whilst most activity is contained within the Finance Improvement Programme (completion end May 2026), other actions require delivery of the Recovery and Improvement Plan, the Transformation programme and actions within the Annual Governance Statement to be completed which are expected to be delivered between now and November 2026. The action plan is contained within Appendix B.

2.7 The leadership team and the Finance Improvement Board will receive quarterly progress updates on FM code compliance.

### **3. Implications of the Recommendation**

#### 3.1 Financial implications

3.1.1 There are no direct financial implications included in this report. The action plan is resourced through the programme resource and activities already contained within the Recovery and Improvement Plan, the Transformation plan and Finance Improvement Plan.

#### 3.2 Legal implications

3.2.1 The CIPFA Financial Management Code applies to all local authorities that are defined in Part 1 of the Local Government Act 2003. Application of the FM Code became mandatory for all local authorities beginning in the financial year 2021/22.

3.2.2 Strong financial management and reporting, in accordance with the CIPFA Financial Management Code, running throughout the whole organisation is a positive characteristic of a well-functioning authority under the Best Value guidance.

#### 3.3 Risk management implications

3.3.1 The CIPFA Financial Management Code promotes good practice in financial management including financial resilience and sustainability including demonstrating financial sustainability to members, residents and other stakeholders. The risk of non compliance means that the council is unable to demonstrate the principles and standards CIPFA outline as good practice in financial management.

3.3.2 The council's corporate risk register includes CR09 – Failure to achieve financial sustainability and a balanced MTFS. This risk is reported quarterly to the council's leadership team.

3.4 Environmental implications

3.4.1 There are no environmental implications.

3.5 Equality implications

3.5.1 There are no equality implications.

#### **4. Background Papers**

None

## Appendix 1 – CIPFA financial management standards<sup>1</sup>

FM standard reference	CIPFA financial management standards
<b>Section 1: The responsibilities of the chief finance officer and leadership team</b>	
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money.
B	The authority complies with the CIPFA <i>Statement on the Role of the Chief Finance Officer in Local Government</i> .
<b>Section 2: Governance and financial management style</b>	
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.
D	The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government: Framework</i> (2016).
E	The financial management style of the authority supports financial sustainability.
<b>Section 3: Long to medium-term financial management</b>	
F	The authority has carried out a credible and transparent financial resilience assessment.
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
H	The authority complies with the CIPFA <i>Prudential Code for Capital Finance in Local Authorities</i> .
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.
<b>Section 4: The annual budget</b>	
J	The authority complies with its statutory obligations in respect of the budget setting process.
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.
<b>Section 5: Stakeholder engagement and business plans</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.
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.
<b>Section 6: 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.
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.
<b>Section 7: External financial reporting</b>	
P	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i> .
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.

<sup>1</sup> Source: CIPFA financial management code October 2019

## Appendix 2 – CIPFA FM Code – council action plan

Standard	Assurance Category	Rec Category	Action Plan - Action	Executive Director	Timeline
A - The leadership team is able to demonstrate that the services provided by the authority provide value for money	Reasonable	Low	(1) Continue to embed risk management across the council and reporting to the leadership team going forward	Executive Director Corporate Resources (s151 Officer)	27/02/2026
	Reasonable	Low	(2) Delivery of the councils Recovery and Improvement Programme which takes the council out of intervention by November 2026	Chief Executive (Director of Strategy, Change and Resident Engagement)	26/11/2026
	Reasonable	Low	(3) As part of the Recovery and Improvement Plan continue to engage with service users to strengthen and demonstrate value for money	Chief Executive (Director of Strategy, Change and Resident Engagement)	31/10/2025
	Partial	Low	(4) As part of the council's Recovery and Improvement journey, consideration should be given to efficiency reviews and developing benchmarking to determine a longer term view on providing value for money	Chief Executive (Director of Strategy, Change and Resident Engagement)	31/05/2026
	Partial	Low	(5) As part of the Recovery and Improvement Plan develop and implement the new operating model stakeholder engagement plan	Chief Executive (Director of Strategy, Change and Resident Engagement)	30/09/2025
	Partial	Low	(2) Delivery of the councils Recovery and Improvement Programme which takes the council out of intervention by November 2026 (6) Delivery of the Annual Governance Statement action plan 2024/25	CLT	26/11/2026 31/03/2026
	Partial	Medium	(7) Update constitution Part 7 - Management Structure. (8) Update constitution to make explicitly clear the collective responsibility of the leadership team for best value	Chief Executive (Monitoring Officer)	31/10/2025 31/10/2025
	Partial	Medium	(9) Review Financial Procedure Rules and undertake a compliance review	Executive Director Corporate Resources (s151 Officer)	31/10/2025
	Partial	Medium	(10) Delivery of the operating model transformation programme	Chief Executive (Director of Strategy, Change and Resident Engagement)	30/09/2025

Standard	Assurance Category	Rec Category	Action Plan - Action	Executive Director	Timeline
	Minimal	High	(11) Implement service planning (12) Implement and embed an integrated corporate and financial planning process for 2026/27	Chief Executive (Director of Strategy, Change and Resident Engagement) / Executive Director Corporate Resources (s151 Officer)	30/09/2025 30/09/2025
	Minimal	High	(13) Review, update and maintain an up to date contract register to enable compliance monitoring with the Contract Procurement Rules (FIP project 21 - Procurement) (14) Assign a contract management owner for each contract and embed effective contract monitoring	Executive Director Corporate Resources (s151 Officer)	31/12/2025 31/12/2025
	Minimal	High	(15) Implement effective oversight and accountability for JEH / GRE5 and DISH (DISH not owned by the council) (16) Develop and implement a plan to discharge the external audit statutory recommendation	Chief Executive (Monitoring Officer)	30/09/2025 30/09/2025
	Minimal	High	(3) Delivery of the councils Recovery and Improvement Programme which takes the council out of intervention by November 2026 (17) Embedding and delivery of the council's internal audit plan 2025/26 (18) External auditor as part of their annual audit opinion for 2024/25 provides an opinion whether the authority has in place suitable arrangements to secure value for money	Chief Executive (Director of Strategy, Change and Resident Engagement) Executive Director Corporate Resources (s151 Officer)	26/11/2026 31/12/2025 31/12/2025
B - The authority complies with the CIPFA statement on the role of the Chief Financial Officer in Local Government	Reasonable	Low	(19) Delivery of FIP projects - financial management and training programme	Executive Director Corporate Resources (s151 Officer)	31/12/2025
	Reasonable	Medium	(20) Delivery of FIP projects 4 and 5 to recruit to vacant positions and phase 2	Executive Director Corporate Resources (s151 Officer)	28/11/2025
C - The leadership team demonstrates in	Reasonable	Low	(17) Embedding of the 2025/26 internal audit plan	Executive Director Corporate Resources (s151 Officer)	31/10/2025

Standard	Assurance Category	Rec Category	Action Plan - Action	Executive Director	Timeline
its actions and behaviours responsibility for governance and internal control	Reasonable	Low	(21) Review Internal Audit structure for a permanent solution	Executive Director Corporate Resources (s151 Officer)	31/03/2026
	Reasonable	Low	(22) Strengthen the use of realistic, evidence-based targets (e.g. for financial savings), rather than overly optimistic ones that may not be achievable in practice. The Design Authority will govern and monitor the process including achievement of the FIP	Executive Director Corporate Resources (s151 Officer)	31/10/2025
	Reasonable	Low	(23) The leadership to maintain oversight for completion of appraisals and actions to improve culture, governance and internal control through monthly HR MI packs.	Chief Executive (Director of HR)	31/03/2026
	Reasonable	Low	(24) Undertake the internal audit plan and Charter for 2025/26	Executive Director Corporate Resources (s151 Officer)	31/12/2025
	Reasonable	Low	(70) Embedding the Directorate Risk registers within management teams	Executive Director Corporate Resources (s151 Officer)	27/02/2026
	Partial	High	(25) Continue to report monthly to External Auditors on progress to clear o/s external audit recommendations	Executive Director Corporate Resources (s151 Officer)	30/09/2025
	Partial	Low	(26) Develop a clear framework for governance and internal control for partnership working (This is a programme within the Recovery and Improvement programme)	Chief Executive (Director of Strategy, Change and Resident Engagement)	30/09/2025
	Partial	Medium	(27) Discharge of all legacy and overdue internal audit recommendations is required	Executive Director Corporate Resources (s151 Officer)	31/03/2026
	Reasonable	High	(28) Implement finance resource to support the transformation programme	Executive Director Corporate Resources (s151 Officer)	30/06/2025
			(29) Delivery of the FIP programme all projects linked to supporting financial sustainability - to deliver accountability	Executive Director Corporate Resources (s151 Officer)	31/05/2026

Standard	Assurance Category	Rec Category	Action Plan - Action	Executive Director	Timeline
	Reasonable	Low	(3) As part of the Recovery and Improvement Plan continue to engage with service users to strengthen and demonstrate value for money	Chief Executive (Director of Strategy, Change and Resident Engagement)	31/10/2025
	Reasonable	Low	(30) Delivery of the FIP programme all projects linked to supporting financial sustainability	Executive Director Corporate Resources (s151 Officer)	31/05/2026
	Partial	Medium	(10) Delivery of the operating model transformation programme	Chief Executive (Director of Strategy, Change and Resident Engagement)	30/09/2025
	Partial	Medium	(31) Delivery of the FIP programme all projects linked to supporting financial sustainability - to deliver supporting performance	Executive Director Corporate Resources (s151 Officer)	31/05/2026
	Partial	Medium	(32) Develop a balanced MTFS for 2026/27 (33) Integrate business and financial planning (34) Understand financial / leadership expertise in strategic decision making and performance management (35) Improve understanding of cost drivers within the council	Executive Director Corporate Resources (s151 Officer)	27/02/2026 27/02/2026 27/02/2026 27/02/2026
	Partial	Medium	(36) Implement a financial competency framework (37) Define and implement financial skills to meet business needs	Executive Director Corporate Resources (s151 Officer)	31/03/2026 31/03/2026
	Partial	Medium	(38) Secure and maintain permanency of finance team to ensure efficiency and effectiveness of the finance function (39) Embed a strong finance business partner model (40) Ensure that financial management roles and responsibilities are understood across the council. Implement a training programme and guidance	Executive Director Corporate Resources (s151 Officer)	28/11/2025 28/11/2025 28/11/2025
F - The authority has carried out a credible and transparent financial resilience assessment	Reasonable	Low	(44) Undertake a further financial resilience assessment, reporting on resilience metrics during 2025/26 to inform current resilience and future sustainability taking the S25 statement actions forward	Executive Director Corporate Resources (s151 Officer)	30/09/2025

Standard	Assurance Category	Rec Category	Action Plan - Action	Executive Director	Timeline
G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	Reasonable	Low	(41) Continue to develop automated reporting suite to budget holders and upwards to manage budgets and decision making effectively and improve monthly reporting to the leadership team	Executive Director Corporate Resources (s151 Officer)	31/10/2025
	Reasonable	Low	(45) Develop regular reporting to leadership team on the status of the authority's asset base (this could be via an extension to the asset disposal updates)	Executive Director (Regeneration, Housing and Environment)	30/09/2025
	Reasonable	Low	(42) Develop and integrate internal performance information to identify risks to its ongoing financial resilience and the impact of financial pressures on service delivery	CLT	31/12/2025
	Reasonable	Low	(43) Assess the benefit of using local or national benchmarking data to compare and improve financial performance and position. Implement where necessary	Chief Executive (Director of Strategy, Change and Resident Engagement)	31/05/2026
	Reasonable	Medium	(46) Implement and monitor a savings tracker taking remedial action where necessary	Executive Director Corporate Resources (s151 Officer)	30/09/2025
	Partial	High	(47) Development of a reserves strategy	Executive Director Corporate Resources (s151 Officer)	31/08/2025
	Partial	High	(47) Development of a reserves strategy (48) Develop and implement robust and effective financial management	Executive Director Corporate Resources (s151 Officer)	31/08/2025 31/05/2026
	Partial	High	(49) Monitor and report on resilience metrics during 2025/26 as outlined in the S25 statement (48) Develop and implement robust and effective financial management	Executive Director Corporate Resources (s151 Officer)	31/10/2025 31/05/2026
	Partial	Low	(50) Develop a financial strategy integrated with business planning that considers factors that influence the authority's long term financial success. The MTFS refresh should be balanced across all years	Executive Director Corporate Resources (s151 Officer)	27/02/2026
	Partial	Medium	(51) Develop an effective and balanced financial strategy integrated with business planning	Executive Director Corporate Resources (s151 Officer)	27/02/2026

Standard	Assurance Category	Rec Category	Action Plan - Action	Executive Director	Timeline
H - The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	Reasonable	Low	(52) Develop an effective and balanced financial strategy integrated with business planning - capital	Executive Director Corporate Resources (s151 Officer)	27/02/2026
I - The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	Reasonable	Medium	(57) Development and approval of business cases for the transformation programme	Chief Executive (Director of Strategy, Change and Resident Engagement)	31/08/2025
	Partial	High	(53) Develop and implement an Assets Management Strategy	Executive Director (Regeneration, Housing and Environment)	11/12/2025
	Partial	Medium	(51) Develop an effective and balanced financial strategy integrated with business planning	Executive Director Corporate Resources (s151 Officer)	27/02/2026
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	Reasonable	Low	(54) Ensure that the S25 statement and its contents are monitored throughout 2025/26	Executive Director Corporate Resources (s151 Officer)	31/03/2026
L - The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	Reasonable	Low	(55) Develop and implement a Resident Engagement Strategy (activity as part of the Recovery and Improvement programme). (56) Deliver FIP project 26 - Resident and Engagement Programme	Chief Executive (Director of Strategy, Change and Resident Engagement)	28/11/2025
					28/11/2025

Standard	Assurance Category	Rec Category	Action Plan - Action	Executive Director	Timeline
M - The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	Reasonable	Low	(58) Develop and implement an options appraisal tool to strengthen options evaluation incorporating a value for money assessment	Executive Director Corporate Resources (s151 Officer)	31/10/2025
N - The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	Reasonable	Low	(59) The leadership team should record all decisions and continue to track decisions to conclusion	Chief Executive	31/07/2025
	Reasonable	Low	(60) The leadership team should receive reports timely and in an agreed format	CLT	30/09/2025
	Reasonable	Low	(61) Continue to develop best practice in providing financial reporting (FIP projects 6 best practice reporting and 7 - Financial Management)	Executive Director Corporate Resources (s151 Officer)	30/09/2025
	Partial	Low	(62) Implement commitment accounting as part of month end (accruals based) (FIP project 7 0 Financial Management) (63) Implement activities outlined in the S25 statement, for example data and metrics to improve financial management understanding and decision making	Executive Director Corporate Resources (s151 Officer)	31/10/2025
	Minimal	High	(64) Implement a schedule of reporting requirements from partnerships, companies and other parties	Executive Director Corporate Resources (s151 Officer)	30/09/2025
O - The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	Partial	High	(53) Develop and implement an Assets Management Strategy	Executive Director (Regeneration, Housing and Environment)	11/12/2025
	Partial	High	(65) Implementation and completion of recommendations from the Balance Sheet review report (66) Implementation and completion of recommendations from the cash reconciliation review	Executive Director Corporate Resources (s151 Officer)	31/08/2025
	Partial	High	(67) Implement strong financial grip on the balance sheet including regular reconciliations, risk review, resilience assessment and financial sustainability regularly reviewed	Executive Director Corporate Resources (s151 Officer)	31/08/2025

Standard	Assurance Category	Rec Category	Action Plan - Action	Executive Director	Timeline
P - The chief finance 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	Partial	High	(67) Implement strong financial grip on the balance sheet including regular reconciliations, risk review, resilience assessment and financial sustainability regularly reviewed (68) Include financial risk exposure on corporate and directorate risks	Executive Director Corporate Resources (s151 Officer)	31/08/2025 31/08/2025
	Partial	High	(67) Implement strong financial grip on the balance sheet including regular reconciliations, risk review, resilience assessment and financial sustainability regularly reviewed (68) Review risk on the balance sheet to include prevention and detection measures which can be developed into monitoring for financial sustainability	Executive Director Corporate Resources (s151 Officer)	31/08/2025 31/08/2025
P - The chief finance 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	Reasonable	High	(69) Publish the 2024/25 accounts in accordance with statutory deadlines	Executive Director Corporate Resources (s151 Officer)	30/06/2025
Q - The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions	Reasonable	Low	(61) Continue to develop best practice in providing financial reporting (FIP projects 6 best practice reporting and 7 - Financial Management)	Executive Director Corporate Resources (s151 Officer)	30/09/2025
	Partial	Low	(63) Implement activities outlined in the S25 statement, for example data and metrics to improve financial management understanding and decision making	Executive Director Corporate Resources (s151 Officer)	31/10/2025