

# General Purposes & Audit Committee Supplementary Agenda



**4. Croydon Finance Review - Phase 1 report** (Pages 3 - 26)

For Members to have a further opportunity to receive, consider and comment on the Croydon Finance Review – Phase 1 report and action plan.

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# Croydon Finance Review – Phase 1 Report

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**General Purposes and Audit  
Committee – 20/10/2020**

Ian O'Donnell

# Structured Discussion

- Introduction and background - questions
- Long to medium term financial management - questions
- The annual budget - questions
- Monitoring financial performance – questions
- Next steps - questions

# Introduction & Background

Review of financial management commissioned in May 2020.

Finance Review Panel established with external chair.

Methodology: review Croydon activity against best practice standards.

CIPFA Financial Management Code

24 other sets of statutory or professional standards

**“Local authorities are required to apply the requirements of the CIPFA FM Code with effect from 1st April 2020. This means that to enable the 2020/21 budget to have been prepared in compliance with the Code significant elements of the CIPFA FM Code will have to be adopted before April 2020.”**

**Source: CIPFA FM Code (consultation version)**



# Review to cover:

- Financial leadership
- Financial governance
- Long to medium term financial management
- The annual budget
- Stakeholder engagement
- Monitoring financial performance
- External financial reporting

Three areas prioritised for Phase 1:

- Long to medium term financial management
- The annual budget
- Monitoring financial performance

Separate review commissioned for group company structures

Phase 1 report to Finance Review Panel -  
September 2020

Report to GPAC - October 2020

75 recommendations, 84 pages (not including  
action plan)

# Introduction & Background Questions?

Long to medium term  
financial management

# Key areas:

- Financial resilience
- Long term financial strategy
- Capital strategy
- Asset management plan
- Medium term financial strategy
- Comparative data
- Reserves
- Group company structures

# Long to medium term financial management Questions?

# The annual budget



## Key areas:

- Meet statutory obligations
- Budget report
- Historical and contextual analysis
- Statement on robustness of estimates and adequacy of financial reserves
- Deliverability of savings

# The annual budget Questions?

# Monitoring financial performance

## Key areas:

- Reporting
- Quality of information / internal control
- Personal responsibility and accountability
- Deliverability of savings
- Below the line & balance sheet
- Subsidiaries
- Capital

# Monitoring financial performance Questions?

# Next steps

- Prioritised action plan for Phase 1 to be resourced and implemented
- Phase 2 – Financial Governance and Financial Leadership – mid November
- Further phases to follow.

Next steps

Questions?



# Thank you

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