

Croydon Finance Review – Phase 1 Report

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

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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