

Appendix to the Code of Corporate Governance

Governance Arrangements to Support the Principles of the CIPFA Statement on the Role of the Chief Financial Officer

CIPFA has recently launched its **Statement on the Role of the Chief Financial Officer (CFO) in Local Government**. To support this, CIPFA and SOLACE have also issued an **Application Note** to advise on the application of this **Statement** under the CIPA/SOLACE Framework for **Delivering Good Governance in Local Government**. The Application Note sets out how the governance arrangements contained in the CFO statement should be reflected in the Authority's **Code of Corporate Governance**.

The schedule below has been drawn up in accordance with the CIPFA/SOLACE Application Note and sets out how the governance arrangements contained in the CFO statement are fulfilled at Cambridge City Council. This schedule has been drawn up to support the Council's Code of Corporate Governance:

Governance Arrangements at Cambridge City Council	Relevant Core Principle
A Budget Setting Report is produced that reviews options and determines the affordability of the Council's spending plans. The Budget Setting Report includes the Treasury Strategy for borrowing and an Annual Investment Strategy in line with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance. The Council also produces an annual report reviewing Treasury Management Activities in compliance with CIPFA's Treasury Management Code.	1, 4 1
The Medium Term Strategy sets out the financial implications of the Council's Medium Term Objectives (MTOs) and priorities and is reviewed annually.	2

Governance Arrangements at Cambridge City Council	Relevant Core Principle
<p>Under the current structure the Director of Resources is the Chief Financial Officer and the Council's S151 Officer. The Director of Resources is professionally qualified and responsible for the proper administration of the authority's financial affairs, setting and monitoring compliance with financial management standards, advising on the corporate financial position and on the key financial controls necessary to secure sound financial management, providing financial information, preparing the revenue budget and capital programme and Treasury Management.</p> <p>The Director of Resources reports directly to the Chief Executive and is a member of the Council's Strategic Leadership Team and therefore is able to bring influence to bear on all material decisions.</p>	<p>2, 5</p> <p>2, 4</p>
<p>A review of the effectiveness of the system of Internal Audit is conducted annually and is considered alongside the Head of Internal Audit Opinion at Civic Affairs Committee.</p>	<p>4</p>
<p>The Head of Internal Audit produces an annual opinion on the overall adequacy and effectiveness of the internal control environment and risk management framework.</p>	<p>4</p>
<p>The Director of Resources meets regularly with the Council's External Auditors and reports directly to Civic Affairs Committee.</p>	<p>4</p>
<p>Budget variance reports are produced for Directors on a monthly basis and reviewed by Strategic Leadership Team each quarter. The Medium Term Strategy and Budget Setting Report also identify any significant variances and remedial actions.</p>	<p>1, 4</p>

Governance Arrangements at Cambridge City Council	Relevant Core Principle
The Council considers the financial implications of decisions in Committee reports to assist in the decision making process.	1
The Medium Term Strategy includes information on revenue forecasts and reserves and the Budget Setting Report sets out overall spending plans and minimum and target levels for reserves for both the Housing Revenue Account and General Fund.	4
Financial Control Procedures are set out in the Council's Constitution and are supported by additional guidance on segregation of duties and authorisation and approval processes in the form of Finance Guides and Business Procedures.	4
Governance and Risk Management training is provided to Members of Civic Affairs.	5