

# Audit and Governance Committee



Date of meeting:	16 September 2025
Title of Report:	<b>CIPFA Financial Management Code Assessment 2025</b>
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Louise Clapton, Audit Manager
Contact Email:	<a href="mailto:Louise.clapton@plymouth.gov.uk">Louise.clapton@plymouth.gov.uk</a>
Your Reference:	AUD/LC
Key Decision:	No
Confidentiality:	Part I - Official

## Purpose of Report

To present the findings of the independent internal audit assessment of Plymouth City Council's compliance with the CIPFA Financial Management Code (FM Code) for 2025. The FM Code sets out principles and standards of good financial management to support financial sustainability and effective governance in local authorities.

This report provides assurance on the Council's current position, highlights areas of strong practice, and identifies four key standards requiring attention to strengthen financial resilience, stakeholder engagement, and value-for-money decision-making.

## Recommendations and Reasons

I. It is recommended that the Audit and Governance Committee:

- Note the findings of the independent assessment undertaken by Devon Assurance Partnership, which provides Reasonable Assurance on the Council's compliance with the FM Code.
- Endorses the proposed management actions to address the four standards identified as requiring improvement:
  - Financial Resilience Assessment (FM Standard F)
  - Medium-Term Financial Planning (FM Standard I)
  - Stakeholder Engagement (FM Standard L)
  - Option Appraisal Methodology (FM Standard M)

Reasons:

- To fulfil the Committee's role in overseeing financial governance and assurance frameworks.
- To ensure the Council continues to meet its statutory responsibilities for sound financial administration.
- To support continuous improvement in financial management practices aligned with CIPFA guidance.

**Alternative options considered and rejected**

- I. No alternative options were considered, as undertaking an independent assessment against the CIPFA Financial Management Code is a recommended best practice and essential for demonstrating compliance with statutory responsibilities for sound financial administration.

**Relevance to the Corporate Plan and/or the Plymouth Plan**

This assessment directly supports the Corporate Plan priority of Spending Money Wisely by promoting robust financial planning, transparency, and value-for-money decision-making. It also aligns with the Plymouth Plan's strategic objective to ensure sustainable public services and resilient financial governance.

**Implications for the Medium Term Financial Plan and Resource Implications:**

The findings highlight the need to strengthen integration between the Medium-Term Financial Strategy (MTFS), service and capital plans, and scenario testing. Addressing these areas will improve the robustness of the MTFS and enhance the Council's ability to manage financial risks and plan for long-term sustainability.

Resource implications include:

- Officer time to develop and implement the recommended improvements.
- Potential investment in training, stakeholder engagement tools, and option appraisal frameworks.
- Enhanced modelling and reporting capabilities to support financial resilience testing.

**Financial Risks**

None.

**Legal Implications**

(Provided by Liz Bryant)

The FM Code itself is not currently supported by a legislative framework, CIPFA's judgement is that compliance with the FM Code will assist local authorities to demonstrate that they are meeting existing important legislative requirements.

**Carbon Footprint (Environmental) Implications:**

No impacts directly arising from this report.

**Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:**

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

In considering this report, Members should give due regard to the Council's statutory duties under the Equality Act 2010 to promote equality of opportunity, eliminate unlawful discrimination, and foster good relations between people who share protected characteristics and those who do not. The proposed actions to strengthen financial management are expected to support inclusive and equitable service delivery.

**Appendices**

*\*Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>

Date approved: 26/08/2025