

Committee: **Executive Committee**

Date of meeting: **14<sup>th</sup> October 2020**

Report Subject: **Supporting Financial Resilience – Audit Wales Follow Up Review**

Portfolio Holder: **Councillor N Daniels, Leader / Executive Member Corporate Services**

Report Submitted by: **Rhian Hayden, Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	20.08.20	29.09.20	29/09/20		11/09/20	14/10/20		

1. **Purpose of the Report**
  - 1.1 To present to Members the findings of the follow up review undertaken by Audit Wales on their Supporting Financial Resilience work stream.
  
2. **Scope and Background**
  - 2.1 During 2018, Audit Wales carried out a *Supporting Financial Resilience* review with a focus on the Council's effectiveness in terms of maximising funding opportunities and containing spending demands.
  - 2.2 The review concluded that the Council would need to develop a stronger financial culture to remain financially resilient and proposed a number of areas for improvement.
  - 2.3 Audit Wales has subsequently undertaken a follow up review to assess the Council's progress in strengthening its financial resilience, addressing the areas for improvement proposed in the initial review.
  - 2.4 Audit Wales have found that **the Council has responded positively and is making progress against the proposals for improvement and has future work planned to fully address them.**
  - 2.5 The report and the attached Audit Wales review highlights the progress that has been made against each of the areas for improvement identified in 2018.
  
3. **Options for Recommendation**
  - 3.1 This report was presented to the Corporate Overview Scrutiny Committee at its meeting on 11<sup>th</sup> September 2020 and Members supported Option 1.
  - 3.2 **Option 1**  
The Executive reviews the findings of Audit Wales, considers the progress made against the proposals for improvement and accept the report and appendix.

### 3.3 **Option 2**

The Executive reviews the findings of Audit Wales, considers the progress made against the proposals for improvement and provide comment.

## 4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The Council has a statutory responsibility for its own financial resilience. This is critical to the delivery of the Council's priorities in the medium and long term.

## 5. **Implications Against Each Option**

### 5.1 ***Impact on Budget (short and long term impact)***

5.1.1 The financial resilience of the Council is reliant upon establishing and maintaining a strong financial culture. The ability to set and deliver a balance budget annually combined with appropriate levels of reserves to mitigate the impact of unforeseen budget pressures is a crucial.

### 5.2 ***Risk including Mitigating Actions***

5.2.1 The risk to financial resilience are mitigated by strong financial management by the Council including:

- An agreed Medium Term Financial Strategy, which includes a planned increase in the level of the Council's general reserve and development and delivery of the Bridging the Gap programme;
- Regular financial monitoring / forecasts for capital, revenue and reserves;
- Development and delivery of action plans to address in year budget pressures

### 5.3 ***Legal***

5.3.1 Councils are independent bodies with legal responsibility for their own financial sustainability; they have ownership of assets, powers to borrow and to invest, and hold reserves which enable them to plan for and manage financial risk.

### 5.4 ***Human Resources***

n/a

## 6. **Supporting Evidence**

### 6.1 ***Performance Information and Data***

6.1.1 Audit Wales' follow up review sought to answer the question:

***Can the Council provide assurance that it has addressed the proposals for improvement detailed in the 2018 Supporting Financial Resilience review output?***

6.1.2 Overall Audit Wales found that:  
***The Council has responded positively to the findings of our report: it is making progress against the proposals for improvement and has future work planned to fully address them.***

6.1.3 Specific details relating to the proposals and the Council's progress are provided in the Appendix to this report.

## 6.2 ***Expected outcome for the public***

6.2.1 Good financial management is essential for the effective stewardship of public money and the delivery of efficient public services.

## 6.3 ***Involvement (consultation, engagement, participation)***

6.3.1 The review involved the appraisal of Council documents and interviews with key officers and the Leader of the Council.

## 6.4 ***Thinking for the Long term (forward planning)***

6.4.1 Delivery of the Council's priorities depend upon its continuing financial resilience.

## 6.5 ***Preventative focus***

6.5.1 The report highlights areas for improvement to support the Council's financial resilience.

## 6.6 ***Collaboration / partnership working*** n/a

## 6.7 ***Integration (across service areas)***

6.7.1 All service areas have a responsibility in ensuring the financial resilience of the Council.

## 6.8 ***EqlA*** n/a

## 7. **Monitoring Arrangements**

7.1

### **Background Documents /Electronic Links**

- Audit Wales – Supporting Financial Resilience Follow-up Review – Blaenau Gwent County Borough Council