

Committee: **Executive Committee**

Date of meeting: **14th 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 11th 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 ***EqIA*** n/a

7. **Monitoring Arrangements**

7.1

Background Documents /Electronic Links

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