

**Report To: Corporate Governance Committee**

**Date of Meeting: 27<sup>th</sup> July 2015**

**Lead Member / Officer: Councillor Julian Thompson-Hill**

**Report Author: Richard Weigh, Chief Finance Officer**

**Title: WAO National Study – Financial Resilience of Councils in Wales**

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**1. What is the report about?**

A Wales Audit Office national study of the robustness of management and planning arrangements to support financial resilience at each council, focussing on how councils plan and deliver their budget commitments.

**2. What is the reason for making this report?**

To present a WAO national study report.

**3. What are the Recommendations?**

To consider the report and the recommendations made.

To agree to receive a further update in January 2016 as a more detailed assessment aimed at ‘examining authorities’ financial health, together with how they are budgeting and delivering on required savings, to provide assurance that authorities are financially resilient’ is completed by the Wales Audit Office.

**4. Report details**

The report by the Auditor General for Wales titled ‘The Financial Resilience of Councils in Wales’ is attached.

The focus of the report covers the 2014-15 financial planning period and the delivery of 2013-14 financial plans. It also analyses the financial performance track-record of councils in 2011-12 and 2012-13. The council will carefully consider the report and recommendations made.

The council’s budget setting process was revised significantly during 2014/15 to consider savings for 2015/16 and 2016/17. The Medium term Financial Plan (MTFP) was updated in 2014 and is currently being revised for publication in the autumn. The relevant findings of the study and best practice will be incorporated into the revised MTFP, which will include a comprehensive reserves strategy. The council has delivered balanced budgets every year and is confident that its processes will continue to do so.

**5. How does the decision contribute to the Corporate Priorities?**

Robust financial planning, control and governance arrangements underpin the delivery of the council's corporate priorities.

**6. What will it cost and how will it affect other services?**

Not applicable to this report.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?**

Not applicable to this report.

**8. What consultations have been carried out with Scrutiny and others?**

Not applicable to this report.

**9. Chief Finance Officer Statement**

The findings of the study and recommendations are being considered as will the findings of the more specific assessment of the council's financial resilience over the coming months.

**10. What risks are there and is there anything we can do to reduce them?**

The study outlines risks and recommendations at a national level.

**11. Power to make the Decision**

Report produced under the Public Audit Wales Act 2004 and the Local Government (Wales) Measure 2009.