



AUDIT COMMITTEE - 14TH SEPTEMBER 2016

SUBJECT: FINANCIAL RESILIENCE REPORT

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

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- 1.1 The attached report, which was presented to Cabinet on 27 July 2016 provides the Audit Committee with the Wales Audit Office (WAO) report on its financial resilience assessment of Caerphilly CBC.
 - 1.2 Members noted the detailed report, which concluded that “The Council has effective financial control arrangements and a track record of achieving savings in advance. However, it does not have a comprehensive medium term financial plan, and monitoring progress of savings is fragmented”.
 - 1.3 The Proposals for improvement were outlined, which recommended that “The Council should strengthen its financial resilience by”:
 - Developing more explicit links between the Medium Term Financial Plan (MTFP) and its corporate priorities;
 - Developing a longer term MTFP with comprehensive multi-year savings plans to cover the period of the MTFP;
 - Continuing to develop a more strategic asset management plan which is aligned to its MTFP;
 - Reporting a ‘Whole Council’ financial and savings progress reports to Members on a regular basis; and
 - Developing income generation/charging policies.
 - 1.4 In response, S. Harris, Interim Head of Corporate Finance provided Cabinet with details of the Officers response as follows:
 - The Acting Director of Corporate Services and Section 151 Officer will maintain a dialogue with the WAO regarding the most effective way to demonstrate a link between the MTFP and corporate priorities.
 - In February 2016; Council approved an updated Medium-Term Financial Plan covering the five-year period 2016/17 to 2020/21.
 - Asset Management will continue to be dealt with through the Strategic Asset Management Group and an Asset Management Strategy will be presented to the Policy and Resources Scrutiny Committee on 4th October 2016.
 - A 2016/17 ‘Whole Authority’ mid-year budget monitoring report will be presented to Cabinet outlining projected expenditure for the year and details of progress in achieving savings targets, which will be in addition to the budget monitoring reports that are already prepared for individual Scrutiny Committees and the ‘Whole Authority’ budget monitoring report that is currently prepared in January each year for the Policy and Resources Scrutiny Committee.
 - A Corporate Policy on income generation/charging will be progressed once the WAO produces a final report on its “All Wales Local Government Improvement Study: Strategic approach to income generation and charging”.

1.5 Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RECOMMENDED that for the reasons contained in the Officers report it be recommended to Council that: -

- (i) the content of the Wales Audit Office (WAO) report be noted;
- (ii) the Officer response to the WAO proposal for improvement, as detailed in paragraph 4.5 of this report be noted.

1.6 The Audit Committee are asked to note the contents of the reports.

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Appendix:
Report to Cabinet dated 27 July 2016