

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE AUDIT COMMITTEE

25 JUNE 2015

REPORT OF THE CORPORATE DIRECTOR - RESOURCES

WAO REPORT ON COUNCILS' FINANCIAL RESILIENCE

1 Purpose of Report.

- 1.1 The purpose of this report is to present a recent Wales Audit Office report on "The financial resilience of councils in Wales.

2 Connection to Corporate Improvement Plan / Other Corporate Priorities.

- 2.1 This report is consistent with the Council's Corporate Priorities.

3 Background

- 3.1 The Wales Audit Office has undertaken a review of the financial resilience of councils in Wales. The scope of the report covers all local authorities in Wales, considering financial planning and governance arrangements in the context of significant funding changes, and compares findings to a similar study carried out by Grant Thornton on English local authorities.

4 Current situation / proposal

- 4.1 The report does not make any specific observations or recommendations in relation to individual councils, but concludes that

"Councils in Wales are under significant financial stress and have been active in meeting the challenge. However, the next few years will see increasing financial pressures and councils will need to improve strategic financial planning in order to effect transformation and protect their financial resilience."

The report makes reference to changes that English authorities have implemented, developing "highly sophisticated financial management arrangements that, four years ago, were not imagined"

- 4.2 The Wales Audit Office intends to undertake further work in this area including a reporting system covering financial and workforce performance.

5 Effect upon Policy Framework & Procedure Rules.

- 5.1 None

6 Equality Impact Assessment.

- 6.1 There are no equality issues.

7 Financial Implications.

7.1 None

8 Recommendation.

8.1 That Members note the content of the report.

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Corporate Director - Resources
2 April 2015

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Background Documents

The financial resilience of councils in Wales – report by the Auditor General for Wales