

Wales Audit Office

Financial Resilience: Savings Planning

March 2017

Executive Response

A Wales Audit Office *Financial Resilience* report has been produced for all 22 Councils. There will also be a national report to follow the one produced for 2015/16. The report for Flintshire comments on the adequacy of internal financial planning, control and governance.

The January 2017 follow-up report concluded that:

“The Council has a sound financial planning framework and it continues to strengthen its financial planning to better support future financial resilience.”

The report is a fair representation of the Council’s arrangements and a response is set out below on the single proposal for improvement made by the Wales Audit Office to *“strengthen financial planning arrangements by ensuring that all savings proposals are sufficiently developed before the start of the financial year in which they are to be implemented.”*

Issue	Response
<i>Strengthen financial planning arrangements by ensuring that all savings proposals are sufficiently developed before the start of the financial year in which they are to be implemented.</i>	Forecast and plan annualised efficiencies well ahead as part of business planning. The current 3 year business plans end on 31 March 2018 and will be renewed as part of a new 5 year planning cycle.
	Approve annualised efficiencies well ahead of the intended implementation date to allow effective planning, transition and risk management. The approval of the 2017/18 Council Fund budget in stages is a model to follow for future years.
	Early and robust risk and impact assessments to be conducted on efficiency proposals during their development so that decision-makers are well informed and able to make evidence based decisions. The risk and impact assessment methods currently used are to be refined and improved.
	Early consultation with those likely to be affected by planned change – whether public, partner or workforce – to inform the above. Current practice will be built upon.
	Effective programme management of the planning, implementation and ongoing management of efficiency plans. The current internal Programme Board management arrangements have been effective and although subject to change for the new Council will be continued in some form.
	Alignment of corporate expertise and resources to the change and efficiency plans of the greatest financial value and risk. The Council has aligned its resources carefully over the first two years of the business plans and has learnt from the experience. For future years the needs for capacity and resources will be

	assessed and reported as part of the new business plans. The Corporate Portfolio business plans will assign change management resources (Human Resources, Finance, ICT and Legal) to the organisational priorities.
	Frequent and transparent reporting of the progress of the implementation of approved efficiencies. The monthly reporting arrangement which shows the projected level of financial efficiencies to be achieved against target (within the monthly budget monitor report) will be continued.