



Audit Committee

22 April 2015

Finance Scrutiny Panel

Purpose of Report: Progress report

The project in conjunction with CfPS (Centre for Public Scrutiny) to strengthen financial scrutiny in Powys has been completed and a report submitted to Cabinet containing eight recommendations for future action. A response to these recommendations is due on 21 April 2015 and an oral update will be presented to the meeting.

Those recommendations were:

1. With regard to developing a stronger approach to contingency planning, it is recommended that as part of the developing Medium Term Financial Strategy, additional savings proposals 15-20% above future annual budget requirements should be identified to provide an appropriate cushion in the event that anticipated in-year savings are not achieved.
2. The Panel recommend a revised approach to the monitoring of efficiency savings which strikes a constructive balance in providing the necessary transparency in informing and engaging Members whilst recognising the need for Directorates to have sufficient flexibility in revising original plans in pursuing the achievement of savings. This will need to be subject to wider discussion.
3. The Panel recommend that greater onus should be placed upon Directorates to provide regular forward looking projections as part of current attempts to strengthen integrated reporting as a means to gauge financial performance.
4. The Panel recommend that the inter-relationship of capital and revenue budgets be explored more explicitly in the Medium Term Financial Strategy.
5. The Panel recommends that work needs to continue apace so to more clearly determine the extent to which the risk register both informs the

councils approach to transformation and budget setting whilst simultaneously acting as a business tool in reflecting risks associated with implementation in 'real time'. Members have also requested that additional information is needed in the development of future draft budget proposals to give better indication of how Equalities Impact Assessments may impact upon the achievability of savings.

6. The Panel recommends the Cabinet Forward Work Programme be more fully populated to provide greater public notice and more visibly reflect planned programmes of transformation and service remodelling. It is considered that this will assist greater public transparency and better enable the scrutiny function more effectively contribute to the decision making process via the alignment of its own forward work programmes.
7. The Panel recommend that greater dialogue take place between Cabinet, Senior Management Team and Audit and Scrutiny Chairs in order to better understand and respond to the information requirements of different elected member roles. This is regarded by the Panel as a pre-requisite to ensuring good governance and accountability drive improvement within the Council. The points highlighted in paragraph 2.30 should be used to help structure future discussions.
8. It is recommended that Cabinet produce an Action Plan detailing its response to the report and recommendations of the Finance Scrutiny Panel with appropriate timescales.

The response should set out how it intends to address each recommendation identifying what actions are to be taken and which Portfolio Holder is responsible for implementation. In order to ensure that the work of the Panel does not lose momentum, it is requested that the Action Plan be produced by 21st April 2015.

Although funding for the CfPS project has ceased, Rebecca David Knight, the former Wales Manager for CfPS, will be able to assist the Finance Scrutiny Panel prepare its forward work programme to ensure the improved processes are embedded.

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Sources/background papers: Cabinet report C47-2015

Panel Members: County Councillors A W Davies (Chair), S C Davies, M J Jones J G Morris, A G Thomas, D A Thomas, R G Thomas and Mr J Brautigam