

Questions Arising from the Review	Situation at Wokingham	Audit Committee Action
Facing up to uncomfortable reality		
1. What are the warning signs?	<p>External Auditor reports show no cause for concern. The inability to sign off the Accounts are understood and do not cause a concern.</p> <p>The S151 report provides assurance on the overall financial health of the authority.</p> <p>The LGA Peer Review and follow up has shown a proactive response to the issues raised.</p> <p>The Council's overall performance remains on target (quarterly performance monitoring).</p> <p>Monthly Revenue and Capital Monitoring show financial pressures but these are understood and being addressed in budget settings and savings programmes</p> <p>Internal Audits of Key Financial Systems provide assurance.</p> <p>CIPFA's Financial resilience index shows Wokingham have been rated in the top 20 of upper tier councils for financial sustainability</p>	<p>Continue to monitor and assess warning signs of financial stress.</p> <p>To review the CFO report to Executive. 83a. Appendix A CHIEF FINANCE OFFICER Report final.pdf (moderngov.co.uk)</p>
2. Are forecast savings realistic?	<p>Savings targets are challenging and subject to external changes in the environment. They are based on the best available information and a prudent assessment of risk. The Council's track record of delivering savings is strong. The CFO report details the delivery of past savings and provides a context for the future savings challenges.</p>	

<p>3. Is there a robust financial risk management framework?</p>	<p>The financial risk management framework is effective. Internal and external assurance supports this. There have been no significant cases of fraud or irregularities detected in the financial system.</p> <p>The CFO report and MTFP identify the Council's key financial risks and the mitigating actions to manage these risks.</p> <p>Financial risk is a key competent of the Council's risk management process with all Strategic and Operational risks being assessed for financial impacts.</p>	
Leadership		
<p>4. Is there urgency to tackle problems confronting the authority?</p>	<p>Key financial risks are raised through revenue monitoring reported via Executive which alerts to pressures and Officers and Council's respond to these. The Council has responded to the economic situation by establishing a response via the organisational foundations programme to identify and deliver savings.</p>	
<p>5. What support can the Committee offer to Statutory Officers in fulfilling their duties?</p>	<p>The Statutory Officers (S151, Monitoring Officer and Head of Paid Service) appear before the Committee on a regular basis and provide an update on the Council's risks. This provides an opportunity for the Committee to support the Statutory Officers in the discharge of their duties.</p>	<p>To understand and support the roles of the statutory officers and recognise the various bodies and committees responsible for financial management.</p>
<p>6. Is there adequate scrutiny and challenge of budgets, financial reports, and capital/investment strategies?</p>	<p>Budget setting is subject to review by O&S over a six-month period.</p> <p>Financial reporting is monthly to Executive.</p>	

	<p>The Capital strategy is subject to annual approval by Council and is monitored by Executive monthly.</p> <p>Treasury Management Strategy, mid-year review and annual report are received by the Audit Committee.</p>	
1. Governance		
7. Is the Audit Committee effective?	The Audit Committee assessed its effectiveness in March 2021 and found that it was effective. Several actions were identified to improve the functioning of the Committee.	The Audit Committee will conduct a self-assessment against the CIPFA Guidance on Audit Committees and report back in March.
8. Does the Audit Committee have sufficient oversight of Council owned companies?	The Audit Committee have included Council owned companies in the Internal Audit plan for 23/24	Consider the findings of the Internal Audit report.
9. Do senior officers and Members have the skills to govern and oversee Council owned companies?	<p>The Audit Committee have included Council owned companies in the Internal Audit plan for 23/24</p> <p>Council officers and Members are supported by Non-Executive Directors with relevant industry experience and knowledge.</p>	
Financial Management		
2. Does the Council comply with the CIPFA financial management code?	<p>The self-assessment found that the Council is largely compliant with the CIPFA financial management code. There is an improvement plan to enhance our approach. The self-assessment is currently being reviewed by Internal Audit and the results reported to the Audit Committee in March.</p>	Monitor implementation of financial management code improvement plan.

3. Is Medium Term Financial planning robust?	The MTFP is reviewed annually and presented to Council with the Budget each February. The MTFP is reviewed by senior officers, CLT, O&S and Executive.	
4. What assurance does the Committee have over accuracy of financial planning, both short and long term?	<p>The Council has a strong track record of delivery of robust financial planning. The CFO report provides the outturn report for the last five-year budget to actuals which shows a budget variance of less than £1m per year. The CFO report also demonstrates the level of savings, income, and additional efficiencies achieved in the past 3 financial years.</p> <p>External Audit report on the going concern nature of the Council in their annual report.</p> <p>Internal Audit provide coverage of financial planning in their audit plan.</p>	
5. Are the Council's reserves adequate?	The CFO report shows that Council's reserves are in line with the CIPFA resilience index.	
6. Are levels of borrowing adequately monitored, scrutinised and controlled?	The levels of borrowing are reviewed by Council and the Audit Committee via the Treasury Management Strategy and mid-year and annual reports.	
7. What assurance does the Committee have over return on investment for major projects?	<p>There is robust due diligence of Business Cases supported by analysis via industry experts (where necessary externally commissioned).</p> <p>The Council has a robust programme governance that is applied to its major corporate programmes.</p> <p>Project performance reported to Executive and Overview and Scrutiny.</p>	

	<p>Financial variances are identified in the revenue and capital monitoring report.</p> <p>The risk management process incorporates programme and project risk. Significant strategic programme risks are escalated onto the Corporate Risk Register.</p> <p>Assurance is provided via the Internal Audit Programme of activity.</p>	
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