



Audit Committee

22 September 2014

Report Title	Financial Resilience Report of PricewaterhouseCoopers	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Accountable director	Keith Ireland, Delivery	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor	Assistant Director Finance
	Tel	01902 556609
	Email	mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	None	

Recommendations for noting:

The Committee is asked to note:

1. The report prepared by PricewaterhouseCoopers on the financial resilience of the council

1.0 Purpose

1.1 PricewaterhouseCoopers (PwC) as the Council's external auditors are required to assess the arrangements for securing economy, efficiency and effectiveness in the use of resources.

1.2 The Audit Commission guidance includes two criteria to be taken into account when making the assessment:

- the organisation has proper arrangements in place for securing financial resilience; and;
- the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

1.3. Based upon their planning risk assessment PwC identified that the Council had proper arrangements for challenging how it secures economy, efficiency and effectiveness but undertook a detailed programme of work that placed greater emphasis on addressing the financial resilience criterion. The conclusions from the report are:

- There are adequate Financial Planning, Governance and Control arrangements in place to secure financial resilience.
- We have not identified any material uncertainties relating to events and conditions that may cast significant doubt on the Council's ability to continue to operate for the foreseeable future.
- The use of the going concern assumption is appropriate in the preparation and presentation of the financial statements.
- The Council's systems and processes for managing effectively its financial risks , and to secure a stable financial position, appear to be operating adequately and have put the Council in a position to set a balanced budget for 2014/15 and are well placed to set a balanced budget for 2015/16.
- The longer term financial challenge has reduced significantly over the year due to pro-active financial planning and effective collaboration between Officers and Councillors through new and existing governance arrangements. Whilst there remains a budget gap in the later years of the MTFs this has reduced significantly to less than £30m from £123m at the start of 2014 and the Council has a plan and a process to continue to identify further savings.

A copy of the detailed Financial Resilience Report is attached at Appendix 1.

1.4 PwC intends to issue an unqualified value for money conclusion. The more detailed findings are outlined in the attached report.

2.0 Financial Implications

2.1 The report provides assurances on the arrangements the Council has in place to ensure effective stewardship and accountability for resources at a time of unprecedented financial pressures.

[NA/12092014/T]

3.0 Legal implications

- 3.1 Statutory authority for the external auditor role set out in paragraph 1.1 of this report which provides external accountability and control is currently contained in the Audit Commission Act 1998.
[TS/15092014/B]

4.0 Equalities implications

- 4.1 There are no equalities implications arising from this report.

5.0 Environmental implications

- 5.1 There are no environmental implications arising from this report.

6.0 Schedule of background papers

None