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Dear Ian,

Arrangements for the Open Sharing of Information Through Committees – High Level Review

As part of our Assurance and Risk Assessment work in the 2021-22 financial year we identified transparency of information as a potential review area, and as the Council had also identified that it wanted to learn from best practice around financial and performance reporting, we agreed with you that we would undertake a review of the arrangements for the open sharing of information through the Council's committees. This letter summarises our findings.

We undertook fieldwork in June 2022 and looked at the information shared with councillors in four of Wrexham's committees between January 2021 and May 2022. These were: full Council; Governance and Audit Committee; Executive Board; and Customers, Performance, Resources and Governance Scrutiny Committee.

We focused on how the Council shared information about the use of its revenue budget and its performance.

To put the Wrexham position into context, we looked at the equivalent committee meetings in the other five councils in north Wales. This highlighted several differences between Wrexham's approach and that of the other councils.

The Council shares limited financial and performance information in public committee meetings

The Council shares limited financial and performance information with councillors through the year. For example, in-year budget monitoring is only presented once at a public committee meeting (full Council) and is not reviewed by the Executive Board at all. Performance information is included in agendas of the Executive Board twice a year, but it is not considered by the relevant scrutiny committee.

Budget Monitoring Information

Whilst the Council takes budget setting information (before the start of the financial year) and budget outturn information (after the end of the financial year) to public committees, the sharing of in-year budget monitoring reports is limited. No budget monitoring reports are sent to the Executive Board. In-year budget monitoring at committee level is limited to one revenue budget monitoring report to full Council every December.

We also found budget monitoring reports were not considered by the relevant scrutiny committee on a regular basis. An in-year budget monitoring report was presented to the Customers, Performance, Resources and Governance Scrutiny Committee once in 2018-19, not at all in 2019-20, and once in 2021-22.

Budget Monitoring			
Committee	Planning - before the financial year starts	Monitoring - during the financial year	Reporting - after the financial year ends
Council	<ul style="list-style-type: none"> Revenue budget setting annually (usually February) 	<ul style="list-style-type: none"> Revenue budget monitoring (annually in December) 	-

Budget Monitoring

Executive Board	<ul style="list-style-type: none"> Revenue budget setting (annually in January/February) 	-	<ul style="list-style-type: none"> Revenue budget outturn (annually in May/June)
Governance and Audit Committee	-	-	<ul style="list-style-type: none"> Statement of accounts (draft and final) (annually)
Customers, Performance, Resources and Governance Scrutiny Committee	-	<ul style="list-style-type: none"> Budget monitoring and control report on 20 January 2022 and 27 February 2019 	<ul style="list-style-type: none"> Revenue budget outturn (annually usually in May)

We would expect councillors to actively consider budget monitoring reports in a public committee setting frequently throughout the year. The regular monitoring of budget performance is central to effective financial management. It allows councillors to review the current position, ask questions, provide challenge, and suggest and approve prompt, effective remedial action.

There is no ideal standard for how frequently budget monitoring reports should be shared with councillors. However, the models of budget monitoring suggested by the Chartered Institute of Public Finance and Accounting (CIPFA)¹, which is used by other

¹ CIPFA (2019 edition) The Guide to Local Government Finance

councils in north Wales, have a minimum of two or three in-year revenue budget monitoring reports to their Executive.

The Council recognises that there are opportunities to strengthen its budget monitoring arrangements by presenting budget monitoring reports more frequently to its Executive Board and committees, including scrutiny. Since we’ve completed the fieldwork, the Council has reported quarter one budget update to the Executive Board.

Performance Monitoring Information

We found in-year performance monitoring at a public committee level is limited to the Executive Board. The Council Plan is reported annually at full Council, but the in-year performance monitoring reports are not considered by the relevant scrutiny committee.

The Executive Board receives a biannual Council Plan Summary Report in Quarters 2 and 4 of every financial year. However, there was no evidence to suggest this report is presented to any other committee.

Performance Monitoring	
Committee	Reports Considered by the Committee
Council	<ul style="list-style-type: none"> • Council Plan (annually)
Executive Board	<ul style="list-style-type: none"> • Council Plan (annually) • Annual Performance Report • Council Plan Summary Performance Report (biannually in Q2 and Q4)
Governance and Audit Committee	<ul style="list-style-type: none"> • No reports on performance monitoring

Performance Monitoring	
Committee	Reports Considered by the Committee
Customers, Performance, Resources and Governance Scrutiny Committee	<ul style="list-style-type: none"> No reports on performance monitoring

Councillors have an important role in managing performance. They need to be clear about what the Council wants to achieve and how they will monitor and review performance. They need to be prepared to challenge officers on service performance to ensure priorities are delivered, and the needs of local communities are being met.

Councillors can support improvement by showing they are actively interested in performance and acting on what the performance information is telling them. To do this, councillors need to be presented with regular, good quality information.

The Council's current method for sharing performance monitoring reports means only a limited number of councillors would see the information they need to review and challenge performance. Several of the other councils across north Wales take quarterly or biannual performance reports/scorecards to a relevant scrutiny committee in addition to their Executive.

The Council has an opportunity to strengthen its performance monitoring arrangements by increasing the accessibility of performance monitoring reports, already prepared for its Priority Boards, through its existing committee structure including scrutiny. This finding supports the recommendation made in our report [Driving Sustained Performance Improvement](#) (July 2021).

These conclusions are intended to be useful and constructive. Overall, we feel increasing the frequency of presenting information in public committee meetings will further strengthen the Council's arrangements for reporting budget and performance information and enable more open and transparent scrutiny and challenge.

Yours sincerely,

Alan Hughes, Audit Lead