

Audit Committee – 7 April 2014

Informing the Risk Assessment - External Audit Report

1. Summary of report

- 1.1 The purpose of the attached report is to contribute towards the effective two-way communication between auditors and the Council's Audit Committee, as 'those charged with governance'. The report covers some important areas of the auditor's risk assessment where Grant Thornton are required to make inquiries of management and the Audit Committee in accordance with auditing standards.
- 1.2 As part of Grant Thornton's risk assessment procedures they are required to obtain an understanding of management processes and the Audit Committee's oversight of the following areas:
- fraud
 - laws and regulations
 - going concern.
- 1.3 The report includes a series of questions on each of the above areas and the responses received from the council's management.

2. Recommendations

- 2.1 Audit Committee is requested to consider whether the management responses to the series of question set out in the attached report are consistent with Audit Committee's understanding and whether there are any further comments Audit Committee wishes to make.



James Walsh, Chief Finance Officer
27 March 2014

3. Governance

Each year the council's External Auditors, under International Accounting Standards, are required, as part of their risk assessment procedures, to obtain an understanding of management processes and the Audit Committee's oversight of the following areas:

- fraud
- laws and regulations
- going concern.

This year, the auditors have produced a report setting out a series of questions covering the above areas. Management have provided responses to these.

4. Resource and legal considerations

The report sets out and responds to a number of questions in relation to management arrangements in respect of laws and regulations and the Audit Committee's oversight of these arrangements.

5. Performance and risk management issues

Performance and risk management is embedded in the council's processes. Management arrangements in respect of fraud and the going concern concept are set out in the report.

6. Equality implications

None directly associated with this report.

7. Consultation

Management responses have been drafted in discussion with the Chief Finance Officer, Monitoring Officer, Chief Executive, Head of Internal Audit and other managers as appropriate.

8. Background papers – Various working papers.

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Informing the audit risk assessment for Walsall Metropolitan Borough Council

2013/14

February 2014

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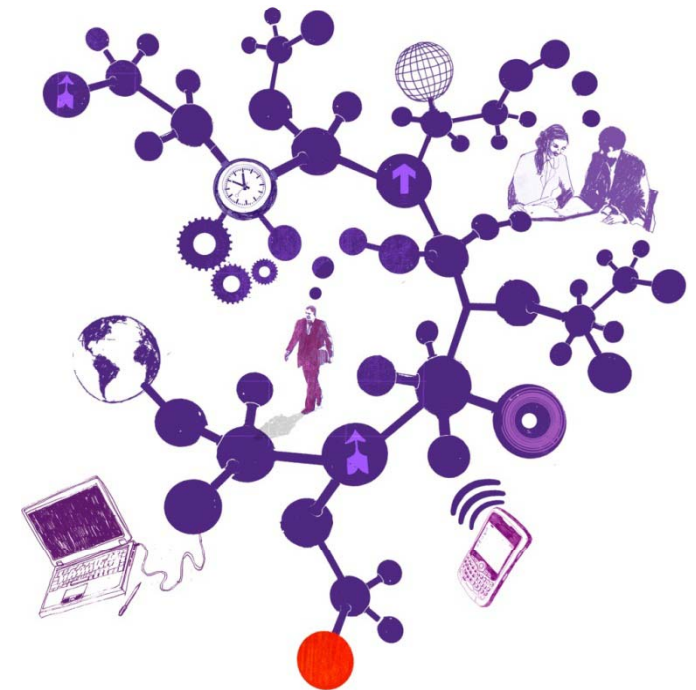
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Purpose

The purpose of this report is to contribute towards the effective two-way communication between auditors and the Council's Audit Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit Committee under auditing standards.

Background

Under International Standards on Auditing (UK and Ireland) (ISA(UK&I)) auditors have specific responsibilities to communicate with the Audit Committee. ISA(UK&I) emphasise the importance of two-way communication between the auditor and the Audit Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit Committee and supports the Audit Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the Audit Committee's oversight of the following areas:

- fraud
- laws and regulations
- going concern.

This report includes a series of questions on each of these areas and the response we have received from the Council's management. The Audit Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

Fraud

Issue

Matters in relation to fraud

ISA(UK&I)240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit Committee and management. Management, with the oversight of the Audit Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud
- process for identifying and responding to risks of fraud, including any identified specific risks
- communication with the Audit Committee regarding its processes for identifying and responding to risks of fraud
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit Committee oversees the above processes. We are also required to make inquiries of both management and the Audit Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions overleaf together with responses from the Council's management.

Fraud risk assessment

Question	Management response
<p>Has the Council assessed the risk of material misstatement in the financial statements due to fraud? What are the results of this process?</p>	<p>Audit Committee seeks and receives assurance from the Chief Finance Officer that the accounts are not materially misstated.</p> <p>The Interim Audit report of Grant Thornton and Internal Audits annual review of key financial systems include the risk of fraud, coverage of internal controls including approvals, segregation of duties, potential for override of controls, etc. From these Management and the Committee are able to assure themselves that key financial, IT and internal control systems are in place and working effectively. Key procedures are reviewed and kept up to date, and when new systems or policy changes occur. e.g. annual review of treasury management (TM) policy statements and practices is undertaken and approved by the TM Panel and Audit Committee. Training is provided on updates.</p> <p>Additionally, Management and the Committee gain assurance from Grant Thornton's audit of the accounts each year and the ISA260 report, and ensures follow up of key recommendations. The CFO and the Chief Executive are also required to provide assurance in the form of the Annual Letter of Representation on matters relating to the financial statements, to which the MO and CFO contribute.</p> <p>Review of arrangements for anti-fraud and corruption are undertaken regularly. Training is provided on key policies and procedures including the Code of Conduct, internal controls, risk, etc and appropriate segregation of duties is maintained..</p> <p>Training is also provided in key areas of the statement and changes in accounting policies and their implications on the statements are regularly delivered. The review of the statement of accounts focuses on the suitability of accounting policies and treatments, changes in policy, major areas of judgement such as provisions, and any significant adjustments. Once this has been covered and assurance received, the accounts are approved. The Council believes it has sufficient controls to mitigate the risk of fraud in the financial statements.</p>
<p>What processes does the Council have in place to identify and respond to risks of fraud?</p>	<p>The Council's processes are detailed in the Anti Fraud / Anti Corruption Policy & Strategy, containing the Fraud and Corruption Response Plan. Fraud reporting responsibilities are also detailed in the Confidential Reporting Policy (Whistle Blowing), which is supplemented by an on-line notification tool. The council has counter fraud resources within audit and the benefits service and makes use of NFI.</p>

Fraud risk assessment

Question	Management response
<p>Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?</p>	<p>The Corporate Risk Register contains a risk on “Impact of fraud and compensation culture” which identifies the general fraud risks facing the Council, key mitigating activities and further action/controls required.</p> <p>The Council’s specific fraud risks have also been identified by internal audit in a Fraud Risk Register which maps key fraud risks to internal audit coverage.</p> <p>Internal Audit provides to the Committee, a 6 monthly unplanned summary of work undertaken on actual and suspected frauds. Members have the opportunity to scrutinise the activity noted within the summary reports. Where significant matters, including fraud, are identified by Internal Audit, these are brought to the attention of the Audit Committee as soon as possible to give assurance that appropriate remedial action has or is being undertaken. An example of this is the HR Investigation Report and its follow up.</p>
<p>Are internal controls, including segregation of duties, in place and operating effectively? If not, where are the risk areas and what mitigating actions have been taken?</p>	<p>The adequacy of controls is detailed in the Head of Internal Audit’s annual report on the overall adequacies of the internal control environment. When this was last reported to Audit Committee on 2 September 2013 the overall opinion given was as follows: “Based solely on the work undertaken by internal audit and its contracted partner organisation in 2012/13, a significant level of assurance can be provided in relation to the overall adequacy and effectiveness of Walsall Council’s control environment.”</p> <p>The Annual Effectiveness Review of the System of Internal Control and Internal Audit and Annual Governance Statement 2012/13 presented to Audit Committee on 25 September 2013 contains the findings and recommendations of the review of the effectiveness of the council’s system of internal control. This report concluded that the effectiveness of the system of internal control is adequate overall. The report also concluded that, “The AGS (Appendix 1, section 5) identified a number of areas of significant internal control weakness. The council has established a Corporate Governance Forum in July 2013 to carry out a full review of corporate governance over the forthcoming twelve months.” The Corporate Governance Forum work is being undertaken and regular reports on progress are submitted to the Audit Committee. Grant Thornton have been procured to assist as an independent challenge to this work.</p>

Fraud risk assessment

Question	Management response
<p>Previous Question Continued.....</p> <p>Are internal controls, including segregation of duties, in place and operating effectively? If not, where are the risk areas and what mitigating actions have been taken?</p>	<p>The Audit Committee receive 6 monthly summaries of planned audit work undertaken. Any audit reports which receive a no or limited assurance opinion are directly reported to Audit Committee. These audits are subject to early follow up. If at the follow up audit, agreed high priority findings have not been addressed and the assurance opinion remains limited or below, then this is reported to the Audit Committee where accountable managers and their executive / assistant director, may be required to attend to give necessary assurances that appropriate corrective action is being taken.</p> <p>Audit Committee also receive 6 monthly progress reports on unplanned activity undertaken by the internal audit service. The Audit Committee may request accountable managers and their executive / assistant director to attend to give necessary assurances that appropriate corrective action is being taken on control issues identified.</p> <p>Internal Audit reports on significant areas of fraud or irregularity are shared with the Council's external auditor. The external auditors assessment of the Council's performance in relation to effective financial control, including key financial accounting systems, risk management and internal audit arrangements, was assessed as Green in the latest Financial Resilience report, published in September 2013. Green is <i>"arrangements meet or exceed adequate standards. Adequate arrangements identified and key characteristics of good practice appear to be in place"</i>.</p>
<p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?</p>	<p>Financial reporting processes are set out in the budget management and control manual, vital skills training for non-financial managers, and are supported by specific procedures and accounting policies. Accounting arrangements are undertaken in accordance with all relevant Codes of Practice. Comprehensive final accounts guidelines and outturn proformas, along with risk assessments of the financial outturn, senior officer review of reports and the accounts, officer review of provisions, reserves, carry forwards, accruals and liabilities, ensure override of controls or inappropriate influence is minimised. Analytical review of the income and expenditure account and balance sheet adds to this. Major variances between years and in years are reviewed for accuracy.</p>

Fraud risk assessment

Question	Management response
Are there any areas where there is a potential for misreporting override of controls or inappropriate influence over the financial reporting process?	See management response to previous question. Senior officer review of the reporting processes including at year end mitigate this including the areas set out in the previous response.
<p>How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud?</p> <p>What arrangements are in place to report fraud issues and risks to the Audit Committee?</p>	<p>The Corporate Risk Register contains a risk on "Impact of fraud and compensation culture" which identifies the general fraud risks facing the Council, key mitigating activities and further action/controls required. The Audit Committee regularly scrutinise strategic risks and call in risk owners as required for assurance purposes.</p> <p>The Committee has oversight of Internal Audit's work plan, which covers the main areas of internal control risk. There is a robust Anti Fraud / Anti Corruption Policy & Strategy in place and resources to support this are included on the work programme. Where fraud or corruption is reported, there are robust mechanisms in place to address these. Internal Audit present 6 monthly summary reports on their work activity including where suspected fraud has taken place and has been investigated. The Audit Committee has a role in influencing and approving, but not directing the audit plan, to accommodate areas it feels it needs assurance on.</p>
How does the Council communicate and encourage ethical behaviour of its staff and contractors?	<p>A revised Code of Conduct for Council Employees effective from 1 March 2014 has been communicated to staff and the Confidential Reporting Policy (Whistle Blowing) is being refreshed and will be similarly communicated. These policies, together with the Anti Fraud / Anti Corruption Policy & Strategy are made available to staff on the Council's intranet. An anti fraud toolkit is also available on the intranet to give practical guidance to managers on appropriate internal controls and procedures.</p> <p>Audit Committee has oversight of the Code of Governance and approved the latest version. The Annual Governance Statement sets out the Governance framework within the Authority and the Audit Committee are responsible for considering and receiving assurance on the findings from the annual review of the effectiveness of the Governance framework. It does this by reviewing the AGS, and seeking assurance on specific matters arising, and ensuring follow up of any key findings. It is also aware of Codes of Conduct which are reviewed by other Regulatory Committees within the Council.</p> <p>See preceding response regarding the work of the Corporate Governance Forum.</p>

Fraud risk assessment

Question	Management response
How do you encourage staff to report their concerns about fraud? Have any significant issues been reported?	<p>See preceding response. Concerns about fraud can be raised via management, internal audit and formally via the whistle blowing policy. All staff are made aware of anti-fraud and corruption procedures and signposted to these.</p> <p>Concerns from whistle blowing and anonymous sources have been reported to internal audit, as detailed in the 6 monthly summary reports to Audit Committee on unplanned work. Significant matters are brought to the attention of the Audit Committee as soon as possible to give assurance that appropriate remedial action has or is being undertaken. An example of this is the HR Investigation Report and its follow up. The most significant issue reported has related to allegations arising in SCI which has been subject to investigation.</p>
Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	<p>See preceding responses.</p> <p>Any related party relationships or transactions that could give rise to the risk of fraud are detailed in the 6 monthly summary reports to Audit Committee of unplanned audit work and the Head of Internal Audit's Annual Report on the Overall Adequacies of the Internal Control Environment. Such matters are also shared by Internal Audit with the External Auditor as arising.</p>
Are you aware of any instances of actual, suspected or alleged, fraud, either within the Council as a whole or within specific departments since 1 April 2013?	<p>Any instances of actual, suspected or alleged fraud either within the Council as a whole or within specific departments are detailed in the 6 monthly summary reports to Audit Committee of unplanned audit work. Such matters are shared by Internal Audit with the External Auditor as they arise.</p>

Laws and regulations

Issue

Matters in relation to laws and regulations

ISA(UK&I)250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit Committee, is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit Committee as to whether the entity is in compliance with laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out overleaf together with responses from management.

Impact of laws and regulations

Question	Management response
<p>What arrangements does the Council have in place to prevent and detect non-compliance with laws and regulations?</p>	<p>The Council has a corporate governance framework in place against which elected members and officers are held to account to act in accordance with the law and regulation. The council has appointed a monitoring officer [MO] to ensure that the council acts lawfully, and provides the MO with sufficient resources to enable him to carry out his role. In addition the Council has an Internal Audit section to test and report on compliance and performance against the governance framework. The Council has an Audit and Standards Committee to oversee issues of governance.</p>
<p>How does management gain assurance that all relevant laws and regulations have been complied with?</p>	<p>Management gains assurance through various mechanisms, as set out below, however management cannot obtain full assurance, only reasonable assurance, which is gained through its knowledge of the organisation and the controls in place. The various mechanisms are:</p> <ul style="list-style-type: none"> • That the council has robust contract and finance rules and a scheme of delegations in place which are updated on a regular basis. Audit Committee has oversight of changes to these and also receives reports detailing decisions made under officers delegated powers within the financial year. • The Chief Executive and other corporate officers set out clear expectations in respect of behaviours and conduct in respect of adherence to statutory and council rules, regulations and procedures, supported by a suite of procedures, guidance manuals and procedures advising how to comply and who can provide support and advice in these matters. • Through Executive Director, Assistant Director and Head of Service assurances a part of the final accounts process. • Through the work of the Internal and External Auditors, and the Chief Finance Officer, assessing and reporting on controls and any breaches. • Through the actions of professional officers across the council complying with the corporate governance framework.

Impact of laws and regulations

Question	Management response
<p>Continued:</p> <p>How does management gain assurance that all relevant laws and regulations have been complied with?</p>	<ul style="list-style-type: none"> • Through committee reporting processes where reports requiring decision making are required to have been consulted on with Finance and Legal Officers to ensure appropriate advice is given. • Through the committee reporting process which provides for legal comment on all reports where the council is exercising functions. • Through provision of a range of intelligence and updates on legislative changes and their implications including through external means, such as LGA, LGIU, professional bodies, and internal means such as policy briefings.
<p>How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>The Committee gains assurance through various mechanisms, however the Committee cannot obtain full assurance, only reasonable assurance, which is gained through its knowledge of the organisation and the controls in place. The various mechanisms are:</p> <ul style="list-style-type: none"> • That the council has robust contract and finance rules and a scheme of delegations in place. The Committee has oversight of changes to these and also receives reports detailing decisions made under officers delegated powers within the financial year, highlighting the key decisions taken within the five directorates and the officer who took the delegated decision. • Through managements actions and Executive Director assurances. • Through the work of the Internal and External Auditors, and the Chief Finance Officer, assessing and reporting on controls and any breaches. • Through assurances provided by the CFO (Statement of accounts), Head of Internal Audit (internal controls), the Monitoring Officer assurance statement the Chief Executive and Leader (Governance). • That all reports requiring decision making are required to have been consulted on with Finance and Legal Officers to ensure appropriate advice is given. • Through the AGS framework.

Impact of laws and regulations

Question	Management response
Have there been any instances of non-compliance or suspected non-compliance with law and regulation since 1 April 2013, or earlier with an on-going impact on the 2013/14 financial statements?	There has been an instance of non-compliance in respect of Appointeeships in Adult Social Care. The impact is being assessed and will be accounted for in the 2013/14 statement of accounts. The value is not material.
What arrangements does the Council have in place to identify, evaluate and account for litigation or claims?	The council have a risk assessment process in place to identify, evaluate, and account for litigation or claims, both corporately and specifically in legal services. The legal, finance and insurance teams work closely to evaluate and account for litigation and claims.
Is there any actual or potential litigation or claims that would affect the financial statements?	None that have not already been considered in putting together the accounts.
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No.

Going concern

Issue

Matters in relation to going concern

ISA(UK&I)570 covers auditor responsibilities in the audit of financial statements relating to management's use of the going concern assumption in the financial statements.

The going concern assumption is a fundamental principle in the preparation of financial statements. Under this assumption entities are viewed as continuing in business for the foreseeable future. Assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

The Code of Practice on Local Authority Accounting requires an authority's financial statements to be prepared on a going concern basis. Although the Council is not subject to the same future trading uncertainties as private sector entities, consideration of the key features of the going concern provides an indication of the Council's financial resilience.

As auditor, we are responsible for considering the appropriateness of use of the going concern assumption in preparing the financial statements and to consider whether there are material uncertainties about the Council's ability to continue as a going concern that need to be disclosed in the financial statements. We discuss the going concern assumption with management and review the Council's financial and operating performance.

Going concern considerations have been set out overleaf and management has provided its response.

Going concern considerations

Question	Management response
<p>Does the Council have procedures in place to assess the Council's ability to continue as a going concern?</p>	<p>Yes, through the assurance gained from the CFO, the responsible officer within the council, for preparing the accounts and providing assurance on their accuracy. This includes an assessment of net worth, assets and liabilities, use of ratio analysis and the wider balance sheet position. The council has agreed and reports monthly on a set of financial health indicators, which forms part of this assessment along with reporting on other key indicators such as Prudential Code indicators, revenue and capital outturn forecasts, the position on general and earmarked reserves, and a constant review and update of the council's medium term financial outlook, alongside future funding, income and cost predictions and forecasts. The assessment does not focus on just the current years but into the foreseeable future. The MTFO is constantly updated to reflect future changes and fluctuation, specifically in terms of funding and income streams, and significant cost pressures such as pension, pay etc.</p> <p>Additionally, assurance is obtained from the Letter of Representation which is signed off by the Chief Executive and approved by Audit Committee, and through a thorough understanding of the financial position of the council and the statement of accounts.</p> <p>Going concern is reviewed and reported to the Audit Committee within the statement of accounts. The councils balance sheet shows a negative balance. This is largely due to the net pension liability, however this liability is to be paid over many years and would not be due for payment immediately as the balance sheet suggests. In addition it is planned for the pension liability to decrease and achieve a breakeven position in 20 years, and contribution rates have been set for the next year on this premise. In addition to this there has been a net gain of approximately £20 million due to revaluation of the council's non-current assets. Taking these into account the underlying balance sheet is sound.</p>

Going concern considerations

Question	Management response
<p>Continued:</p> <p>Does the Council have procedures in place to assess the Council's ability to continue as a going concern?</p>	<p>Additionally The council's liquidity ratio, that is a measure by how much the council can cover its current liabilities by its current assets, is 2.70 (2012/13) the same as 2011/12. The council can cover its long-term borrowing by its long-term assets by 1.84 (2012/13), down from 1.89 in 2011/12. These ratios indicate that whilst the balance sheet has been negative the council is more than able to meet both its short term liabilities and its borrowing requirements. The accounts are accordingly prepared on a going concern basis and this is expected to be the position in 2013/14 in the accounts.</p>
<p>Is management aware of the existence of other events or conditions that may cast doubt on the Council's ability to continue as a going concern?</p>	<p>The two main reasons for doubt in this matter nationally, are:</p> <ul style="list-style-type: none"> - Significant government funding reductions since 2010 and continuing into 2018/19 and perhaps beyond, creating pressure on council's abilities to continue to fund services. - Cost pressures arising from new burdens, shifting of responsibilities and funding, and the pressures particularly in terms of older people services, but to a lesser extent in children's service's and environmental pressures (recycling targets, landfill, etc), and pay related (Pensions). <p>The Council constantly reviews the above and has a MTFO in place and is currently undertaking a comprehensive exercise to develop a 5 year approach to organisational planning to manage delivery of this.</p>
<p>Are arrangements in place to report the going concern assessment to the Audit Committee?</p>	<p>The Audit Committee receives regular updates on the above matters. A formal going concern assessment will be reported to Audit Committee when the accounts are signed off by the CFO.</p>
<p>Are the financial assumptions in that report (e.g., future levels of income and expenditure) consistent with the Council's Business Plan and the financial information provided to the Council throughout the year?</p>	<p>The Council constantly reviews the MTFO and is currently undertaking a comprehensive exercise (Shaping the Future) to develop a 5 year approach to organisational planning to manage delivery of this (it's Business Plan). The MTFO includes projections of future levels of income and expenditure and scenario plans are in place to model changes to these.</p>

Going concern considerations

Question	Management response
Are the implications of statutory or policy changes appropriately reflected in the Business Plan, financial forecasts and report on going concern?	Policy and statutory changes are reviewed in advance of their implementation and the Council's financial plans updated to reflect any financial implications. This is undertaken frequently.
Have there been any significant issues raised with the Audit Committee during the year which could cast doubts on the assumptions made? (Examples include adverse comments raised by internal and external audit regarding financial performance or significant weaknesses in systems of financial control)	No such matters have been raised.
Does a review of available financial information identify any adverse financial indicators including negative cash flow? If so, what action is being taken to improve financial performance?	<p>Budget monitoring reports provide an early warning system of adverse financial circumstances, these are prepared monthly, discussed with responsible officers and presented to management teams. This process highlights issues such as profiled versus actual receipt of income and grants due, profiled versus actual expenditure, overspends and unpaid debts.</p> <p>Annual and monthly cash flows are prepared and presented to the Treasury Management Panel and any variances on the daily cash flow are identified and investigated.</p>

Going concern considerations

Question	Management response
<p>Does the Council have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of the Council's objectives?</p> <p>If not, what action is being taken to obtain those skills?</p>	<p>Currently yes. However numbers of middle and senior managers will reduce as the Council formulates its medium term reduction plans. As the Council reduces the scale of it's operations it will be necessary to reduce it's overall management numbers, in doing so there will be a need to maintain sufficient skills and capacity to maximise opportunities to seek out external funding opportunities, respond to new challenges and maintain appropriate corporate governance.</p> <p>From a Finance perspective, the external auditors assessment of the Council's performance in relation to effective financial control, including Finance Department Resourcing, was assessed as Green in the latest Financial Resilience report, published in September 2013. Green is <i>"arrangements meet or exceed adequate standards. Adequate arrangements identified and key characteristics of good practice appear to be in place"</i>.</p> <p>The current "Shaping the Future" exercise is being led by senior managers, including executive directors and assistant directors and supported by a number of heads of service.</p>



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