

The Finance & Governance Toolkit for Community and Town Councils: Frequently asked questions

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The toolkit – general

Why should my council use the toolkit?

This toolkit will help your council in a number of ways. It will help you to review the financial management, governance and accountability arrangements you have in place to ensure you keep on top of all of your statutory responsibilities. Over and above this, it will help you ensure you are achieving the best outcomes for your community.

It is not an audit tool, but it will help you assess whether your council is meeting certain statutory requirements that external auditors and the public would expect to see. The Auditor General for Wales supports its use across the sector to help address issues he has identified in his annual financial management and governance reports and public interest reports.

I am a clerk, what is my role in completing the toolkit?

As clerk, you will, in conjunction with the Chair / Leader, complete Part 1 – The health check. This will help you to highlight issues and areas for action for the attention of, and decisions by, councillors. You will also play a key role in supporting councillors as they undertake the reflection required by Part 2 – The self-assessment.

I am a councillor, what is my role in completing the toolkit?

Part 1 – The health check, is designed to be completed by the clerk in conjunction with the Chair / Leader, and councillors should agree the action to be taken as a result of the findings. Councillors should also play an active role and take primary responsibility for the reflection required by Part 2 – The self-assessment, thinking through the issues and deciding on priorities, supported by the clerk as appropriate.

Where does overall responsibility lie in completing the toolkit?

Ultimately, the whole council is responsible for decisions about completing the toolkit and the action plan that results from it. In practice, a working group of councillors might oversee the process for decisions to then be taken by the full council.

How do I access the resources contained in the toolkit?

Click on any underlined text in the further information sections to access additional resources on the internet. You can either hold down the ctrl key on your keyboard and click the left mouse button, or hold down the ctrl key on your keyboard and click the enter button. This will open up the relevant web page.

The toolkit also references some model policies or case studies and where to obtain these from. These documents may only be available to councils in membership of One Voice Wales or the Society of Local Council Clerks and you will not be able to view them directly from the toolkit.

How do I navigate around the toolkit on screen?

You can navigate to anywhere in the toolkit from the detailed contents page (page 2) – simply click on the title of the section you want to move to, hold down the ctrl key and click on the mouse.

At the bottom of each page is an option 'Return to top'. If you click on this, hold down the ctrl key and click on the mouse, you will return to the contents page.

Each page in the themes in both Part 1 – The health check and Part 2 – The self-assessment has a heading to show you which theme you are currently working on. Each theme in the toolkit has an alphabetical reference, and each statement in the health check has a numerical character for ease of reference.

Does the council have to complete the toolkit in one go?

No. How you complete the toolkit is up to your council.

You may decide to complete the whole toolkit in a single exercise. You may decide to work through all themes in Part 1 – The health check first, then work through all themes in Part 2 – The self-assessment. Or you may decide to look at a theme in the health check, then immediately undertake the more in-depth reflection on that theme in the self-assessment.

You may decide to look at the themes in a different order to that in the toolkit, depending on where you want to prioritise attention.

You may find it helpful to work through the toolkit over the course of several months, and begin again on an annual cycle.

My council is very small, does the toolkit apply to us?

Yes. The statutory obligations in the health check are the same whatever the size of your council. For those items which are not statutory, you may apply the toolkit in a proportionate way and in accordance with your council's circumstances. When considering the self-assessment, you may find this takes less time than you thought as you will have fewer details to consider. Councils' responses to issues identified by the toolkit will be proportionate to the size of the council and the breadth of its activities.

Is there a shorter version for smaller councils?

No. The toolkit is relevant to all councils, regardless of size.

Does the toolkit create extra duties or burdens for community and town councils?

No. The toolkit covers the financial management, governance and accountability arrangements every community council should have in place. In particular, the health

check will make clear the responsibilities the council must meet. It will provide a solid basis for completing the council's annual audit.

What do we do with our findings from using the toolkit?

Completing the toolkit should be considered the start of the process, not an end in itself. Through the health check and self-assessment parts of the toolkit, the council will identify priority areas for action. The council can then decide what it wants to do next based on that evidence. The toolkit contains links to further information, guidance and training that will help you address the actions you identify.

Is using the toolkit a one-off event or should the council review it in time?

The council should review the toolkit periodically after completing it for the first time, to identify where improvement action has been taken or where anything has changed. You may find this would be a suitable item for discussion at the annual meeting, or the meeting in June to approve the annual governance statement.

Why can't we access some of the policies, procedures and documents referenced in the toolkit?

Some things referenced in the toolkit are only available to members of One Voice Wales or the Society of Local Council Clerks.

What support is available to help us to complete the toolkit?

One Voice Wales, the Society of Local Council Clerks and Welsh Government are keen to support councils to make effective use of the toolkit. We would like to hear from you about your ideas for training or further guidance. You may also like to work with neighbouring councils to share experience of completing the toolkit or work with your One Voice Wales Area Committees or Society of Local Council Clerks branch networks.

What support is there to address any areas for improvement?

There are lots of ideas in the toolkit itself for how you can address any areas for improvement. This may be a link to some guidance documents or training on certain topics. If you are seeking specific training or guidance on an item that does not have a training course already in place, please contact Paul Egan at One Voice Wales (pegan@onevoicewales.wales) for councillor training or Helen Quick at the Society of Local Council Clerks (Helen.Quick@slcc.co.uk) for clerks' training.

The health check

How should the council complete the health check?

The health check, is designed to be completed by the clerk, working with the chair and / or a small group of councillors. The health check is split into five themes, which can be worked on sequentially or as your council wishes to prioritise attention.

Work through each statement in a theme, answering either 'Yes' if the statement applies to the circumstances in your council, or 'No' if it doesn't. For example, if the statement is *'The council has prepared an annual report'*, and your council hasn't, you would record 'No' on the toolkit next to that statement.

Next, write any comments and actions next to the statement. In the example given here, if there is already an annual report in place, the action would be something *like 'Annual report in place, next report due...'*. If there is no annual report in place, you may record actions such as *'read the guidance on preparing annual reports, review other councils' reports, prepare an annual report for agreement by the full council and publish'*.

Does the council only need to ensure it is meeting the statutory obligations shaded in blue in the health check?

The statements shaded in blue in the health check are statutory obligations. The council MUST ensure that these things are in place. The other statements are also important and an effective council will want to confirm these things are in place to ensure they are best serving their community.

Can the council use a RAG (Red, Amber, Green) rating to identify which statements are already being met, need action immediately or in the medium term?

You may decide to use a 'RAG' (Red, Amber, Green) rating in your council, for instance to help identify whether something is in place, not in place, or partially complete. The council are the main users of the health check and can tailor it – although the questions must not be amended.

The self-assessment

How should the council complete the self-assessment?

Councillors should play an active role and take primary responsibility for the reflection required by 'Part 2 – The self-assessment', thinking through the issues and deciding on priorities, supported by the clerk as appropriate.

The self-assessment is split into six themes, which can be worked on sequentially or as your council wishes to prioritise attention. You might wish to set up one or more working groups to discuss each of the themes and the governance statements within them (shaded in grey).

For example, in 'Theme A – Vision', purpose and community planning', the governance statement is "The council has a clear vision and plan for its community". Councillors would consider, and potentially debate, this statement, guided by the questions in the 'Questions to consider' box in the self-assessment. To help you answer the questions, the toolkit suggests some evidence sources which you can look at to inform your assessment.

A further information section in the self-assessment explains councils' responsibilities in relation to the theme and statement, and contains links to legislation, guidance, support and training.

The council can summarise the discussion about the statement and record any action it will take to address any areas for improvement you identify through discussion.

Decisions and actions can be referred to full council for agreement.

Is the self-assessment the responsibility of the clerk or councillors?

The self-assessment should be led by councillors. The clerk will have an integral role in supporting councillors in undertaking the self-assessment, for example by arranging meetings and recording a summary of discussions and agreed actions.

Does the council need to undertake the self-assessment in a public meeting?

The self-assessment discussions can be conducted as part of a working group, outside of a full meeting. The recommendations regarding findings and actions can then be taken to a full council meeting for agreement. You may also wish to publish a summary of the findings and actions you intend to take on your website and / or in your annual report.