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**WALES AUDIT OFFICE: ANNUAL IMPROVEMENT REPORT 2015-16**

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**Reason for this Report**

1. To provide an opportunity for the Committee to consider the Wales Audit Office Annual Improvement Report 2015-16, and the Auditor General for Wales' judgement in respect of Cardiff Council.

**Background**

2. Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of all Welsh councils to assess whether each authority will meet statutory continuous improvement duties.
3. In addition, the Auditor General undertakes an in-depth corporate assessment of each authority on a cyclical basis (currently at least once every four years). In the intervening years, in addition to audits of improvement planning and reporting, the Wales Audit Office, on behalf of the Auditor General, will keep track of developments, and focus further assessment work on a number of key themes, developed in discussion with each authority.
4. This Annual Improvement Report summarises the audit work undertaken within Cardiff Council since the last such report was published in August 2015.

5. This current Annual Improvement Report includes a summary of the key findings from reports issued by 'relevant regulators', namely: the Care and Social Services Inspectorate Wales (CSSIW); Her Majesty's Inspectorate for Education and Training in Wales (Estyn); and the Welsh Language Commissioner. Nonetheless, this report does not represent a comprehensive review of all the Council's arrangements or services. The conclusions in this report are based on the work carried out at the Council by relevant external review bodies and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
  
6. Members have already considered the Wales Audit Office's *Corporate Assessment of Cardiff Council Follow On Report* which was published in February 2016 and reported to this Committee on 8 March 2016. This report concluded that *"the Council had put in place better arrangements to support improvement and to address longstanding issues, but was now at a critical point in embedding them if it is to achieve a step change in delivering improved outcomes"*.

### **Wales Audit Office Findings**

7. The Auditor General sets out in the WAO Annual Improvement Report 2015/16 that he *'believes that the Council is likely to comply with the requirements of the Local Government Measure during 2016/17 providing that it fully embeds arrangements to support improved outcomes and maintains the current pace of improvement'*. Whilst the Auditor General states that this is not a definitive diagnosis of organisational health or a prediction of future success it provides an opinion on the extent to which the arrangements currently in place are reasonably sound, insofar as can be ascertained from the work carried out.
  
8. Attached at **Appendix A** is the Wales Audit Office Annual Improvement Report 2015-16. The Annual Improvement Report sets out two

recommendations: one arising from the Corporate Assessment Follow-On in February 2016 (R1), and one from the Certificate of Compliance for Audit in November 2015 (R2). They are as follows:

- R1 - The Council must ensure that it addresses the proposals for improvement as set out in this report to deliver improved outcomes within the next 12 months.
- R2 - The Council must ensure that its annual improvement report contains a summary assessment of the Council's view of its success in achieving its improvement objectives for the year.

9. The Auditor General further commented on the above by stating:

- R1 - The Council responded with an action plan to address this recommendation and the proposals for improvement contained within the report. We will assess the Council's arrangements for demonstrating its progress during our improvement assessment work in 2016-17.
- R2 - The Council responded with confirmation that future improvement reports would include a summary assessment of the Council's view of its success in achieving its improvement objectives. In response, the Council also published a separate self-assessment in respect of its performance in achieving its 2014-15 improvement objectives. We will audit the Council's 2015-16 Annual Improvement Report in November 2016.

10. Pages 8 – 11 of the Annual Improvement Plan set out a number of Areas for Improvement (AFIs) made by Estyn, and recommendations made by CSSIW and HM Inspectorate of Probation during the course of the year.

## **Way Forward**

11. The Committee is invited to consider the Wales Audit Office Annual Improvement Report 2015/16. In line with its Terms of Reference to scrutinise the Council's Programme for Improvement, Members will consider the determinations of the Wales Audit Office Annual Improvement Report 2015/16, and internally challenge how effectively the Council is preparing for improvement.
  
12. In addition, Members of this Committee may wish to refer the AFIs made by Estyn, and recommendations made by CSSIW and HM Inspectorate of Probation to the Children & Young People Scrutiny Committee and the Community & Adult Services Scrutiny Committee for more detailed consideration.

## **Legal Implications**

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances

## **Financial Implications**

14. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATIONS**

The Committee is recommended to:

- I. consider the Wales Audit Office Annual Improvement Report 2015-16;
- II. ensure that key issues highlighted during the scrutiny inform the Committee's consideration of its Work Programme for 2016-17 later on the agenda; and
- III. report any concerns and observations to the Leader of the Council.

**David Marr**

Interim Monitoring Officer

7 September 2016