

**CYNGOR CAERDYDD
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE
SCRUTINY COMMITTEE**

3 October 2018

WALES AUDIT OFFICE: ANNUAL IMPROVEMENT REPORT 2017-18

Reason for the Report

1. To provide an opportunity for the Committee to consider the Wales Audit Office (WAO) Annual Improvement Report 2017-18, attached at **Appendix A**, and the Auditor General for Wales' judgement in respect of Cardiff Council.

Structure of the Papers

2. For clarification the papers appended to this cover report that support consideration of this item are as follows:

Appendix A – Annual Improvement Report 2017-18

Appendix 1- Status of the WAO report

Appendix 2 - Annual Audit Letter – 2016-17

Appendix 3 – National report recommendations 2017-18

Background

3. The Terms of Reference of the Policy Review and Performance Scrutiny Committee confer responsibility for scrutiny, monitoring and review of the overall operation of Cardiff's programme for Improvement.

4. The Local Government Measure (2009) requires the Auditor General to audit the improvement planning and reporting arrangements of all Welsh councils, to assess whether each authority will meet its statutory continuous improvement duties.
5. This WAO Annual Improvement Report summarises the audit work undertaken within Cardiff Council since the last such report was published in August 2017, and includes the outcome of the WAO improvement assessment work at all Welsh councils (at **Appendix 3 of Appendix A**)
6. The Auditor General is able to:
 - a. Make proposals to the Council for improvement;
 - b. Make formal recommendations for improvement;
 - c. Conduct a special inspection;
 - d. Recommend to Welsh Government Ministers that they intervene.
7. This year there were five audit, regulatory and inspection pieces of work carried out since the last Annual Improvement Report, as follows:
 - a. 'Scrutiny: Fit for the Future?' A review of how well placed Councils' overview and scrutiny functions are to respond to current and future challenges, published in July 2018 (Note that the Committee will focus on this review in more depth later on the agenda).
 - b. Annual audit letter 2016-17. A letter to the Leader summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice, published in November 2017. The Annual Audit Letter can be found at Appendix 2 of Appendix A.
 - c. Wales Audit Office annual improvement plan audit. A review of the Council's published plans for delivering on improvement objectives, published in April 2017.
 - d. Wales Audit Office annual assessment of performance audit. A review of the Council's published performance assessment, published in November 2017.

- e. Joint Healthcare Inspectorate Wales & Care Inspectorate Wales National Review of Adult Community Mental Health Services Visit to the Links Community Mental Health Team, Cardiff and Vale University Health Board/ Cardiff Council, published in March 2018.
8. Over the year, Cardiff Council did not receive any formal recommendations following the above work, but it did receive a number of proposals for improvement, which can be found on **pages 6-8 of Appendix A**. The Council's progress will be monitored against these proposals for improvement, and against relevant recommendations made in WAO's national reports.

Wales Audit Office Findings

9. The Auditor General sets out in the WAO Annual Improvement Report 2017/18 that *"the Council is meeting its statutory requirements in relation to continuous improvement" and he believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2017-18*.
10. Attached at **Appendix A** is the Annual Improvement Report 2017-18. In addition to the five bespoke inspections to Cardiff, WAO published nine National audits and inspections carried out during the year as follows:
- Savings planning in Councils in Wales (June 2017)
 - Public Procurement in Wales (Oct 2017)
 - Good governance when determining significant service changes (Oct 2017)
 - Local Government financial reporting 2016-17 (Dec 2017)
 - How Local Government manages demand-homelessness (Jan 2018)
 - Housing Adaptations (Feb 2018)
 - Speak my Language: overcoming language and communication barriers in public services (April 2018)

- Reflecting on year 1- How have public bodies responded to the Wellbeing of Future Generations?(May 2018)
- Strategic Commissioning of Accommodation services for adults with learning disabilities.(May 2018)

11. Further details of the recommendations within each of the above reports can be found at **Appendix 1 of Appendix A (pages 13-24)**.

Way Forward

12. In line with its Terms of Reference to scrutinise the Council's Programme for Improvement the Committee is invited to consider the determinations of the WAO Annual Improvement Report 2017/18, and internally challenge how effectively the Council is preparing for improvement.

13. To facilitate the scrutiny, in attendance will be Sara-Jane Byrne, Ian Phillips and Sam Clements of the WAO; Councillor Chris Weaver, Cabinet Member Finance, Modernisation & Performance; Chief Executive, Paul Orders; Corporate Director Resources, Christine Salter; and Head of Performance and Partnerships, Joseph Reay.

Legal 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 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

15. 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 2017-18;
- II. ensure that key issues highlighted during the scrutiny inform the Committee's future Work Programme for 2018-19 ; and
- III. report any concerns and observations to the Council.

Davina Fiore

Director Governance & Legal

27 September 2018