

AUDIT COMMITTEE: 22 MARCH 2016

**WALES AUDIT OFFICE CORPORATE ASSESSMENT FOLLOW
ON REPORT**

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 6.2

Reason for this Report

1. To enable the Audit Committee to consider the Wales Audit Office Corporate Assessment Follow On report of the City of Cardiff Council.

Background

2. The Auditor General for Wales must report on an annual basis on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement in delivering their services. In addition, the Auditor General must conduct a Corporate Assessment of every local authority in Wales once every four years. The Auditor General for Wales has powers to:
 - make proposals for improvement;
 - make formal recommendations for improvement;
 - conduct a special inspection and publish a report and make recommendations;
 - recommend to Ministers of the Welsh Government that they intervene in some way.
3. In March 2014, the Wales Audit Office undertook a Corporate Assessment of the Council, which sought to assess if the Council was capable of delivering its priorities and improved outcomes for citizens. This assessment, which focused on performance in 2013/14, entailed reviews of key documents, interviews with Members and officers, focus groups, and observation at a broad range of meetings. The assessment also drew on the work of other Welsh inspectorates, such as CSSIW and Estyn.
4. In May 2014, the Cabinet established a comprehensive Organisational Development Programme which was designed to reshape the Council in response to a range of critical challenges including the marked deterioration of the Council's financial position, demand-led pressures on services, and the inadequate performance of a number of statutory services.

5. On 1 September 2014, the Wales Audit Office published its findings in the form of a Corporate Assessment report, which was received formally by the Cabinet on 18 September 2014. This report provided a critical assessment of the Council's performance. In summary, it concluded that:

"Fragmented leadership and management have meant that weak performance in key service areas has not improved".

6. As a result, the Wales Audit Office Corporate Assessment report of September 2014 made one proposal for improvement:

"The Council ensures the implementation of its Organisation Development Plan resolves the range of issues identified in this assessment".

The report also committed the Wales Audit Office to carry out a follow on corporate inspection in 2015 to determine whether the issues identified in the Corporate Assessment report had been satisfactorily resolved.

7. A follow on visit to assess progress was undertaken by the Wales Audit Office in October 2015. In addition, two 'tracer reviews' were undertaken prior to the visit, which examined the decision making processes in relation to revisions to the Council's leisure services and its progress in taking forward alternative delivery models, and to revisions to the Council's waste strategy and associated arrangements.

8. The Wales Audit Office published its Corporate Assessment Follow On report on 26 February 2016. The report was considered by the Council's Policy Review and Performance Scrutiny Committee on 8 March 2016 and received formally by the Council's Cabinet on 10 March 2016. A copy of the report is attached as **Appendix A** to this report.

9. The Corporate Assessment Follow On report includes the Auditor General for Wales's Assessment of Performance and compliance certificates. It contains one statutory recommendation and 14 proposals for improvement, which relate specifically to the following key areas:

- leadership & management;
- governance;
- performance reporting; and
- corporate enablers (including human resources, use of assets, financial planning processes; IT arrangements and information governance arrangements).

10. The single statutory recommendation of the Wales Audit Office is that the Council must ensure that it addresses these proposals for improvement to deliver improved outcomes within the next 12 months.

11. In addition, the report makes reference to a technical breach of the Local Government (Wales) Measure 2009 due to the Council's failure to provide an overall assessment of performance for each of the Council's improvement objectives in its annual assessment of performance in 2014/15, which was published in October 2015. This relates to the publication of the Council's statutory Annual Improvement Report

2014/15. An additional report was published subsequently in February 2016 which set out an evaluation methodology, together with the evaluation of each of the Council's Improvement Objectives. This report was published to pave the way for the Annual Improvement Report 2015/16, which is due to be published in October 2016.

12. In response to the formal recommendation of the Corporate Assessment Follow On report, the Council must prepare a 'Statement of Action' and proposed timetable within 30 days of receipt of this report. This is due to be considered by the Cabinet on 21 March 2016. A copy of the Cabinet report, including the proposed Statement of Action, is attached as **Appendix B** to this report.

Reason for Recommendations

13. To enable the Cabinet to receive the Wales Audit Office Corporate Assessment Follow On Report.

Financial Implications

13. There are no direct financial implications arising from this report. Any resource requirements resulting from the implementation of improvement actions will be found from within existing budgets.

Legal Implications

14. Relevant legal implications, deriving from the Local Government (Wales) Measure 2009, are referred to in the text of this report.

RECOMMENDATION

The Committee is recommended to note the Corporate Assessment Follow On Report and proposed Statement of Action.

PAUL ORDERS

Chief Executive
16 March 2016

The following appendices are attached:

Appendix A: Wales Audit Office Corporate Assessment Follow On Report

Appendix B: Cabinet Report, 21 March 2016 – Wales Audit Office Corporate Assessment Follow On Report