

AUDIT COMMITTEE: 29 November 2016

WAO TRACKER/OTHER STUDIES

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 8.1

Reason for this Report

1. The Audit Committee's Terms of Reference requires that members consider specific reports as agreed with the external auditors.
2. This report has been prepared to provide Audit Committee members with an update on the programme of work planned to be conducted by the Auditor General during 2016/17.

Background

3. The Auditor General for Wales undertakes a range of audit work in relation to improvement under the Local Government (Wales) Measure 2009.
4. This 'Tracker' sets out the programme of Wales Audit Office work, together with the indicative timeframes for reports.
5. The following Local government studies anticipated to be completed during 2016/17 were as follows:
 - Financial Position and Resilience (follow up study)
 - Council Funding of Third Sector Services
 - Strategic Approach of Councils to Income Generation and Charging for Services
 - Strategic Commissioning
 - Public Procurement and the National Procurement Service
 - Waste Management
 - School Places and Capital Investment in Schools Arrangement

Work Programme

6. In the period of October and early November, two local government study reports have been issued in respect to Community Safety in Wales and the Strategic Approach of Councils to Income Generation and Charging for Services. The following paragraphs provide a brief overview of the contents of each report in order for the Audit Committee to determine whether or not there are any further lines of enquiry it would like to explore in future meetings.

Community Safety in Wales

[\(Link to Report\)](#)

7. The national study on Community Safety examined whether the Welsh Government, Police & Crime Commissioners and local authorities are working together effectively. The criteria used in forming the judgement of effectiveness of delivering against community safety were as follows:
 - Empowered and effective leadership
 - Intelligence led business processes
 - Engaged communities
 - Partnership working with effective and responsive delivery structures
 - Visible and constructive accountability
 - Appropriate skills and knowledge
8. The Auditor General's conclusion was that 'the complex responsibilities make it difficult for public bodies to co-ordinate a strategic approach to community safety, which weakens collective leadership and accountability and undermines the potential to help people stay safe'.
9. The report also identified that the funding of management and co-ordination of community safety had reduced by 32.7% thus questioning sustainability of structures without the identification of alternative funding. In addition, the report recognised the difficulties of measuring performance and impact of community safety activities.
10. Whilst the full report can be accessed via the link above, a summary of the recommendations can be found in Appendix 1 of the report. Six of the seven recommendations relate to local authorities as well as Police & Crime Commissioners and Welsh Government. Several of the recommendations centre on improving strategic partnership working, planning and ensuring effective management of performance of community safety going forward. In addition, there is a recommendation to review grant funding arrangements and move to pooled budgets with longer term commitments.
11. On the 2 November 2016, Community & Adult Services Scrutiny Committee considered the arrangements and performance of the Community Safety Partnership. The contents of the correspondence from the Chair of the Community & Adults Scrutiny Committee to the Cabinet Member for Skills, Safety, Engagement and Democracy can be found attached in Appendix 2.

Charging for Services and Generating Income by Local Authorities

[\(Link to Report\)](#)

12. Published on 10 November 2016, this national study on charging for services and generating income examined several aspects of discretionary charging for services. The aspects examined were as follows:
 - How local authorities use their powers to introduce and increase charges on services
 - How performance on generating income has changed in recent years
 - The process of consulting with users on price changes
 - Impact assessments of charging decisions on users
13. All 22 local authorities in Wales took part in an online survey with 6 local authorities participating in a more thorough review of their approach to charging for services. The 6 authorities concerned were Caerphilly, Gwynedd, Merthyr Tydfil, Monmouthshire, Newport and Powys respectively.

14. The Auditor General's overall comment was that 'despite raising more money from charging, authorities are not pursuing all options to generate income because of weaknesses in their policies and in how they use data and information to support decision making.'
15. Whilst the full report can be accessed via the link above, a summary of the recommendations can be found in Appendix 3 of the report. Six of the eight recommendations relate to local authorities with the remaining two being attributed to Welsh Government and the WLGA which recommended reviewing the support given to local authorities in acting more commercially and reviewing national set fee regimes. The local authority recommendations range from developing strategic frameworks with more informed forecasting, more efficient means of collecting income, reviewing the cost of discretionary services to identify deficits and an impact assessment checklist.

Reasons for Recommendations

16. To present the update on the Auditor General's improvement work programme and to consider whether or not either of the reports mentioned are considered at a future audit Committee.

Legal Implications

17. There are no legal implications arising from this report.

Financial Implications

18. There are no financial implications arising from this report.

Recommendations

19. To note the work of the Auditor General and to consider which, if any, issues raised as a result of this report should form part of the Audit Committee work programme going forward.

CHRISTINE SALTER
CORPORATE DIRECTOR RESOURCES
29 November 2016

The following Appendices are attached:

- Appendix 1 - Community Safety in Wales
Appendix 2 - Letter from Chair, Community & Adult Services Scrutiny Committee to Cabinet Member for Safety, Skills, Engagement and Democracy
Appendix 3 - Charging for Services and Generating Income by Local Authorities