

AUDIT COMMITTEE: 20 JUNE 2017

**MANAGEMENT RESPONSE TO WAO REPORT ON GOOD GOVERNANCE
WHEN DETERMINING SIGNIFICANT SERVICE CHANGES**

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 9.2

Reason for this Report

1. To present to the Audit Committee the Wales Audit Office (WAO) Report on Cardiff Council in respect to Good Governance when determining significant service changes and consider the management response to proposals for improvement.

Background

2. During 2016 the Wales Audit Office undertook work to assess the effectiveness of the Council's governance arrangements for determining significant service changes.
3. A further review was planned for Autumn 2016 which focussed on answering the following question: Do the Council's financial savings planning arrangements support financial resilience?
4. This work was carried out between September and November 2016 to inform an assessment of the Council's overall arrangements for developing and determining service changes. A sample of service changes were looked at and included the revised Waste Strategy, alternative delivery model for leisure centres, Cardiff International Sports Stadium, and arts venues respectively.
5. The Auditor General for Wales concluded that the Council has a clear framework for significant service change, supported by improving governance, but arrangements could be more consistently applied. The full report can be found in Appendix A.
6. The report contained two proposals for improvement which are set out below:
 - P1 The Council's governance arrangements could be strengthened by:
 - Ensuring information supporting service change proposals consistently includes options and clearly sets out the method of appraising the options
 - Explicitly setting out the arrangements for monitoring the impact of each service change.

City of Cardiff Council Response

7. Members of the Audit Committee will be aware of the significant challenges that the Council faces in terms of budget reductions at a time of increasing demand for services.
8. The specific proposals arising from the WAO Report have been reviewed and accepted in principle with the suggested actions identified with the detailed response set out in Appendix B.

Reason for Report

9. To present the Auditor General's findings and set out the process for providing assurance that the Council is having due regard to the output of regulatory activity.

Legal Implications

10. There are no legal implications directly arising from this report.

Financial Implications

11. There are no financial implications directly arising from this report.

RECOMMENDATIONS

12. To note the work of the Auditor General in respect to Good Governance when determining Significant Service Changes, and the management response to proposals for improvement.

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CORPORATE DIRECTOR RESOURCES
20th June 2017

The following appendices are attached:

Appendix A: Wales Audit Office (WAO) Good Governance when Determining Significant Service Changes – City of Cardiff Council

Appendix B: Management Response Cardiff Council – Good Governance when Determining Significant Service Changes