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**WALES AUDIT OFFICE CORPORATE ASSESSMENT FOLLOW ON**

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**Reason for this Report**

1. To provide an opportunity for the Committee to receive the Council's Corporate Assessment Follow On report published by the Wales Audit Office (WAO). A copy of the WAO's report was released on 26 February 2016 and is attached as **Appendix A**.
2. The Corporate Assessment Follow On assessment will be formally presented to the Cabinet at its meeting on 10 March 2016, presented to the Audit Committee on 22 March 2015, and to all Council Members in a series of briefings.

**Background**

3. The Local Government (Wales) Measure 2009 gives the Auditor General the power to assess and report on the Council's arrangements to secure continuous improvement. The WAO's cycle of Corporate Assessment means the Council can expect to receive this type of formal assessment every four years.
4. The fieldwork undertaken by WAO for a Corporate Assessment focuses on the extent to which arrangements in the Council are contributing to delivering improved service performance and outcomes for citizens. Having carried out such fieldwork the Auditor General can:
  - a. make proposals for improvement, which he will expect the Council to address and which he will follow up;
  - b. make formal recommendations which the Council must respond to in 30 days;

- c. conduct a special inspection; and
  - d. recommend to Ministers of the Welsh Government that they intervene in some way.
5. The Corporate Assessment that preceded this Follow On report was issued in September 2014 and can be found in Cabinet papers of 18. September 2014, accessed via the following link  
<http://cardiff.moderngov.co.uk/CeListDocuments.aspx?Committeed=151&MeetingId=483&DF=18%2f09%2f2014&Ver=2>
6. In summary the Auditor General concluded that '***Fragmented leadership and management have meant that weak performance in key service areas has not improved***'. This conclusion in September 2014 was based on evidence of political and managerial instability over a number of years; a lack of effective means of delivery for citizens; decision-making processes that were inefficient and lacked transparency; performance management failing to consistently secure improvement; uncertain prospects for achieving proposed savings in 2014-15; unsustainable methods of service delivery; inconsistent implementation of human resource arrangements; and not managing land and property assets well. There was however evidence of the Council collaborating well with others to improve outcomes for citizens; improving information technology; and improving information management arrangements.
7. The report made one formal proposal for improvement, that the Council ensures the implementation of its Organisational Development Plan to resolve the issues, listed at point 5.
8. The Follow On Review assessment published on 26 February 2016 took place over several weeks in Autumn 2015, with WAO observing the way the Council works and interviewing staff, directors, managers and politicians to find out if improvements had been made since their initial assessment visit early in 2014. The Review sought to answer the question '*Is the Council effectively addressing the issues raised in the Corporate Assessment?*'

## **Corporate Assessment Follow On – The Findings.**

9. The Auditor General's judgement following the Review is that "***The Council has put in place better arrangements to support improvement and to address longstanding issues, but is now at a critical point in embedding them if it is to achieve a step change in delivering improved outcomes.***"
  
10. The Council has received one formal recommendation, that seeks to ensure it addresses 14 clear proposals for improvement to deliver improved outcomes within the next 12 months.
  
11. The proposals for improvement can be found on **pages 6-8 of Appendix A**, and sit under four headlines; Leadership and Management; Governance; Performance Reporting; and Corporate Enablers.
  
12. Having received the Corporate Assessment Follow On the Council is required to respond by preparing a statement of action and proposed timetable within 30 days.

## **Way Forward**

13. Representatives of the Auditor General, Alan Morris, Group Leader, Non Jenkins, Local Government Manager (South East), and Chris Pugh, Performance Audit Lead, will be in attendance at the meeting to present the findings of the WAO Corporate Assessment Follow On and to answer Members' questions.
  
14. The Leader, Councillor Phil Bale, Chief Executive, Paul Orders, and Corporate Director Resources, Christine Salter, have been invited to attend the meeting to outline the Council's response and next steps, and to answer Members' questions.

## **Legal 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 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**

16. 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 information presented in this report and at the meeting;
- ii. Consider whether it wishes to make any comments to the Cabinet; and
- iii. Consider whether it wishes to schedule any further scrutiny of the issues identified in the Follow On report.

**David Marr**

Interim Monitoring Officer

2 March 2016