

AUDIT COMMITTEE – 12TH DECEMBER 2012

SUBJECT: CORPORATE ASSESSMENT BY WALES AUDIT OFFICE

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 The Wales Audit Office (WAO) carry out an 'Improvement Assessment' every year stating whether they believe the Council will comply with its duties in regard to improvement planning. The WAO are required to report on the above combined with their audit and assessment work. This report provides a summary of their findings as issued on 11th October 2012 based on the setting of the Councils improvement objectives in May / June 2012.

2. SUMMARY

- 2.1 The Auditor General has determined that the **“Council has discharged its improvement planning duties under the Measure and has acted in accordance with Welsh Government guidance”**. This conclusion was reached because:
- “The Council’s and the eight improvement objectives contained therein, meets the requirements of the Measure and the guidance issued by the Welsh Government.
 - The Plan was published in both English and Welsh within the timeframe set by the Welsh Government (albeit due to translation issues the Welsh version was published on the Council’s website three weeks after the English version).
 - Both are available in electronic format on the Council’s website and hard copies of the bilingual Plan are available upon request.
 - This year’s Plan is relatively short and therefore no separate summary has been produced although the Council plans to publish a summary of the 2012-13 improvement objectives in *Newsline* which will help to make the improvement objectives more accessible to those who are not computer literate or do not have web access.
 - During 2012-13 the new Council will review the current improvement objectives, however, the Council’s constitution on its website is significantly out of date and has not been updated since June 2010, although Part 4: Rules of Procedures was updated in June 2011.
 - The Council has made a lead senior officer responsible for each of its improvement objectives. Each year the Council undertakes a detailed assessment of each improvement objective to confirm its legitimacy and to determine future objectives, measures and progress. The Council confirmed that there was no specific overall consultation completed for this year’s improvement objectives. However, given that the improvement objectives have remained largely unchanged since the previous year the Council has used existing consultation and mechanisms and results to inform the selection of improvement objectives for 2012-13”.
- 2.2 The Auditor General conclusion is *“Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators, I believe that the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year but needs to increase the pace of improvement in a number of areas”*.

As the Council has met its statutory requirements, there are no statutory recommendations for improvement although there are 4 proposals for improvement (Para 4.7).

3. LINKS TO STRATEGY

- 3.1 Local Government Measure (2009) places a duty on the Council to make arrangements to secure continuous improvement by the setting of priorities that will make a difference to citizens (called Improvement Objectives) and to publish its performance against those objectives and wider improvement activity. The Improvement Objectives are part of the Council's overall 4 Year Improvement Plan and will be aligned to manifesto priorities.

4. THE REPORT

The Auditor General's Report summarises performance for 2012 as follows:

- 4.1 The Council has made mixed progress against our proposals for improvement and a number still remain to be addressed. The Council's accountability arrangements to manage and deliver the findings of our work need to be strengthened.
- 4.2 The Council has effective arrangements in place to collect, record and monitor performance information.
- 4.3 Overall the Council has arrangements in place to manage its workforce but strategic workforce planning and succession planning, as well as reporting Human Resource performance could be improved.
- 4.4 To date the Council has responded effectively to the financial challenges it has faced and secured savings in advance of need.
- 4.5 Regarding audit work on the Gwent Frailty Programme, the conclusion was "Partners are strongly committed to the Gwent Frailty programme vision and have created a sound programme management framework to underpin it. Gwent Frailty is in the early stages of implementation and challenges remain to ensure it is sustainable, to change established behaviours and to demonstrate its impact".
- 4.6 The report comments that improvement objectives should be legitimate, clear, robust, deliverable and demonstrable and states "*Whilst the Council's Plan and its improvement objectives do reflect some of these aspects better than others, there are still some areas where improvement could be made. The line of sight between the individual improvement objectives and some of the Council's Service Improvement Plans (SIPs) should be made clearer to ensure that the Council can consistently demonstrate that objectives are being achieved*".
- 4.7 The report emphasises that the Council needs to increase the pace with which it addresses their (WAO) proposals and says it is important we demonstrate these are being addressed for future performance reporting. It is important to note that the proposals are not a statutory requirement nor are all the outstanding proposals clear as to what value they add (that is not the case with the new proposals October 2012 which are clearer). The organisation needs to make progress on agreeing outstanding proposals, both their meaning and value with WAO to make the progress the report wants to see. The full report is attached (Appendix 1).
- 4.8 **NEW proposals** for improvement as recommended by WAO in this October's (2012) improvement assessment report are:

Consultation

- P1** The Council should ensure, each year, that the scope of its consultation activities, in relation to the development of its Improvement Objectives, engages the broad range of stakeholders as defined within the Measure.

Service Improvement Planning

P2 In order to improve its arrangements for delivering its Improvement Objectives the Council should strengthen its service planning processes to ensure that:

- All relevant Service Improvement Plans (SIPs) focus on delivering the Council's Improvement Objectives and have clear links to them and include actions that contribute to their delivery;
- Formal annual financial assessments of its improvement objectives are included within all relevant SIPs to ensure that resources are clearly aligned to priorities;
- Equality impact assessments are consistently and robustly undertaken for all SIPs when these are being developed; and
- Workforce planning is embedded in service improvement planning and is reflected in all SIPs (see also P8).

Implementing proposals for improvement

P3 The Council should consistently report and monitor progress on addressing all regulator and inspectorate proposals for improvement and recommendations, including those contained in our Corporate Assessment Letters, Annual Improvement Report and service-based reviews, to the appropriate committees to enable officers and members alike to monitor, scrutinise, and drive the pace of progress.

P4 Proposals for improvement (Human Resource Review)

The Council should address the proposals for improvement made relating to our feedback report on HR (July 2012) (See Appendix 2).

4.9 The report concludes with the Auditor General's gratitude to the Council for the way in which it helped to facilitate their work and a hope to see even more effective and efficient arrangements developing over time.

5. EQUALITIES IMPLICATIONS

5.1 Improvement Legislation (2009) cites fairness and accessibility as part of a definition of what 'Improvement' means. This is fundamental to setting Improvement Objectives and being assessed on compliance with the legislation when doing so.

6. FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications associated with this report, although audit fees can be reduced if regulators believe improvement generally is well managed within Caerphilly.

7. PERSONNEL IMPLICATIONS

7.1 There are no personal implications within this report.

8. CONSULTATIONS

8.1 The results of consultations have been included in this report.

9. RECOMMENDATIONS

9.1 It is recommended that Audit note the contents of this Improvement Assessment October 2012.

9.2 That Audit Committee receive and monitor future Council action plans to address WAO proposals once the committee have had an opportunity to be satisfied of the value the proposals may add to the organisation.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure members are aware of the Auditor General's report to question, challenge and monitor particularly any subsequent action plans that address their recommendations for improvement.

11. STATUTORY POWER

11.1 Local Government Measure (Wales) 2009

Author: Ros Roberts – Performance Manager roberr@caerphilly.gov.uk
Telephone 01443 -864238

Consultees: Colin Jones – Head of Performance & Property
Nigel Barnett – Deputy Chief Executive
Cllr David Hardacre – Cabinet Member for Performance, Property and Asset Management

Appendices:
Appendix 1 – The Improvement Assessment Letter