

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 18 MARCH 2015**

REPORT BY: **CHIEF EXECUTIVE**

SUBJECT: **ANNUAL IMPROVEMENT REPORT AND THE**
 CORPORATE ASSESSMENT REPORT OF THE
 AUDITOR GENERAL FOR WALES FOR FLINTSHIRE

1.00 PURPOSE OF REPORT

1.01 To present the Annual Improvement Report of the Auditor General which for 2015 incorporates the first Corporate Assessment and to endorse the executive response of the Cabinet and senior officers as a comprehensive response of assurance.

2.00 BACKGROUND

2.01 The Auditor General under the Local Government (Wales) Measure 2009 (Measure) undertakes publishes an annual improvement report for all Welsh Councils, fire and rescue services and national parks.

2.02 This is the fifth such Annual Improvement Report for Flintshire. It includes the Appointed Auditor's Annual Audit Letter as previously reported to Audit Committee in December 2014.

2.03 In 2013/14 the Wales Audit Office (WAO) began a new four year cycle of Corporate Assessments of improvement authorities in Wales. An in-depth Corporate Assessment reports on the Council's track record of performance and outcomes as well as the key arrangements necessary to underpin improvements in services and functions. Flintshire's first Corporate Assessment was conducted in late 2014 and the report on its outcomes is included in the Annual Improvement Report.

3.00 CONSIDERATIONS

3.01 The Annual Improvement Report is publicised by the Wales Audit Office (WAO) on behalf of the Auditor General for Wales. It brings together, with the input of other inspectorates such as Estyn and the Care and Social Services Inspectorate for Wales (CSSIW), a summary of the regulatory work of the past year. This year the outcomes of the Corporate Assessment are included in the Annual Improvement Report.

- 3.02 The full report is available on the Wales Audit Office website from 11 March. The summary of the report is attached as Appendix 1. The full report will be circulated to members of the Committee separately, once available.
- 3.03 The cyclical Corporate Assessments apply to all local authorities (and other bodies identified in the Measure) on a four yearly cycle. The first phase of assessments were conducted last year; Conwy CBC was the first Council in North Wales to undertake the assessment.
- 3.04 This second phase of assessments includes the following authorities:
- Flintshire County Council;
 - Isle of Anglesey Council;
 - Merthyr Tydfil County Borough Council;
 - Monmouthshire County Council;
 - Neath Port Talbot County Borough Council;
 - City and County of Swansea.
- 3.05 The content and format of the Corporate Assessment followed a familiar pattern of inspections/audits from WAO:
- Desktop analysis
 - Fieldwork (including interviews of key Members and officers)
 - 'Outline Conclusions' (draft findings) meeting
 - Receipt of draft report for comment
 - Receipt of final report prior to publication
- 3.06 The first week of fieldwork was undertaken between 15th and 19th September; with certain follow-up later in September/October. Draft feedback was provided to officers and the Council leadership in November and a draft report received before Christmas. Discussions have been ongoing with WAO throughout the process to ensure that as much value can be gained by both organisations from the Assessment.
- 3.07 The content of the Corporate Assessment is based on:-
- Information governance
 - Governance accountability
 - Asset management
 - Performance management
 - Risk management
 - Vision and strategic direction
 - Collaboration and partnerships
 - Improvement planning
 - Efficiency
 - Procurement
 - Public performance reporting

- HR
- Performance and outcomes

3.08 The report builds on the work of the past work of the Wales Audit Office and other regulatory bodies.

3.09 The summary of the full report is attached as Appendix 1. Overall the Auditor General has concluded that:

“The Council’s track record suggests that it is likely to respond positively to the internal and external challenges it faces and make arrangements to secure continuous improvement for 2015-16.”

The judgement reflects the conclusions of the corporate assessment, that:

“The Council has made significant progress in a number of difficult areas during the last year; although it needs to strengthen aspects of its arrangements, the Council is reasonably well placed to continue to deliver its priorities in the face of further financial challenges”

“Despite some strengths and areas of progress, aspects of the Council’s arrangements are not fully supporting decision-making and the delivery of the Council’s agreed priorities”

“The Council has taken significant strides forward in its use of resources and now needs to co-ordinate the elements more systematically in the face of future financial challenges”

“The Council made good progress against the improvement priorities we looked at but its performance against the national indicators declined slightly.”

3.10 The Auditor General has not made any statutory recommendations with which the Council must comply. Instead seven advisory proposals for improvement have been made. These are set out below:

P1 The Council should develop and implement a consistent approach to business planning that promotes the ownership by staff of key objectives and targets.

P2 The Council should improve the quality of its reports to committees and Cabinet to ensure that:

- where necessary, reports enable councillors to refer easily to relevant policies and previous decisions and discussions;
- key messages and recommendations are clear and succinct; and
- reports to scrutiny committees include recommendations or options that committees might endorse.

P3 The Council should ensure that, in implementing its revised strategies for People, ICT and Asset Management:

- their financial implications feed into the medium-term financial plan; and
- the links between the strategies are fully considered so that specialist staff are available when required.

P4 Group Leaders should strongly encourage members to take advantage of the Member Development Scheme.

P5 The Council should take the opportunity of its review of scrutiny structures to ensure that Overview and Scrutiny Committees can add real value to Council decision-making by aligning agendas more explicitly to Council priorities and risks.

P6 The Council should:

- adopt a consistent approach to managing risk, ensuring that all staff involved use a similar approach to record impact, likelihood and mitigating actions; and
- apply this approach to its future savings plans.

P7 The Council should ensure a consistent approach to workforce planning and use the results to inform future reductions in staff.

- 3.11 The Council, as is practice, makes a formal public response to any findings within the report. The Council's response to the Annual Improvement Report (AIR) is included at Appendix 2.

4.00 RECOMMENDATIONS

- 4.01 To accept the Annual Improvement Plan and endorse the response as a comprehensive response of assurance.

5.00 FINANCIAL IMPLICATIONS

- 5.01 This report refers to the financial resourcing and planning arrangements of the Council.

6.00 ANTI POVERTY IMPACT

- 6.01 This report comments upon how the Council has supported people impacted upon by Welfare Reform.

7.00 ENVIRONMENTAL IMPACT

- 7.01 There are no specific references to the environment within this report.

8.00 EQUALITIES IMPACT

8.01 This report comments upon how the Council has supported people impacted upon by Welfare Reform.

9.00 PERSONNEL IMPLICATIONS

9.01 The People Strategy and workforce planning and arrangements are referred to in the report.

10.00 CONSULTATION REQUIRED

10.01 This report will be considered by Corporate Resources Overview and Scrutiny Committee and the Audit Committee.

11.00 CONSULTATION UNDERTAKEN

11.01 Senior officers have had input into this report. The Annual Audit Letter was presented to the council's Audit Committee in December 2014.

12.00 APPENDICES

12.01 Appendix 1: Summary Report: WAO Annual Improvement Report incorporating the Corporate Assessment Report 2015.
Appendix 2: WAO Annual Improvement Report - Executive response

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

None

Contact Officer: Karen Armstrong
Telephone: 01352 702740
Email: Karen.armstrong@flintshire.gov.uk