



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2014-15

The City of Cardiff Council

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Non Jenkins and Chris Pugh under the direction of Alan Morris.

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The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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Summary report

Purpose of this report

- 1 Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils, fire and rescue authorities, and national park authorities, and to assess whether each authority will meet statutory continuous improvement duties¹. This work has been undertaken on behalf of the Auditor General by staff of the Wales Audit Office. **Appendix 1** provides more information about the Auditor General's powers and duties in local government.
- 2 In addition, the Auditor General undertakes an in-depth corporate assessment at each authority on a cyclical basis (currently at least once every four years). In the intervening years, in addition to audits of improvement planning and reporting, the Wales Audit Office, on behalf of the Auditor General, will keep track of developments and focus further assessment work on a number of key themes, developed in discussion with each authority.
- 3 This Annual Improvement Report summarises the audit work undertaken at the City of Cardiff Council (the Council) since the last such report was published in September 2014, when it was combined with the Council's Corporate Assessment.
- 4 The Corporate Assessment concluded that: **fragmented leadership and management meant that weak performance in key services areas had not improved**. During 2015, we will conduct a follow-on review to assess how the Council has progressed and how it is addressing the issues identified in the Corporate Assessment.
- 5 This current Annual Improvement Report includes a summary of the key findings from reports issued by 'relevant regulators', namely: the Care and Social Services Inspectorate Wales (CSSIW); Her Majesty's Inspectorate for Education and Training in Wales (Estyn); and the Welsh Language Commissioner. Nonetheless, this report does not represent a comprehensive review of all the Council's arrangements or services. The conclusions in this report are based on the work carried out at the Council by relevant external review bodies and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 6 Taking into consideration the work carried out during 2014-15, the Auditor General will state in this report whether he believes that the Council is likely to make arrangements to secure continuous improvement for 2015-16.
- 7 This statement should not be seen as a definitive diagnosis of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 8 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@audit.wales or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

¹ Duties and requirements contained within the Local Government (Wales) Measure 2009 (the Measure).

2014-15 performance audit work

- 9 In determining the breadth of work undertaken during the year, we considered the extent of accumulated audit and inspection knowledge as well as other available sources of information including the Council's own mechanisms for review and evaluation. For 2014-15, we undertook improvement assessment work under three themes: use of resources; governance; and performance.
- 10 The work carried out since the last Annual Improvement Report, including that of the 'relevant regulators', is set out below:

| Project name | Brief description | Dates [when the work was carried out] |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Wales Audit Office Annual 'Improvement Plan' Audit 2014-15 | Wales Audit Office Annual 'Improvement Plan' Audit | June 2014 |
| Wales Audit Office Annual 'Improvement Plan' Audit 2015-16 | Wales Audit Office Annual 'Improvement Plan' Audit | April 2015 |
| Wales Audit Office Annual 'Assessment of Performance' Audit | Audit of the City of Cardiff Council's assessment of 2013-14 performance | November 2014 |
| Audit of the Council's Accounts | To provide an opinion on whether the financial statements give a true and fair view of the financial position of the Council at 31 March 2014 and its income and expenditure for the year then ended. | July to September 2014 |
| Arrangements to support safeguarding of children | Review of the Council's governance and management arrangements to provide assurance that children are safeguarded and that any concerns can be highlighted effectively and efficiently. | March to May 2014, published in October 2014 |
| Estyn Significant Improvement Visit | Monitoring Visit. | March 2015 |
| Estyn – Monitoring Report – Cardiff and Vale Adult Community Learning (ACL) Partnership | Monitoring Visit. | January 2015 |

| Project name | Brief description | Dates [when the work was carried out] |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------|
| CSSIW Performance Evaluation Report 2013-14 | Annual Review of the Council's Social Services function. | October 2014 |
| CSSIW National Inspection: Safeguarding and Care Planning of looked after children and care leavers, who exhibit vulnerable or risky behaviours | Assessment of the quality of Safeguarding and Care Planning | January to May 2014, published in August 2014 |
| Delivering with Less – Environmental Health | Review of the impact of cuts in resources on environmental services. | January 2015 |
| Data Quality Review | A review of the Council's data quality arrangements. | January to March 2015 |
| Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales | Review of arrangements to manage the impact of welfare reform. | December 2013 to March 2014 |
| Conclusions from the Welsh Language Commissioner | Review of the Council's approach to the Welsh language. | September 2014 |

Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators to date, the Auditor General believes that it is uncertain whether the Council is likely to comply with the requirements of the Measure during 2015-16. However, we will follow up the Council's progress in addressing the issues we raised in our 2014 Corporate Assessment during the Autumn of 2015

- 11 During 2014-15 a number of reports were issued to the Council from the Auditor General, Estyn, CSSIW, and the Welsh Language Commissioner. A number of areas for improvement were identified during this work.
- 12 Since 2013-14 there have been significant weaknesses in relation to how the Council discharged its duties under the Measure.
- 13 In September 2013, the Auditor General wrote to the Council outlining scope for further improvement in the way the Council sought to discharge its duties under the Measure. The letter stated that the Council needed to urgently set clear improvement priorities for 2013-14 as this had not been done as at September 2013. In addition the letter identified that there was a lack of clear and measureable targets within its Improvement Plan, meaning the Council would be unable to fully evaluate its performance.
- 14 The Auditor General made three proposals for improvement relating to these issues, which were:
 - a establish clear improvement priorities for 2013-14 by November 2013, identifying explicitly the specific improvement sought during the year to enable more focussed reporting of outcomes;
 - b improve performance reporting required by the Measure; and
 - c develop performance management arrangements.
- 15 In September 2014, the Auditor General published his Corporate Assessment of the Council, concluding that fragmented leadership and management meant that weak performance in key service areas had not improved. This was reported as part of our Annual Improvement Report 2013-14 to the Council.
- 16 The Auditor General reached this conclusion because:
 - a political and managerial instability over a number of years meant that the Council had been unable to develop the culture and framework necessary for continuous improvement;
 - b the Council identified what it wanted to achieve for its citizens but lacked an effective means of delivery;

- c some processes intended to ensure good governance had not been implemented, and decision-making processes were inefficient and lacked transparency;
 - d whilst there had been some recent changes, performance management had failed to consistently secure improvement in the past;
 - e although the Council ensured a balanced budget, prospects for achieving proposed savings in 2014-15 were uncertain and the anticipated level of future funding meant current methods of service delivery were unsustainable;
 - f corporate human resource arrangements were founded on positive practice but were not being implemented consistently;
 - g the Council was improving its use of information technology and its information management arrangements;
 - h the Council was not managing its land and property assets well; and
 - i the Council engaged well in collaboration with others and was able to demonstrate improved outcomes for citizens.
- 17 A single proposal for improvement was made as part of the Corporate Assessment report which was that: 'The Council ensures the implementation of its Organisational Development Plan resolves the range of issues identified in the Corporate Assessment'.
- 18 In November 2014, we undertook an audit of the Council's assessment of performance for 2013-14. The Auditor General issued a certificate of compliance with regards to the Council having discharged its duties under the Measure. During the course of this audit we identified a number of areas for improvement and strengths, which were set out in a letter to the Chief Executive ([Appendix 4](#)).
- 19 In April 2015 we undertook an audit of the Council's Improvement Plan for 2015-16, and the Auditor General issued a certificate of compliance with regards to the Council having discharged its duties under the Measure ([Appendix 5](#)). We noted during the audit that the Council had made a step change in improving the quality of its 2015-16 Improvement Plan when compared to the previous year.
- 20 In October 2015, we will be undertaking a follow-on review in respect of the Corporate Assessment undertaken in 2014. The follow-on review will assess progress made since the Corporate Assessment and the Council's arrangements to secure continuous improvement.

Headlines – a summary of key findings

- 21 The table below summarises the key findings of reports issued since the last Annual Improvement Report by the Wales Audit Office, the CSSIW, Estyn and the Welsh Language Commissioner.

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|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit of accounts | <p>The Appointed Auditor issued an unqualified opinion on the Council's financial statements on 29 September 2014. This means that we believe the financial statements gave a true and fair view of the financial position of the Council and of its expenditure and income for the year ending 31 March 2014. (Appendix 6)</p> |
| Improvement planning and reporting audits | <p>We issued audit certificates stating that the Council had discharged its duties under the Measure (see Appendices 2, 3 and 5).</p> |
| Use of resources | <p>Information on the Council's income, expenditure and staffing levels is set out in Appendix 7.</p> |
| Governance | <p>The Wales Audit Office reported on the Council's arrangements to support safeguarding of children in October 2014:</p> <ul style="list-style-type: none"> • the governance, accountability and management arrangements for overseeing whether the Council met its safeguarding responsibilities to children had some weaknesses, which the Council must address; • the Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children had some weaknesses which the Council was addressing; and • the Council's approach to identifying and acting on improvements in its safeguarding arrangements had some weaknesses which the Council was addressing. <p>Wales Audit Office – October 2014.</p> |

Performance

Estyn continued to monitor the Council's progress following an inspection in January 2011.

Estyn – March 2015

The Cardiff and Vale of Glamorgan Adult Community Learning Partnerships had made sufficient progress in relation to the recommendations from their separate core inspections. Both Partnerships have since merged to form the Cardiff and Vale Audit Community Learning Partnership which has been removed from any further follow-up activity. The full report is available on [Estyn's website](#).

In 2013-14, social services experienced a challenging and demanding year but there was a clear assessment of future challenges, particularly in the recruitment and retention of staff and improved performance.

[CCSIW October 2014 – Full report](#)

CSSIW undertook a National Inspection of: Safeguarding and care planning for looked after children and care leavers, who exhibit vulnerable or risky behaviour.

[CCSIW August 2014 – Full report](#)

The Council was mostly delivering environmental health services at a good standard or above but due to cuts in resources and negative views on the quality and management of current services, the Council will find it difficult to take on new statutory duties that protect the public and the environment in the future.

Wales Audit Office – December 2014

The Council's central performance team implemented a number of controls to help ensure that correct performance information was published, but a number of weaknesses in underlying systems remained.

Wales Audit Office – May 2015

The Council established good systems to administer Discretionary Housing Payments and managed the impact of welfare reform although some further changes could be made to make the service even more responsive to applicants' needs.

Wales Audit Office – January 2015

The Council positively promoted the use of the Welsh language in the workplace by approving a new Welsh Language Skills Strategy and established a new Welsh Language Cross Party Members Working Group. Welsh Language Commissioner – September 2014. A full report is available at: www.comisiynyddygybraeg.org

Recommendations and Proposals for Improvement

- 22 Given the wide range of services provided by the Council and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- a make proposals for improvement – if proposals are made to the Council, we would expect it to do something about them and we will follow up what happens;
 - b make formal recommendations for improvement – if a formal recommendation is made, the Council must prepare a response to that recommendation within 30 working days;
 - c conduct a special inspection and publish a report and make recommendations; and
 - d recommend to Ministers of the Welsh Government that they intervene in some way.
- 23 During the course of the year, the Auditor General did not make any formal recommendations. However, proposals for improvement are contained in our other reports but may be referred to later on in this report.
- 24 The Council had one proposal for improvement in relation to its Corporate Assessment reported in September 2014, which was:

Proposal for improvement

P1 The Council ensures the implementation of its Organisational Development Plan resolves the range of issues identified in the Corporate Assessment.

- 25 We will continue to monitor proposals for improvement during the course of our improvement assessment work. The Council's progress against the proposal for improvement made in the Corporate Assessment will be followed up directly as part of the Corporate Assessment Follow-On which we will be undertaking during 2015-16.
- 26 The Auditor General also makes recommendations that may be relevant to councils in his Local Government National Reports. A list of relevant recommendations contained in reports issued in 2014-15 can be found in [Appendix 8](#).
- 27 Recommendations made by the CSSIW and Estyn during the course of the year are set out below.

CSSIW

The Council should:

AFI 1 continue to reduce the number of delayed transfers of care;

AFI 2 continue improving the availability of direct payments to both children and adults;

AFI 3 work with health colleagues to ensure that children and young people with mental health needs receive appropriate CAMHS services to meet their needs;

AFI 4 improve the number of adult carers' assessments;

AFI 5 review the commissioning of services for adults with mental health needs;

AFI 6 ensure children in need reviews are undertaken in accordance with statutory timescales;

AFI 7 improve the inconsistencies in the quality of assessments for looked after children;

AFI 8 continue to raise awareness of the availability of direct payments;

AFI 9 improve performance in the number of statutory reviews for looked after children;

AFI 10 improve performance in ensuring personal education plans are in place for looked after children;

AFI 11 improve the retention of social workers;

AFI 12 take forward plans to recruit to agreed senior leadership and management posts within the department.

Estyn – Adult Community Learning Partnership

R1 The adult community learning partnership should continue to work towards meeting the inspection recommendations that have not yet been fully addressed.

Detailed report



Use of resources

Audit of the Council's accounts

- 28 On 4 November 2014 the Appointed Auditor issued an Annual Audit Letter to the Council. The letter summarised the key messages arising from his statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice. The Appointed Auditor issued an unqualified opinion on the Council's accounting statements on 29 September 2014 confirming that they presented a true and fair view of the Council's and the Pension Fund's financial position and transactions. The Annual Audit Letter can be found in [Appendix 6](#) of this report.
- 29 Information on the Council's income, expenditure and staffing levels is set out in [Appendix 7](#).

Governance

The Wales Audit Office reported on the Council's arrangements to support safeguarding of children in October 2014

- 30 During the period March to May 2014, the Wales Audit Office completed a review of the Council's assurance and accountability arrangements for ensuring that safeguarding policies and procedures are in place and are being adhered to. The study examined what the Council itself had done to seek assurance that its arrangements to support safeguarding are effective by reviewing how the Council was discharging its safeguarding responsibilities at all levels: Cabinet, Senior Management Team, Scrutiny and individual officers.

The governance, accountability and management arrangements for overseeing whether the Council met its safeguarding responsibilities to children had some weaknesses, which the Council must address

- 31 The recently created Cardiff and Vale of Glamorgan Local Safeguarding Children Board provided the overview for safeguarding children in the city. The Council's Corporate Plan set a range of key actions for its Children's Social Services to continue to develop and strengthen the role and responsibilities of the Council's safeguarding and corporate parenting. The Council had a local Child Protection Policy that outlined the key principles of child protection in the city, and the Council took into account the Equalities Act when developing its policies and procedures.
- 32 The Council underwent a significant management change with 12 new senior managers having taken up post, including a new Chief Executive, Director of Social Services, Director of Education and the Monitoring Officer. There was consequently a major change in management responsibilities, organisational structure and culture that took place.
- 33 Welsh Government guidance, 'Safeguarding Children: Working together under the Children Act 2004', set out that local authorities should identify a named senior officer with responsibility for promoting safeguarding throughout the organisation. It was not clear who in the Council had been given this role. This lack of clarity was echoed by our survey, however, we were aware that the Council planned to create a Designated Officer post in Education to comply with new Welsh Government guidance on 'Safeguarding in Education'.
- 34 Similarly, with regard to clarity of member roles, fewer respondents in Cardiff knew who the Council's lead Councillor for child protection was compared to the Wales average. This highlighted that the Council needed to undertake significant work to strengthen leadership and accountability for safeguarding.
- 35 The Council had a comprehensive risk management approach to support how it met its child safeguarding responsibilities. There was a risk management strategy and a corporate risk management group with responsibility for overseeing the Council's risk management work. However, awareness amongst managers on how risk management operated varied widely and some staff interviewed were unclear how departmental and corporate risks were monitored and reviewed.

The risk register identified a 'Potential for mismatch between children's needs and capacity to meet them if current trends continue. This did not, however, identify safeguarding children as a specific risk for the Council.

The Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children had some weaknesses which the Council was addressing

- 36 The Council was developing new systems for governance and scrutiny of safeguarding but these were not fully embedded. The Council's safeguarding arrangements were subject to planned work by Scrutiny, although this was related to the wider children services agenda rather than testing corporate safeguarding arrangements. We were informed that a significant role of the new Operational Manager Safeguarding would focus on developing an independent Council-wide safeguarding function. At the time of our assessment, these arrangements were not in place.
- 37 The Council identified what information it needed to monitor and evaluate to determine if its children's safeguarding arrangements were working effectively and was in the process of creating new systems to monitor, evaluate and challenge information and performance. The Council had timeframes for monitoring and reviewing information and performance related to children's safeguarding. Most reporting was undertaken quarterly, although some specific information was reported weekly and high-profile information reported daily. The recent peer review identified a series of weaknesses in current performance management arrangements, which the Council was addressing.
- 38 The Council had systems for the safe recruitment of staff and volunteers. The Recruitment and Selection Policy and Procedure set out the key principles which the Council intended to follow in relation to all recruitment and selection activity, and outlined the responsibilities of elected members and officers. The policy applied to the recruitment and selection of all Council employees, and was commended to governing bodies for implementation in relation to recruitment of schools-based employees. Human Resources had a recruitment team that undertook the recruitment process from advert to contract and oversaw the appointment, deployment, and management of the process with schools.
- 39 However, we found that respondents in Cardiff were significantly less aware of how their role/job contributes to safeguarding and protecting children and young people than the survey average. Likewise, fewer respondents strongly agreed or agreed that their responsibilities for safeguarding and protecting children and young people were explained when they started in their role than the survey average.

- 40 The Council was taking steps to gain assurance that members and staff were appropriately trained in safeguarding. Children's Services' staff received relevant training, and training was provided to schools on a rolling annual programme. During 2013-14, the Social Care Training Centre delivered 46 individual training events in relation to Safeguarding Children, which included a comprehensive training programme delivered on behalf of the Local Safeguarding Children Board. Attendees primarily came from Children's Services – 79 per cent (341 attendees) – and Health and Social Care – 16 per cent (151 attendees) – and the rest from other Council services and partners.
- 41 However, not all those who would benefit from this training received it and the Council needed to ensure all those outside of education and social care who come into contact with children on a regular basis receive this training. A series of learning events for elected members on specific aspects of safeguarding children had been provided on a monthly basis since November 2013. As at the date of the review, 37 attendances had been recorded at these evening briefing events. Because this training is not mandatory, attendance has been low.
- 42 Our survey found that the Council is well below the survey average for the number of people who have received training on safeguarding in the last six months.

The Council's approach to identifying and acting on improvements in its safeguarding arrangements had some weaknesses which the Council was addressing

- 43 The Council had an internal audit plan, but had not identified and agreed how it would use this resource to provide assurance on its corporate safeguarding arrangements. Some specific audit work was undertaken within Children's Services relating to child protection. However, whilst there was regular reporting to Scrutiny of Children's Services' performance that included a section on safeguarding, this was limited to performance relating to child protection and assessment. It did not address broader safeguarding issues or give an overall assurance on safeguarding arrangements.
- 44 The Council was in the process of establishing an enhanced scrutiny role with independent reviewing officers and independent chairs. The Council had taken steps to assure itself that it complied with data protection requirements in relation to children. For example, the Director of Children Services is Caldicott Guardian for the Council.
- 45 Our survey found that far fewer respondents felt that the Council dealt effectively with specific incidents concerning safeguarding and protecting children and young people. Similarly, a significantly lower proportion than the survey average strongly agreed or agreed that the Council informed all parents how their children were safeguarded and protected when using Council services and schools.

Performance

Estyn continued to monitor the Council's progress in education services for children and young people following an inspection in January 2011

- 46 In February 2014 Estyn conducted a monitoring visit to review the Council's progress against recommendations made as part an inspection of the Council's education services for children and young people in January 2011. Estyn concluded that the Council had made insufficient progress in relation to the recommendations following the core inspection in January 2011. As a result, Estyn revised the recommendations from the original 2011 inspection. The revised recommendations were:
- a raise standards, particularly at Key Stage 4;
 - b reduce exclusions and reduce the proportion of young people who are not in education, employment or training post-16;
 - c make sure that the arrangements for delivering school improvement services challenge and support all schools effectively, in order to improve standards for learners in all key stages;
 - d improve the effectiveness of joint planning across the range of partnership working;
 - e improve performance management processes to ensure a consistent approach in delivering objectives; and
 - f improve the scrutiny of local authority education services and partnership working.
- 47 Estyn subsequently undertook a significant improvement visit in March 2015 which focussed on reviewing the progress made by the Council against three of the six revised recommendations arising from the 2014 monitoring visit.
- 48 Estyn found that since the monitoring visit in February 2014, the Council had begun to strengthen its capacity in delivering school improvement services and had made improvements to its performance management processes and its scrutiny arrangements for education services for children and young people. However, these improvements were still relatively recent and the local authority still faced many significant challenges, particularly in improving performance in key measures in a minority of its secondary schools.
- 49 Further monitoring visits will be undertaken by Estyn during 2015-16, and we will continue to liaise with them to inform our corporate assessment follow-on work.

The Cardiff and Vale of Glamorgan Adult Community Learning Partnerships had made sufficient progress in relation to the recommendations from their separate core inspections. Both Partnerships have since merged to form the Cardiff and Vale Adult Community Learning Partnership which has been removed from any further follow-up activity

- 50 In 2013, Estyn undertook two core inspections of the Cardiff Adult Learning Partnership and the Vale of Glamorgan Adult Community Learning Partnership. Estyn made recommendations in respect of the Cardiff Adult Learning partnership.
- 51 Recommendations for Cardiff Council following the Estyn inspection were as follows:
- a improve success rates for all learners;
 - b improve the strategic leadership, management and co-ordination of adult community-based learning in Cardiff to make sure that provision is better aligned to local and national priorities and that all operational managers understand their roles and priorities;
 - c improve the quality of the curriculum and provision offered to learners, especially in the most deprived areas and to priority groups of learners;
 - d improve arrangements for self-assessment and subsequent improvements by the partnership at a faster pace;
 - e improve the quality of teaching and make sure that all tutors fully understand their professional role;
 - f improve the identification, early assessment and support for learners with additional learning needs and subsequent monitoring of the impact of this support; and
 - g improve the support available for learners with health and personal issues that hamper their progress.
- 52 Since the separate core inspections were undertaken, the two partnerships have amalgamated to form one Cardiff and Vale Adult Community Learning Partnership.
- 53 In January 2015, Estyn undertook a follow-up inspection of the joint Cardiff and Vale Adult Community Learning Partnership, which was judged to have made sufficient progress in relation to the recommendations from their separate core inspections. As a result, the Cardiff and Vale Adult Community Learning Partnership was removed from any further follow-up activity. Estyn will monitor progress against the recommendations during link visits to the partnership.
- 54 The report is available on [Estyn's website](#).

In 2013-14 social services experienced a challenging and demanding year but there was a clear assessment of future challenges, particularly in the recruitment and retention of staff and improved performance

- 55 The CSSIW published its Annual Review and Evaluation of the Council's Performance 2013-2014 in October 2014 which reported that the year had been both challenging and demanding in terms of meeting the diverse needs of a large population. The Council's Social Services' Director's report reflected a mixed picture in terms of improvement and performance. There was a clear assessment of the challenges facing Cardiff in the coming year and improved performance in areas such as care planning and review.
- 56 The Director of Children's Services had taken a strategic overview of services to understand areas for improvement and development. This resulted in a more realistic approach to the allocation of resources in a climate of budget reductions. This approach would be supported by the appointment of an Assistant Director for Children's Services and an additional post of operational manager strategic commissioning for adult services.
- 57 There was evidence in the Director's report that the Council had taken steps to prepare for the impact of the Social Services and Well Being (Wales) Act 2014. Integrated services with the Vale of Glamorgan Council and the Cardiff and Vale University Health Board were being strengthened.
- 58 There was strong corporate support for the delivery of social services which had seen the Council strengthen the management structure and produce additional funding for the directorate. Whilst some areas for savings had been identified in the director's report, it was not clear if these were sufficient to fully meet the savings required.
- 59 The Director's report set out the vision for the restructuring of children's services. While some performance indicators suggested improvement, several others described performance below that of other comparable authorities and below the Wales average.
- 60 There was evidence of consultation with the people of Cardiff which informed the Council's strategies for service development and highlighted areas in need of improvement.
- 61 This had been a challenging year for adult social care. The appointment of a Director for health and adult social care had brought improvement in some areas of performance. As with children's services there had been a strategic approach to reviewing the adult social care services provided by the Council. The review highlighted areas of improvement and the need to restructure teams to work more effectively.

- 62 The Annual Review and Evaluation of the Council's Performance 2013-2014 is available on the CSSIW website at www.cssiw.org.uk.
- 63 A further inspection will be undertaken by CSSIW during 2015-16, and we will continue to liaise with them to inform our corporate assessment follow-on work.

CSSIW undertook a national inspection of safeguarding and care planning for looked after children and care leavers who exhibit vulnerable or risky behaviour

- 64 During 2014-15 CSSIW undertook an inspection of safeguarding and care planning of looked after children and care leavers who exhibit vulnerable or risky behaviour. The inspection was carried out as part of the CSSIW national thematic inspection programme. The methodology for the review was undertaken in each local authority across Wales, between January and May 2014. The aim of the national inspection was to assess the quality of care planning across Wales and whether it effectively:
- a supported and protected looked-after children and care leavers;
 - b identified and managed the vulnerabilities and risky behaviour of looked-after children and care leavers;
 - c promoted rights-based practice and the voice of the child;
 - d promoted improved outcomes for looked-after children and care leavers; and
 - e promoted compliance with policy and guidance.
- 65 Findings from the individual local authority inspections and the CSSIW national overview report can be found on the [CSSIW website](#).

The Council was mostly delivering environmental health services at a good standard or above but due to cuts in resources and negative views on the quality and management of current services, the Council would find it difficult to take on new statutory duties that protect the public and the environment in the future

- 66 In December 2014 we reviewed the Council's environmental health services as part of one of our all-Wales studies. The study considered the impact of cuts in resources on the ability of council environmental health services to deliver their statutory obligations.

- 67 Our review concluded that 'the Council was mostly delivering environmental health services at a good standard or above but due to cuts in resources and negative views on the quality and management of current services, the Council would find it difficult to take on new statutory duties that protect the public and the environment in the future'.
- 68 In reaching our conclusion, we reported the following findings:
- a councils had many statutory environmental health duties but spending was not being protected during the current period of financial austerity, which was making it more difficult to deliver national strategic priorities;
 - b the Council was delivering most of its environmental health services at the highest levels as judged against the Best Practice Standards;
 - c between 2011-12 and 2013-14 the Council cut environmental health budgets and staff numbers but the level of reduction was below the average for Welsh councils;
 - d survey respondents were mostly negative about the current standard of environmental health service and there was a low awareness of current performance or future plans; and
 - e new environmental health statutory duties were being introduced which the Council would find it difficult to deliver.

The Council's central performance team implemented a number of controls to help ensure that correct performance information was published, but a number of weaknesses in underlying systems remained

- 69 We undertook a data quality review in January 2015 to gain assurance that the Council's performance measurement systems were robust and that resulting performance data was accurate. The purpose of the review was to establish whether performance measurement systems were fit for purpose, in order to provide assurance that the resulting data was likely to be accurate, provided that the systems were used properly.
- 70 We examined eight performance indicators in detail and the underlying systems used to compile the results. The performance indicators examined were all National Strategic Indicators or Public Accountability Measures, against which all councils are required to submit results. We were unable to review any local performance measures as during the period the review covered, no such measures were in place.
- 71 Performance Indicators at the Council are calculated using information produced from a number of underlying systems at a service level.

- 72 We identified that the Council actively used its central performance team to assess and verify certain performance information prior to publication. This central control was developed to mitigate against incorrect performance indicators being published. The performance team engaged in a number of processes. In particular it: used a risk register to identify performance indicators which were most likely to require detailed assessment; reviewed and amended where appropriate, the calculations submitted by the performance indicator compilers; and delivered feedback sessions to those who compiled the performance indicators.
- 73 Of the eight performance indicators reviewed in detail, four were found to be satisfactory. In relation to the remaining four, the following weaknesses were identified:
- a information was not uploaded to one of the data systems in a timely manner;
 - b reports used to extract data and calculate performance indicators contained omissions and duplicated entries; and
 - c data was excluded from the calculation of one performance indicator due to a potential misinterpretation of its definition.

The Council established good systems to administer discretionary housing payments and managed the impact of welfare reform although some further changes could be made to make the service even more responsive to applicants' needs

- 74 The Welfare Reform Act 2012 heralded a significant change to the administration and distribution of benefits and would have a major impact on many citizens. In April 2011, the UK Government embarked on a programme of reform which would culminate with the phased introduction of Universal Credit between October 2013 and 2017. A major focus of the UK Government's plans were changes to Housing Benefit, which were aimed at reducing annual expenditure by around £2.3 billion. These changes would mean that millions of households in Great Britain would receive less in benefits, creating hard choices for them about how they use their money and manage financially on a day-to-day basis.
- 75 In January 2015, the Auditor General for Wales published his report on how well councils were managing the impact of welfare reform changes on social housing tenants in Wales. His report reviewed the management and use of discretionary housing payments by councils in Wales and concluded that the allocation, distribution, administration and use of these payments had significant inconsistencies and weaknesses. We followed up this work at individual councils.
- 76 Our review found that the Council made it easy for customers to apply for discretionary housing payments. It had an easily accessible website page for discretionary housing payments and a downloadable application form. However, the Council asked for a great deal of information and required a customer to complete a detailed 10-page form. The application form asked for information that

was needed to make a decision, but due to its length and complexity, it could put a vulnerable person off from applying for discretionary housing payments. The form asked for a wide range of supporting information, for example, comprehensive income and expenditure, mobile phone and home entertainment charges as well as information about the reasons behind why an applicant decided to rent their home. However, the information that the Council gathered was used by the Council's Advice Hub where applicants were advised of alternative ways of reducing the burden of welfare reform changes. Discretionary housing payments were then used as the last resort, enabling the funds to be available for the most vulnerable.

- 77 The Council had not published a welfare strategy or policy which clearly set out the Council's priorities for the use of discretionary housing payments and how it assisted people affected by welfare reform. There was a comprehensive document that set out how the Council would assess the applicant's claim for discretionary housing payments and how it could be used to help the applicant. There was also a link to a welfare reform page on the Council's website. We found that whilst the Council's Homelessness Strategy referred to discretionary housing payments, the Strategy was four years old and did not provide detail about the Council's approach to discretionary housing payments.
- 78 The Council had systems in place to monitor the amount spent against the amount of money provided by the Department for Work and Pensions. The Council also monitored how many customers had been assisted and the amount of budget remaining to assist applicants. The Council monitored the impact of discretionary housing payments and who had been supported including those social housing tenants affected by the Spare Room Subsidy and the benefit cap. The Council monitored the number of landlords assisted where this information was available. This allowed the Council to ensure there was good coverage across all sectors and areas. However, it was not clear how the performance information was used to influence policy.
- 79 The Council had paid out £988,158 of its Department for Work and Pensions provision of £1,175,856, which represented 84 per cent of its allocation at the end of November 2014. The Council had funded 1,989 applicants, which indicated that the Council was positively trying to use discretionary housing payments to support those who needed it.

The Council positively promoted the use of the Welsh language in the workplace by approving a new Welsh Language Skills Strategy and established a new Welsh Language Cross Party Members Working Group

- 80 The role of the Welsh Language Commissioner (the Commissioner) was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation on 31 March 2015. The Commissioner continued to review Welsh-language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 81 The Commissioner worked with all councils in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of councils to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every council is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report, provides a formal response and collects further information as required.
- 82 The Commissioner reported that a new Welsh Language Cross-Party Members Working Group was established following the Bilingual Cardiff conference.
- 83 Following the approval of a revised Corporate Welsh Language Skills Strategy the Council began to analyse its linguistic skills requirements, assessing 400 frontline posts during the year. Welsh-language training was no longer offered internally, however, support was given to enable frontline staff to attend external courses. One hundred and ninety-six individuals completed training during 2013-14, with 101 library staff and all new corporate directors attending Welsh-language awareness courses. It was decided that such courses should be provided throughout the whole organisation in future.
- 84 A detailed blueprint for the development of a Customer Relationship Management System was completed, which allowed the Council to construct a database of its users' language preferences. The Council strengthened their partnership with Menter Caerdydd. The language initiative received a contract to provide substantial Welsh-medium leisure provision for children and their families. Seventeen weekly sport clubs were organised, and as demand remained high, it was hoped that the current provision can be expanded during the forthcoming year.

Appendix 1 – Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by staff of the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to ‘make arrangements to secure continuous improvement in the exercise of [their] functions’. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement. The Auditor General will summarise his audit and assessment work in a published annual improvement report for each authority (under section 24).

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2 – Audit of the city of Cardiff Council’s 2014-15 Improvement Plan

Certificate

I certify that I have audited Cardiff Council’s (the Council) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Council to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Council is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Council has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Council can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Council's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas
Auditor General for Wales

CC: Lesley Griffiths, Minister for Local Government and Government Business
Steve Barry, Manager
Sam Spruce, Performance Audit Lead

Appendix 3 – Audit of the City of Cardiff Council’s assessment of 2013-14 performance

Certificate

I certify that I have audited the City of Cardiff Council’s (the Council) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas
Auditor General For Wales

CC: Leighton Andrews, Minister for Local Government and Government Business
Non Jenkins, Manager
Chris Pugh, Performance Audit Lead

Appendix 4 – Feedback on the audit of the Council’s assessment of performance

Paul Orders
Chief Executive
City of Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Dear Paul

Feedback on the audit of the Council’s assessment of performance

The Auditor General recently audited the City of Cardiff Council’s (the Council) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and his Code of Audit Practice.

In respect of that audit, the Auditor General issued an assessment of performance certificate of compliance (dated 20 November 2014) confirming that the Council had discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

During the course of the work, we identified a number of areas for improvement and strengths. We agreed to share these with you at the earliest opportunity to enable you to feed any learning into the delivery of your Organisational Development Plan. These have been set out below for your consideration.

Areas for Improvement:

- The Corporate Plan 2013-17 did not contain improvement objectives which should clearly identify the Council’s priorities.
- The Council subsequently established seven improvement objectives following the Auditor General’s publication of the Improvement Assessment Letter 1 in September 2013. However, it is unclear what the actions and targets are that will support the delivery of and determine planned progress against the improvement objectives.
- Within the Council’s Improvement Report 2014, baseline data and targets are included for some improvement objectives but not for all. Therefore, we were unable to conclude what specific improvements the Council was planning to achieve for all objectives and whether improvements have been made.
- Within the Council’s Improvement Report 2014 the Council has included graphs to aid in assessing progress for four of the improvement objectives. The graphs show the average performance of the Council and Wales as a whole over a number of years (the timescale varies for each graph). However the 2013-14 targets for the Council are again not stated.
- The comparison of performance against previous years is limited and not consistently presented.

- The Improvement Report 2014 states that across the five Outcome Agreement priorities with the Welsh Government, there are 55 measures in which 12 did not achieve the target. No further information is provided in the report on these measures and it is unclear why this information has not been included to explain progress against the improvement objectives.
- The Council has not provided an overall assessment of performance for each of the seven improvement objectives.
- For the 44 National Strategic Indicators (NSI) and Public Accountability Measures (PAM), the Council did not set targets for 2013-14 for seven measures and five of these relate to education. No explanation is provided as to why targets were not set.

Strengths:

- The Improvement Report 2014 recognises that the Council is required to assess performance against the NSI and PAM data sets.
- The Improvement Report 2014 does provide information on the overall NSI and PAM data sets.
- Performance compared to the rest of Wales and previous years' information for 2011-12, 2012-13 and 2013-14 is provided to demonstrate a trend in performance.
- The Improvement Report 2014 does highlight the best five performing NSI/PAM indicators and the indicators where the Council is ranked the lowest in Wales.
- The Improvement Report 2014 does explicitly reference the Local Government Measure's seven aspects of improvement. A matrix is included to cross reference the improvement objectives with the seven aspects of improvement.
- An English version of the Improvement Report was published on the Council's website prior to the 31 October 2014 deadline.

The matters identified above are for your consideration. They are not intended to be formal recommendations or proposals for improvement requiring any specific actions to be reported to us. However, we assume that you will want to reflect on these and assure yourselves that the delivery of your Organisational Development Plan incorporates your learning.

Yours sincerely

Alan Morris

CC: Martin Hamilton, Chief Officer Change & Improvement

Appendix 5 – Audit of the City of Cardiff Council’s 2015-16 Improvement Plan

Certificate

I certify that I have audited The City of Cardiff Council’s (the Council) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Council to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Council is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Council has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Council can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Council’s Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas
Auditor General For Wales

CC: Leighton Andrews, Minister for Public Services
Non Jenkins, Manager
Chris Pugh, Performance Audit Lead

Appendix 6 – Annual Audit Letter

Councillor Phil Bale
Leader
Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UQ

Dear Councillor Bale

Annual Audit Letter

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Council complied with its responsibilities relating to financial reporting and use of resources

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards.

On 29 September 2014, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's and the Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee and Council in my Audit of Financial Statements report on the 15 and 25 September 2014 respectively, and a more detailed report to officers will follow in due course.

Overall the statement of accounts and associated working papers provided for audit were of a good standard, with the issue raised last year in connection with weakened procedures to support debtors and creditor balances being addressed. I also commented on the fact that the Council is not complying with the CIPFA code of practice in respect of the valuation and depreciation of surplus assets but that we were satisfied that this was not a material issue this year. It was agreed that the Council's accounting policies would be updated to explain the Council's reasons for these departures from the Code.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources but areas for improvement have been identified

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009 (the Measure). Overall, I am satisfied that there are no issues that would impact on the unqualified audit opinion given on the 2013-14 statement of accounts. However, a number of issues were raised by the Auditor General in his Annual Improvement Report and Corporate Assessment 2014 which was discussed at Cabinet and Council on 18 and 25 September respectively. The main conclusion of the report was that 'fragmented leadership and management have meant that real performance in key service areas has not improved'. Given these issues, it has been agreed that a follow up review will be undertaken in 2014-15 with progress monitored throughout this period. It is vital that the Council addresses the issues if it is to achieve improved performance.

The extremely challenging financial position faced by all local government bodies in Wales continues and, even though the recent budget settlement for Cardiff was better than anticipated, there is still the need to make significant savings over the next three years.

It is recognised that the Council has good arrangements for financial planning and overall budget management. The Council has acknowledged that it needs to consider fundamental changes in the way it operates and delivers its services and that difficult decisions will need to be made to meet the funding gap. It is important that the Medium Term Financial Plan is monitored closely and is clearly linked to the corporate and directorate savings plan, service delivery plans etc with any slippage dealt with quickly and effectively if savings targets are to be achieved. These continue to be challenging times for Members and Officers.

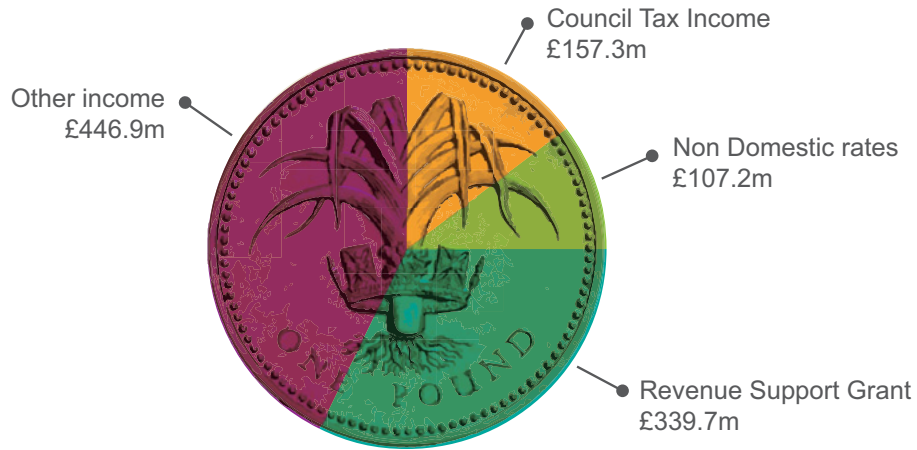
I issued a certificate confirming that the audit of the accounts has been completed on 29 September 2014.

The financial audit fee for 2013-14 is currently expected to be in line with the agreed fee set out in the Annual Financial Audit Outline.

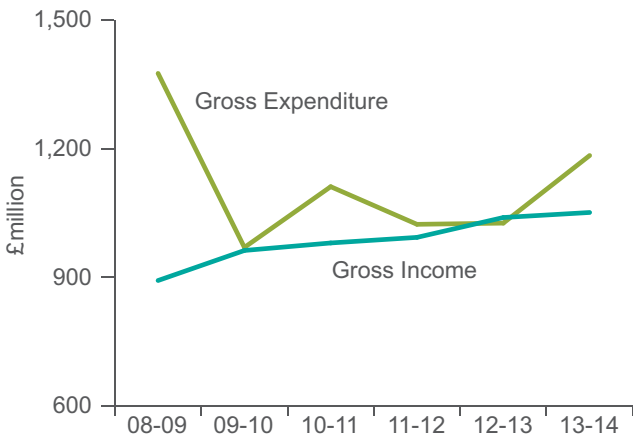
Yours sincerely

Ann-Marie Harkin
For and on behalf of the Appointed Auditor

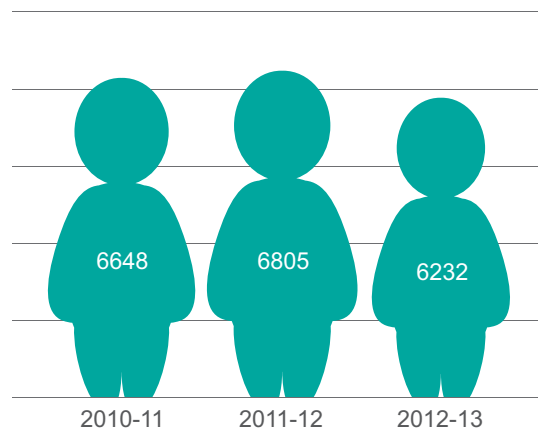
Appendix 7 – Information about the Council’s income, expenditure and staffing levels



Total Income and Expenditure



Number of whole time equivalent staff 2010-11 to 2012-13



Total Gross Expenditure by service area



Appendix 8 – National report recommendations 2014-15

| Date of report | Title of review | Recommendation |
|----------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| May 2014 | <p>Good Scrutiny? Good Question!</p> | <p>R1 Clarify the role of executive members and senior officers in contributing to scrutiny.</p> |
| | | <p>R2 Ensure that scrutiny members, and specifically scrutiny chairs, receive training and support to fully equip them with the skills required to undertake effective scrutiny.</p> |
| | | <p>R3 Further develop scrutiny forward work programming to:</p> <ul style="list-style-type: none"> • provide a clear rationale for topic selection; • be more outcome focused; • ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and • align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements. |
| | | <p>R4 Ensure that scrutiny draws effectively on the work of audit, inspection and regulation and that its activities are complementary with the work of external review bodies.</p> |
| | | <p>R5 Ensure that the impact of scrutiny is properly evaluated and acted upon to improve the function's effectiveness; including following up on proposed actions and examining outcomes.</p> |
| | | <p>R6 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Scrutiny Officers' Network.</p> |
| | | <p>R7 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.</p> |
| | | <p>R8 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.</p> |

| Date of report | Title of review | Recommendation |
|----------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 2014 | Young people not in education, employment or training - Findings from a review of councils in Wales | <p>R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.</p> <p>R2 Clarify their strategic approach to reducing the proportion of 19 to 24 year olds who are NEET as well as their approach for 16 to 18 year olds.</p> <p>R3 Focus on young people with significant or multiple barriers to engaging with education, employment or training rather than those who are more likely to re-engage without significant additional support.</p> <p>R4 Develop their objectives and targets for reducing the number of young people NEET so that they can be held to account and their work aligns with the Welsh Government's targets and objectives.</p> <p>R5 Ensure that elected members and partners fully understand that councils have a clear responsibility for leading and co-ordinating youth services for 16 to 24 year olds.</p> <p>R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area that are intended to reduce the proportion of young people who are NEET.</p> |

| Date of report | Title of review | Recommendation |
|----------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October 2014 | <p>Delivering with less – the impact on environmental health services and citizens</p> | <p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"> • align the work of environmental health with national strategic priorities; • identify the wider contribution of environmental health in delivering strategic priorities of the Welsh Government; and • identify the benefit and impact of environmental health services on protecting citizens. <p>R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.</p> <p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> • consulting with residents on planned changes in services and using the findings to shape decisions; • outlining which services are to be cut and how these cuts will impact on residents; and • setting out plans for increasing charges or changing standards of service. <p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> • Identifying the statutory and non-statutory duties of council environmental health services. • Agreeing environmental health priorities for the future and the role of councils in delivering these. • Determining an 'acceptable standard of performance' for environmental health services (upper and lower) and publicise these to citizens. • Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> – collaborating and/or integrating with others to reduce cost and/or improve quality; – outsourcing where services can be delivered more cost effectively to agreed standards; – introducing and/or increasing charges and focusing on income-generation activity; – using grants strategically to maximise impact and return; and – reducing activities to focus on core statutory and strategic priorities. <p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> • identifying, collecting and analysing financial, performance and demand/need data on environmental health services; • analysing collected data to inform and understand the relationship between 'cost: benefit: impact' and use this intelligence to underpin decisions on the future of council environmental health services; and • agree how digital information can be used to plan and develop environmental health services in the future. |

| Date of report | Title of review | Recommendation |
|----------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 2015 | Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales | <p>R1 Improve strategic planning and better co-ordinate activity to tackle the impact of welfare reform on social-housing tenants by ensuring comprehensive action plans are in place that cover the work of all relevant council departments, housing associations and the work of external stakeholders.</p> |
| | | <p>R2 Improve governance and accountability for welfare reform by:</p> <ul style="list-style-type: none"> • appointing member and officer leads to take responsibility for strategic leadership on welfare reform and be accountable for performance; and • ensuring members receive adequate training and regular briefings on welfare reform to be able to challenge and scrutinise performance and decisions. |
| | | <p>R3 Ensure effective management of performance on welfare reform by:</p> <ul style="list-style-type: none"> • setting appropriate measures to enable members, officers and the public to judge progress in delivering actions; • ensuring performance information covers the work of all relevant agencies and especially housing associations; and • establishing measures to judge the wider impact of welfare reform. |
| | | <p>R4 Strengthen how welfare-reform risks are managed by creating a single corporate-level approach that co ordinates activity across the Council and the work of others to provide adequate assurance that all the necessary and appropriate actions to mitigate risk are taking place.</p> |
| | | <p>R5 Improve engagement with tenants affected by the removal of the spare-room subsidy through:</p> <ul style="list-style-type: none"> • the provision of regular advice and information on the options open to them to address the financial impact of the change in their circumstances; • the promotion of the ‘Your benefits are changing’ helpline; and • the provision of support to tenants specifically affected by the removal of the spare-room subsidy to participate in regional/national employment schemes. |

| Date of report | Title of review | Recommendation |
|----------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 2015 | <p>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</p> | <p>R7 Improve management, access to and use of Discretionary Housing Payments by:</p> <ul style="list-style-type: none"> • establishing a clear policy or guide that is available in hard copy and online to the public that sets out the Council's policy and arrangements for administering Discretionary Housing Payments; • clearly defining eligible and non-eligible housing costs covered by Discretionary Housing Payments in application forms, policy documentation and applicant guidance leaflets; • clearly setting out the maximum/minimum length of time that such payments will be provided; • setting and publishing the timescale for the Council making a decision on Discretionary Housing Payments applications; • including information within public literature on the Council's policy for right to review or appeal of a decision and the timescales and process to be followed in deciding on these; and • clearly define the priority groups for Discretionary Housing Payments in public literature to ensure that those seeking assistance, and those agencies supporting them, can assess whether such payments are a viable option to address their housing and financial needs. |

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