



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2016-17 Carmarthenshire County Council

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Jeremy Evans and Alison Lewis under the direction of Huw Rees.

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The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

Together with appointed auditors, 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.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Summary report

2016-17 performance audit work

- 1 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 Carmarthenshire County Council's (the Council) own mechanisms for review and evaluation. For 2016-17, we undertook improvement assessment work at all councils under three themes: governance, use of resources, and improvement planning and reporting. At some councils, we supplemented this work with local risk-based audits, identified in the Audit Plan for 2016-17.
- 2 The work carried out since the last Annual Improvement Report (AIR), including that of the relevant regulators, is set out in [Exhibit 1](#).

The Council is meeting its statutory requirements in relation to continuous improvement

- 3 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2017-18.

Recommendations and proposals for improvement

- 4 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:
- 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;
 - make formal recommendations for improvement – if a formal recommendation is made, the Council must prepare a response to that recommendation within 30 working days;
 - conduct a special inspection, and publish a report and make recommendations; and
 - recommend to ministers of the Welsh Government that they intervene in some way.
- 5 During the course of the year, the Auditor General did not make any formal recommendations. However, a number of proposals for improvement have been made and these are repeated in this report. We will monitor progress against them and relevant recommendations made in our national reports ([Appendix 3](#)) as part of our improvement assessment work.

Audit, regulatory and inspection work reported during 2016-17

Exhibit 1: audit, regulatory and inspection work reported during 2016-17

Issue date	Brief description	Conclusions	Proposals for improvement
Governance			
May 2017	<p>Good governance when determining service changes Review of the Council's governance arrangements for determining service changes.</p>	<p>The Council has a generally effective approach for determining and delivering significant service changes, but there are opportunities to improve the transparency and consistency of arrangements;</p> <ul style="list-style-type: none"> the Council continues to establish an environment and culture to encourage and enable significant service change; the Council has set out clear guidelines for the governance of service change, but scrutiny committees do not always take opportunities to review and challenge decisions; the Council does not have a consistent approach to options appraisal when determining service change proposals; the Council has well developed processes in place to seek the views of stakeholders, including councillors and citizens, regarding proposed service changes; the Council is strengthening its arrangements to capture information on the impact of service change; and the Council's approach to reviewing its decision making arrangements is not sufficiently clear. 	<p>Strengthen governance arrangements by ensuring that:</p> <p>P1 Scrutiny Committees consider taking better advantage of opportunities to challenge service change proposals and decisions.</p> <p>P2 Officers work with councillors to identify the level of information councillors want to see on options for service change, to enhance transparency in the decision making process.</p> <p>P3 The Council reviews the terms of reference of both the Corporate Governance Group and the Corporate Review Working Group in order to clarify their respective responsibilities for assessing and reviewing governance arrangements.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
Use of resources			
December 2016	<p>Annual audit letter 2015-16 Letter summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice. The Annual Audit Letter is in Appendix 2 of this report.</p>	<ul style="list-style-type: none"> the Council complied with its responsibilities relating to financial reporting and use of resources although there remains scope for improvement in some areas; I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources but there remains scope for the Council to make further improvements; and work to date on certification of grant claims and returns has not identified significant issues that would impact on the accounts or key financial systems. 	None
March 2017	<p>Savings planning Review of the Council's financial savings arrangements, including how well it is delivering the required savings and whether it has robust approaches to plan, manage and deliver budget savings, at a pace that supports financial resilience.</p>	<p>Whilst the Council has sound savings planning arrangements, which support future financial resilience, some lack of transparency in financial reporting remains.</p> <ul style="list-style-type: none"> Savings achievement 2015-16: <ul style="list-style-type: none"> the Council has reported achievement of 82% of its planned 2015-16 savings in-year and is able to demonstrate that individual savings have been achieved. Financial planning arrangements: <ul style="list-style-type: none"> the Council has a sound financial planning framework but links between corporate and financial planning processes and reporting to Members are limited. 	<p>P1 Strengthen financial planning arrangements by:</p> <ul style="list-style-type: none"> developing explicit links between the MTFP and the Council's corporate planning processes; including savings plans monitoring reports with the publicly available quarterly financial monitoring reports; ensuring that delivery timescales in business cases are robust; finalise and approve the income generation/charging policy; and approving the developed reserves strategy.

Issue date	Brief description	Conclusions	Proposals for improvement
		<ul style="list-style-type: none"> • Savings Plan 2016-17 <ul style="list-style-type: none"> – the Council is forecasting that 86% of its 2016-17 savings plans will be achieved but savings plans lack detail and realistic delivery timescales. 	
Local risk-based performance audit			
Follow up to a selection of the Corporate Assessment Proposals for Improvement			
<p>May 2017 (as part of Annual Improvement Report)</p>	<p>Corporate Assessment Follow up - Governance</p> <p>Proposals for Improvement:</p> <ul style="list-style-type: none"> • develop forward work programmes to ensure that all appropriate committees have a published up to date programme owned by committee Members; • publish a register of delegated decisions; • develop and deliver training to help Members understand their roles and responsibilities and refresh this training delivery as Members move between roles; 	<p>The Council has taken steps to address the proposals for improvement but recognises that there is more to do.</p> <p>We came to this conclusion because:</p> <ul style="list-style-type: none"> • committees have agreed and published Forward Work Programmes (FWP) but councillors are not yet fully owning the programmes. We are issuing a further Proposal for Improvement in this area. • the Council has introduced a new facility to publish delegated decisions made by officers. However, the information held on this facility is not complete. We will monitor progress on this work in our audit programme for 2017-18. • the Council has begun to establish a more prescribed approach to councillor training and has planned a full induction programme to take place after the May 2017 local government elections. We will observe and evaluate the effectiveness and impact of this programme in the forthcoming year. 	<p>The Council should ensure that the role of councillors in the development and ownership of the Forward Work Programmes for committees is included in councillor training.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
	<ul style="list-style-type: none"> review the remit of Audit Committee to make sure it is delivering what is expected of it specifically – ‘by ensuring that the Committee received copies off all regulatory reports, its consideration of financial reports, risk and fraud and improving the level of information shared with the committee in relation to the Council’s risk register and restricted items’. 	<ul style="list-style-type: none"> the Audit Committee conducted a self-review in July 2016 which resulted in a number of changes. The Wales Audit Office will track the progress of these actions over the coming year and assess whether they have had a positive impact. 	
<p>May 2017 (as part of Annual Improvement Report)</p>	<p>Corporate Assessment Follow up Use of Resources – People</p> <p>Proposals for Improvement:</p> <ul style="list-style-type: none"> finalise and implement the revised structure for People Management and Performance (PMP) Division; ensure all staff have an annual individual performance appraisal; 	<p>The Council has made progress on all of the elements in the proposal for improvement and made significant progress on the technology requirements for the People Management service.</p> <p>We came to this conclusion because:</p> <ul style="list-style-type: none"> the realignment of the People Management Team is now complete. the People Management Team is identifying how to improve the quality and effectiveness of the Council’s appraisal process. 	<p>No further Proposals for Improvement issued.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
	<ul style="list-style-type: none"> • simplify communication mechanisms both within PMP and those used for communicating people management initiatives to the wider workforce; • review the ICT systems and equipment used within PMP and drive developments to deliver as a minimum: <ul style="list-style-type: none"> – a single personnel record; – effective self-service; – agile working for PMP officers; – a clear business requirement for ICT communicated to the ICT Strategy Group; and – more effective use of the Insight reporting system. 	<ul style="list-style-type: none"> • the People Management Team is developing a simpler, single communications plan; has held effective function-wide meetings; and continues to successfully use drop-in sessions to communicate key messages. • significant progress has been made in improving the use of HR software systems and ways of working; The People Management Team is working in a more agile way with the correct equipment; and collaborating effectively with the ICT Team. 	

Issue date	Brief description	Conclusions	Proposals for improvement
<p>May 2017 (as part of Annual Improvement Report)</p>	<p>Corporate Assessment Follow up Use of Resources – Assets</p> <p>Proposals for Improvement:</p> <ul style="list-style-type: none"> • strengthen the service level asset management plans and improve links between these plans and the overarching corporate asset management plan; and • report progress against the corporate asset management plan and the office accommodation strategy to Members quarterly. 	<p>The Council has improved the links between the new Corporate Asset Management Plan and the Service Level Asset Management Plans but the quality of the service level plans remains variable.</p> <p>We came to this conclusion because:</p> <ul style="list-style-type: none"> • the Council adopted a new Corporate Asset Management Plan (CAMP) in December 2016. The CAMP includes links with the Service Asset Management Plans (SAMPs). However, the quality of the SAMPs is variable and further work is needed to improve the information they contain to better support the content of the CAMP. A programme has been set for reviewing the SAMPs during 2017. • improvements have been made in the forward strategy for office accommodation with a new corporate approach to accommodation moves and a clearer focus on agile working. The Office Accommodation Strategy is due to be reviewed in the spring of 2017. • the actions the Council is taking in relation to asset management are being reported to councillors on a six monthly basis. Specific performance measures for asset management are contained in the CAMP. However, the Council recognises that the way these are reported could be improved and officers have committed to making the data more informative and easier to understand. 	<p>No further Proposals for Improvement issued.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
<p>May 2017 (as part of Annual Improvement Report)</p>	<p>Corporate Assessment Follow up Use of Resources – ICT and Information Management</p> <p>Proposal for Improvement:</p> <ul style="list-style-type: none"> ensure that the ICT work streams resolve the apparent disconnect between the business and the ICT service and take appropriate account of business needs. 	<p>The Council has made significant progress in resolving the issues it faced within its ICT service</p> <p>We came to this conclusion because:</p> <ul style="list-style-type: none"> the Council has re-established its ICT governance group (Digital Transformation Group) with representation from all services and the central support functions, and chaired by the Director of Environment; the Council has developed a digital transformation strategy that links well with national and local drivers for change, this is currently being approved; the Council has run a series of engagement workshops to canvas the opinions of services and to demonstrate new ways of working facilitated by digital solutions; and the Council has reviewed its ICT service structure, capacity and capability to help it re-shape, ensuring it is fit for the future. 	<p>No further Proposals for Improvement issued.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
<p>May 2017 (as part of Annual Improvement Report)</p>	<p>Corporate Assessment Follow up – Improvement Planning</p> <p>Proposals for Improvement:</p> <ul style="list-style-type: none"> provide clearer direction and professional level challenge on all performance management issues to ensure consistent application of the Council’s performance management framework and sharing of good practice. 	<p>Whilst the Council has introduced a number of positive changes to its improvement planning function, a lack of leadership at a corporate management level is slowing progress in strengthening improvement planning arrangements.</p> <p>We came to this conclusion because:</p> <ul style="list-style-type: none"> the Council has begun to strengthen the links between financial and improvement planning; the Council has taken actions to improve the quality and use of service business plans by: establishing baseline standards, introducing new checks and challenges and involving Heads of Service in developing ideas of how to improve the process but these developments are not embedded yet and plans are inconsistent; the Council is improving the quality of the information held on its performance management system (PIMS) but it needs to act further to embed good practice; and Councillor training on the PIMS system will be undertaken in 2017 to encourage their use of the performance information to support their role. 	<p>No further Proposals for Improvement issued.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
Improvement planning and reporting			
15.09.16	<p>Wales Audit Office annual improvement plan audit</p> <p>Review of the Council's published plans for delivering on improvement objectives.</p> <p>The Council published a Combined 2016-17 Improvement Plan and Assessment of 2015-16 Performance.</p>	The Council has complied with its statutory improvement planning duties.	None
15.09.16	<p>Wales Audit Office annual assessment of performance audit</p> <p>Review of the Council's published performance assessment.</p> <p>The Council published a Combined 2016-17 Improvement Plan and Assessment of 2015-16 Performance.</p>	The Council has complied with its statutory improvement reporting duties.	None
Reviews by inspection and regulation bodies			
July 2016	<p>Care and Social Services Inspectorate Wales (CSSIW)</p> <p>National review of domiciliary care in Wales – Carmarthenshire County Council</p>	<p>The report can be accessed via this link:</p> <p>National review of domiciliary care in Wales – Carmarthenshire County Council</p>	CSSIW did not issue any recommendations in this report but they did include 'areas for consideration'.

Issue date	Brief description	Conclusions	Proposals for improvement
September 2016	Care and Social Services Inspectorate Wales (CSSIW) Inspection of Children's Services	<p>The report can be accessed via this link:</p> <p>Inspection of Children's Services Report</p>	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Multi-agency arrangements should be established to strengthen operational plans to support effective co-ordination of statutory partner's completion of Joint Assessment Frameworks. 2. The local authority should establish effective systems to ensure that thresholds for access to statutory services are understood and consistently applied by staff and partners. 3. The consistency and quality of social work and risk analysis contained in assessments and plans must be improved. 4. The quality of management oversight of assessment and planning should be strengthened. 5. Strong political and corporate support for children's services must continue to ensure service improvements underway are prioritised and the pace of improvement sustained. 6. The local authority and partners should continue to work together to develop an integrated approach to delivering information, advice and assistance, preventive services and statutory provision to achieve greater continuity and reduce duplication for children and families accessing these services.

Appendix 1

Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake a forward-looking annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. Improvement authorities (defined as local councils, national parks, and fire and rescue authorities) have a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'.

The annual improvement assessment considers the likelihood that an authority will comply with its duty to make arrangements to secure continuous improvement. The assessment is also the main piece of work that enables the Auditor General to fulfil his duties. Staff of the Wales Audit Office, on behalf of the Auditor General, produce the annual improvement report. The report discharges the Auditor General's duties under section 24 of the Measure, by summarising his audit and assessment work in a published annual improvement report for each authority. 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.

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

Annual Audit Letter

Cllr Emlyn Dole
Leader
Carmarthenshire County Council
County Hall
Jail Hill
Carmarthen
SA31 1JP

19 December 2016

Dear Cllr Dole

Annual Audit Letter – Carmarthenshire County Council 2015-16

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

The Council complied with its responsibilities relating to financial reporting and use of resources although there remains scope for improvement in some areas

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 30 September 2016 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 Dyfed Pension Fund's financial position and transactions. I issued a certificate confirming that the audit of the financial statements had been completed on the same date. My report and certificate are contained within the Statement of Accounts.

However, we had some concerns in relation to the Council's processes as to how it valued certain types of assets. Our concerns related to:

- rates used in valuing specific assets;
- evidencing of judgements; and
- internal quality assurance arrangements.

The Council has agreed to make improvements in all these areas for 2016-17 and we will review these revised processes as part of our 2016-17 audit.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources but there remains scope for the Council to make further improvements

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 under the Local Government (Wales) Measure 2009.

My Annual Improvement Report published in March 2016 concluded that the Council demonstrating ambition in its vision, with collective leadership and more robust and transparent governance, is delivering improved outcomes for its citizens although some outdated approaches may limit the speed of progress. This conclusion was reached after considering our detailed findings on performance, use of resources and governance shown below:

- **Performance** - the Council, in collaboration with partners and despite increasing pressure on budgets, is continuing to improve performance across its priority areas and has complied with the Local Government Measure 2009.
- **Use of resources** - the Council's arrangements for managing its resources have served it well in the past, but the current approach in some areas is outdated and needs to be more explicitly linked to service plans which may help to improve outcomes for citizens in the future.
- **Governance** - the Council has made good progress in establishing improved governance arrangements which are now more robust and transparent, although there are opportunities for further improvements to enable Members to be more effective in their roles.

My work to date on certification of grant claims and returns has not identified significant issues that would impact on the accounts or key financial systems.

The Council has taken a number of steps to improve grants management over a number of years and some of these actions are now delivering improvements. There remain some areas where the Council needs to improve its grant certification arrangements.

The main areas where improvements were needed are shown below:

- Non-compliance with the Council's own procurement rules;
- the awarding of funding to third parties and the subsequent checks that the grant funding has been spent in accordance with the scheme's terms and conditions;
- justification of internal charges and apportionments included in grant claims as eligible costs for grant funding; and
- supporting evidence to confirm eligible expenditure items in the claim (three claims).

I have begun my audit of the 2015-16 grants and I will report the outcomes of this work in early 2017, when the programme of certification work is complete.

The financial audit fee for 2015-16 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan.

Yours sincerely

Richard Harries

For and on behalf of the Auditor General for Wales

cc. Mark James, Chief Executive

Chris Moore, Chief Finance Officer

Appendix 3

National report recommendations 2016-17

Exhibit 2: national report recommendations 2016-17

Date of report	Title of review	Recommendation
August 2016	Financial Resilience of Local Authorities in Wales 2015-16	<p>In our report of 2014-15 (The Financial Resilience of Councils in Wales, April 2015) we made a number of recommendations for local authorities. Many of these recommendations remained relevant and required further work from authorities to address them during 2016-17. In addition, we also made the following recommendations based on our more recent review:</p> <p>R1 Local authorities should strengthen their financial-planning arrangements by:</p> <ul style="list-style-type: none"> • developing more explicit links between the Medium Term Financial Plan (MTFP) and its corporate priorities and service plans; • aligning other key strategies such as workforce and asset management plans with the MTFP; • developing comprehensive multi-year fully costed savings plans which underpin and cover the period of the MTFP, not just the forthcoming annual budget; • categorising savings proposals so that the shift from traditional-type savings to transformational savings can be monitored over the period of the MTFP; and • ensuring timescales for the delivery of specific savings proposals are realistic and accountability for delivery is properly assigned. <p>R2 Local authorities should develop corporate income generation and charging policies.</p> <p>R3 Local authorities should ensure that they have a comprehensive reserves strategy, which outlines the specific purpose of accumulated useable reserves and the impact and use of these in the MTFP.</p> <p>R4 Local authorities should develop key performance indicators to monitor the MTFP.</p> <p>R5 Local authorities should ensure that savings plans are sufficiently detailed to ensure that members are clear as to what the plans are intended to deliver and that the delivery of those plans can be scrutinised appropriately throughout the year.</p> <p>R6 Local authorities should ensure that corporate capacity and capability are at a level that can effectively support the delivery of savings plans in the MTFP at the pace required.</p>

Date of report	Title of review	Recommendation
October 2016	Community Safety in Wales	<p>The seven recommendations within this report required individual and collective action from a range of stakeholders – the Welsh Government, Home Office Wales Team, police and crime commissioners, public service board members and local authorities:</p> <p>R1 Improve strategic planning to better coordinate activity for community safety by replacing the existing planning framework with a national strategy supported by regional and local plans that are focused on delivering the agreed national community-safety priorities.</p> <p>R2 Improve strategic partnership working by formally creating effective community-safety boards that replace existing community-safety structures that formalise and draw together the work of the Welsh Government, police forces, local authorities, health boards, fire and rescue authorities, WACSO and other key stakeholders.</p> <p>R3 Improve planning through the creation of comprehensive action plans that cover the work of all partners and clearly identify the regional and local contribution in meeting the national priorities for community safety.</p> <p>R4 Review current grant-funding arrangements and move to pooled budgets with longer-term funding commitments to support delivery bodies to improve project and workforce planning that focuses on delivering the priorities of the national community-safety strategy.</p> <p>R5 Ensure effective management of performance of community safety by:</p> <ul style="list-style-type: none"> • setting appropriate measures at each level to enable members, officers and the public to judge progress in delivering actions for community-safety services; • ensuring performance information covers the work of all relevant agencies; and • establishing measures to judge inputs, outputs and impact to be able to understand the effect of investment decisions and support oversight and scrutiny. <p>R6 Revise the systems for managing community-safety risks and introduce monitoring and review arrangements that focus on assuring the public that money spent on community safety is resulting in better outcomes for people in Wales.</p> <p>R7 Improve engagement and communication with citizens through public service boards in:</p> <ul style="list-style-type: none"> • developing plans and priorities for community safety; • agreeing priorities for action; and • reporting performance and evaluating impact.

Date of report	Title of review	Recommendation
November 2016	<u>Charging for Services and Generating Income by Local Authorities</u>	<p>This report made eight recommendations, of which six required action from local authorities. Recommendations R4 and R6 required action from the Welsh Government and Welsh Local Government Association:</p> <p>R1 Develop strategic frameworks for introducing and reviewing charges, linking them firmly with the Medium Term Financial Plan and the Corporate Plan.</p> <p>R2 Review the unit and total costs of providing discretionary services to clearly identify any deficits and, where needed, set targets to improve the current operating position.</p> <p>R3 Use the impact assessment checklist whenever changes to charges are considered.</p> <p>R5 Identify opportunities to procure private sector companies to collect charges to improve efficiency and economy in collecting income.</p> <p>R7 Improve management of performance, governance and accountability by:</p> <ul style="list-style-type: none"> • regularly reporting any changes to charges to scrutiny committee(s); • improving monitoring to better understand the impact of changes to fees and charges on demand, and the achievement of objectives; • benchmarking and comparing performance with others more rigorously; and • providing elected members with more comprehensive information to facilitate robust decision making. <p>R8 Improve the forecasting of income from charges through the use of scenario planning and sensitivity analysis.</p>

Date of report	Title of review	Recommendation
January 2017	Local Authority Funding of Third Sector Services	<p>This report made three recommendations, of which two required action from local authorities. Recommendation R3 required action from the Welsh Government:</p> <p>R1 To get the best from funding decisions, local authorities and third sector bodies need to ensure they have the right arrangements and systems in place to support their work with the third sector. To assist local authorities and third sector bodies in developing their working practices, we recommend that local authority and third sector officers use the Checklist for local authorities effectively engaging and working with the third sector to:</p> <ul style="list-style-type: none"> • self-evaluate current third sector engagement, management, performance and practice; • identify where improvements in joint working is required; and • jointly draft and implement an action plan to address the gaps and weaknesses identified through the self-evaluation. <p>R2 Poor performance management arrangements are weakening accountability and limiting effective scrutiny of third sector activity and performance. To strengthen oversight of the third sector, we recommend that elected members scrutinise the review checklist completed by officers, and regularly challenge performance by officers and the local authority in addressing gaps and weaknesses.</p>

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