



## **FULL COUNCIL REPORT**

Date Written	20 <sup>th</sup> September 2016
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Service Area	Corporate Services
Exempt/Non Exempt	Non Exempt
Committee Date	5 <sup>th</sup> October 2016

*To: Mayor, Ladies and Gentlemen*

# **Auditor General's Annual Improvement Report 2015/16**

## **1.0 SUMMARY OF THE REPORT**

1.1 To receive the auditor General's Annual Improvement Report for 2015/16 which has been prepared by the Wales Audit Office, including the proposal for improvement and to inform the Council of the action planned to address the proposal.

## **2.0 RECOMMENDATIONS that**

2.1 The Auditor General's Annual Improvement Report be received.

2.2 An update on progress in addressing the proposal for improvement be provided to Audit Committee.

## **3.0 INTRODUCTION AND BACKGROUND**

3.1 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. The Auditor General must report on how Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services.

3.2 The Auditor general's Annual Improvement Report draws on the work of the relevant Welsh inspectorates, and his own work.

## 4.0 ANNUAL IMPROVEMENT REPORT 2015/16

4.1 The Annual Improvement Report for Merthyr Tydfil County Borough Council was published by the Wales Audit Office on 23<sup>rd</sup> August and is attached for information.

4.2 The report sets out what the Council needs to do to improve its services. The report states that:

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, publish a report and make recommendations; and
- d) recommend to Ministers of the Welsh Government that they intervene in some way.

4.3 During the course of the year, the Auditor General did not make any formal recommendations to the Council. However, lower-priority issues, known as proposals for improvement, are contained in our other reports to the Council and may be referred to later on in this report. He also makes recommendations that may be relevant to the Council in his Local Government National Reports.

4.4 The Annual Improvement Report contains one proposal for improvement as follows:

*The Council strengthens its arrangements for responding to external regulatory reports by:*

- *clarifying its process for dealing with reports that are received; and*
- *clarifying the role of committees when receiving reports, and ensuring there is appropriate challenge and clear monitoring of the Council's progress in addressing any recommendations.*

4.5 Work is underway to review and update a procedure for dealing with external regulatory reports. This includes clarification of where reports are reported to e.g. Council, Cabinet, Audit and/or Scrutiny Committees, clarifying the role of committees when considering regulatory reports, including monitoring of the implementation of recommendations and updating / replacing the existing Audit Inspection Action Plan (AAP) system.

## **5.0 FINANCIAL IMPLICATION(S)**

5.1 None specifically identified in this report although good corporate governance supports sound financial management and helps maximise financial resources and minimise losses. Some of the issues identified in the proposal for improvement may result in additional costs to address them e.g. replacement of the current AAP system. These will be identified at the appropriate time along with potential options for funding them.

## **6.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY**

6.1 The Single Integrated Plan and Sustainability Impact Assessment has been completed. The report will ultimately have a positive impact on all aspects of the Single Integrated Plan as good governance arrangements are critical to the economic, efficient and economically successful provision of services, which ultimately leads to achievement of the stated priorities.

## **7.0 EQUALITY IMPACT ASSESSMENT**

7.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

**GARETH CHAPMAN**  
**CHIEF EXECUTIVE**

**COUNCILLOR PHIL WILLIAMS**  
**CABINET MEMBER FOR GOVERNANCE**  
**& CORPORATE SERVICES**

<b>BACKGROUND PAPERS</b>		
<b>Title of Document(s)</b>	<b>Document(s) Date</b>	<b>Document Location</b>
<b>Does the report contain any issue that may impact the Council's Constitution?</b>		

***Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.***