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County Hall
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NP15 1GA

Wednesday, 6 January 2016

Notice of meeting / Hysbysiad o gyfarfod:

Audit Committee

**Thursday, 14th January, 2016 at 2.00 pm,
Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA**

AGENDA

Item No	Item	Pages
1.	Apologies for Absence	
2.	Declarations of Interest	
3.	Public Open Forum	
4.	To confirm minutes of the previous meeting	1 - 8
5.	To note the Action List from the meeting held on 3rd December 2015	9 - 10
6.	To receive an update from the Passenger Transport Unit Manager	
7.	Annual Improvement Report and Corporate Assessment	11 - 102
8.	Internal Audit Quarter 3 Progress Report	103 - 110
9.	Scrutiny Performance Report	111 - 142
10.	Forward Work Programme	143 - 144
11.	To confirm the date and time of next meeting as Thursday 3rd March 2016 at 2.00pm	

Paul Matthews

Chief Executive / Prif Weithredwr

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

County Councillors:

P White
J. Higginson
D. Batrouni
P. Clarke
G. Down
A. Easson
D. Edwards
P. Murphy
P. Jordan
B. Hayward
B. Strong
J. Prosser

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Welsh Language

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Aims and Values of Monmouthshire County Council

Sustainable and Resilient Communities

Outcomes we are working towards

Nobody Is Left Behind

- Older people are able to live their good life
- People have access to appropriate and affordable housing
- People have good access and mobility

People Are Confident, Capable and Involved

- People's lives are not affected by alcohol and drug misuse
- Families are supported
- People feel safe

Our County Thrives

- Business and enterprise
- People have access to practical and flexible learning
- People protect and enhance the environment

Our priorities

- Schools
- Protection of vulnerable people
- Supporting Business and Job Creation
- Maintaining locally accessible services

Our Values

- **Openness:** we aspire to be open and honest to develop trusting relationships.
- **Fairness:** we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect.
- **Flexibility:** we aspire to be flexible in our thinking and action to become an effective and efficient organisation.
- **Teamwork:** we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Cymunedau Cynaliadwy a Chryf

Canlyniadau y gweithiwn i'w cyflawni

Neb yn cael ei adael ar ôl

- Gall pobl hŷn fyw bywyd da
- Pobl â mynediad i dai addas a fforddiadwy
- Pobl â mynediad a symudedd da

Pobl yn hyderus, galluog ac yn cymryd rhan

- Camddefnyddio alcohol a chyffuriau ddim yn effeithio ar fywydau pobl
- Teuluoedd yn cael eu cefnogi
- Pobl yn teimlo'n ddiogel

Ein sir yn ffynnu

- Busnes a menter
- Pobl â mynediad i ddysgu ymarferol a hyblyg
- Pobl yn diogelu ac yn cyfoethogi'r amgylchedd

Ein blaenoriaethau

- Ysgolion
- Diogelu pobl agored i niwed
- Cefnogi busnes a chreu swyddi
- Cynnal gwasanaethau sy'n hygyrch yn lleol

Ein gwerthoedd

- **Bod yn agored:** anelwn fod yn agored ac onest i ddatblygu perthnasoedd ymddiriedus
- **Tegwch:** anelwn ddarparu dewis teg, cyfleoedd a phrofiadau a dod yn sefydliad a adeiladwyd ar barch un at y llall.
- **Hyblygrwydd:** anelwn fod yn hyblyg yn ein syniadau a'n gweithredoedd i ddod yn sefydliad effeithlon ac effeithiol.
- **Gwaith tîm:** anelwn gydweithio i rannu ein llwyddiannau a'n methiannau drwy adeiladu ar ein cryfderau a chefnogi ein gilydd i gyflawni ein nodau.

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Agenda Item 4

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held
at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 3rd
December, 2015 at 2.00 pm

PRESENT: County Councillor P White (Chairman)
County Councillor J. Higginson (Vice Chairman)

County Councillors: A. Easson, P. Murphy, P. Jordan, B. Hayward
and B. Strong

ALSO IN ATTENDANCE: County Councillor V. Smith

OFFICERS IN ATTENDANCE:

Nicola Perry	Democratic Services Officer
Mark Howcroft	Head of Operations
Joy Robson	Head of Finance/Section 151 Officer
Andrew Wathan	Chief Internal Auditor
Hazel Clatworthy	Sustainability Community Officer
Matthew Gatehouse	Policy and Performance Manager
Richard Jones	Policy and Performance Officer
Will McLean	Head of Policy & Engagement
Scott James	Strategic Procurement Manager
Rob O'Dwyer	Head of Property Services and Facilities Management
	Steve Wyndham – WAO
	Mike Palmer - WAO

APOLOGIES:

Councillors D. Batrouni, P. Clarke, G. Down and D. Edwards

1. Declarations of Interest

There were no declarations of interest made by Members.

2. Public Open Forum

There were no members of public present.

3. To confirm minutes of the previous meeting

The minutes of the Audit Committee meeting held on Thursday 22nd October 2015 were confirmed as a correct record and signed by the Chairman.

4. To note the Action List from the previous meeting

We noted the Action List from the meeting held on 22nd October 2015. In doing so the following points were noted:

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- The Head of Commercial and People Development was currently compiling a breakdown of special payments on a salary banding basis, and would forward to the Committee in due course. Members voiced concerns surrounding the continued delay in receiving the information.
- The issue raised by a member of the public at the meeting on 16th July 2015 remained outstanding.
- Responses via email, relating to actions, would be emailed to all Members of the committee.
- Passenger Transport Unit had agreed to address the Committee in January 2016.
- Monmouthshire Enterprises officers would address the Committee in January 2016.

Members were advised that the workshop suggested at the previous meeting would be arranged in the new year, all Members to be invited.

5. Procurement Action Report

We received a report from the Strategic Procurement Manager to update Members on the steps taken to address the recommendations of Internal Audit, with timelines, as discussed at the meeting on 22nd October 2015.

We were informed that many of the actions had been addressed in the Service Improvement Plan 2015/16 and would be addressed by the end of the financial year. Off contract expenditure had not been covered as it was considered there was a lack of resource to use the data. Also a bespoke set of procedural rules for schools had not been covered as it was considered they were covered with the current rules.

Following presentation of the information, Members were invited to comment.

A query was raised regarding the Councils policy not to ask for a performance bond to prevent contractors bidding at a low price. It was questioned if Officers thought it would be a good idea to use performance bonds for single contracts. In response we were informed that under collaborative arrangements it was asked what the requirements were under the scoping arrangements. With regards to contracts not in the framework agreement it would be down to individual officers to provide comment.

Clarification was required regarding the Internal Audit recommendation 10 - '*off contract expenditure and inefficient use of resource*'. The Chief Internal Auditor explained that this referred to the review of spending money not part of a contract and ensuring we were using staff resources efficiently to avoid duplication of effort.

It was noted that the report did not address the lower than average procurement score of 31%. In response, the Strategic Procurement Manager explained that an All Wales Maturity Model was set by KPMG, and another external audit of the procurement function was due to be carried out between January and March 2016 in order to assess MCC performance. Welsh Government had provided a guidance pack which could be forwarded to the committee if required.

A Member noted that there were only 2 procurement officers but support was provided through the Internal Procurement Network. It was noted that bi-monthly meetings were held with management with the highest spending cost centres.

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The Chief Internal Auditor expressed that the actions raised by Internal Audit had been addressed in part. It was important to support the network group and for Heads of Service to encourage attendance. The action plan addressed most of the concerns. It was noted that monitoring the off contract procurement was a key issue, It was key to ensure officers were compliant with contracts which it was felt had not been completely addressed.

With regards to schools, it was important for schools to comply with procurement rules. It was thought if schools did not have their own precedures, they could adopt our rules. It was noted that where schools were moving to work in clusters there would be more emphasis on collaborative buying.

It was agreed that it would be useful for Audit Committee to receive an update in 6 months, following the assessment.

6. Joint Progress Report 2014/15

We received the MCC/WAO Joint Progress Report, presented by Steve Wyndham, in order to finalise the 2014/15 financial accounts.

Members were informed that the report followed the ISO260 report received in September, providing further detail. There were three sections to the report, being:

- Issues reported in the ISO260 report
- New issues - additional significant issues not included in the ISO260
- Small number of issues remaining from the 2014/15 report

The report had been agreed with officers and provided officer comment.

The report would be brought back to Audit Committee in June/July 2016.

Following the presentation Members were invited to comment.

The Chairman raised concerns that larger issues had not been raised at the time of the audit. We were informed that the issues had not impacted on the auditors' opinion and had therefore not been included in the ISO260 report. It was noted that any misclassification errors had been rectified. The Assistant Head of Finance informed the Committee that there would be a wide-scale review of the assets register in order to automate the process and avoid human error.

We resolved to note and accept the report.

7. Annual Audit Letter 2014/15

The Committee received the Annual Audit Letter in order to formally close the 2014/15 audit.

Members agreed to accept and note the letter.

8. Proposal to revise the Policy on Minimum Revenue Provision (MRP) for 2016/17

Members received a report from the Assistant Head of Finance in order to appraise the Audit Committee of an opportunity to revise the Minimum Revenue Provision Policy Statement for 2016/17 and to outline the budget consequences of the proposed changes.

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It was recommended that Audit Committee:

- Scrutinise the proposed change to the MRP Policy and if agreed endorse the submission of the revised Policy to Council for approval which changes the approach concerning the Minimum Revenue Provision on Unsupported Borrowing, moving it from an equal instalment basis to an annuity basis.
- To continue to work on reviewing the approach adopted concerning the Minimum Revenue Provision for supported borrowing, and bring back further proposals on the options available.

The differences between supported and non-supported borrowing detailed in the report, were highlighted to Members.

Following presentation of the report Members were invited to comment, during which time the following points were noted:

Members were interested to learn if the WAO supported the proposals. WAO officers advised that there was no guidance per se from WAO. The appointed auditor wished to make the Council alert to the factors to be considered if changing the MRP provision:

- Prudence
- Compliance with Statute
- Compliance with Future Generations responsibilities

The report had been provided to WAO for comment, who would report back in due course.

Members noted that the budget need to be set by 10th March 2015, and if this proposal was adopted the budget gap could be closed by in excess of £2 million. It was therefore considered urgent that we receive the WAO opinion.

Concern was raised regarding inflation effects on the proposal. Members were informed it related to interest rates rather than inflation.

Members questioned if other local authorities had adopted the principle. We heard that 12 LA's in England using the principle, and it was expected that 7 or 8 authorities in the South Wales area were looking at the proposals.

It was questioned if, in effect, it could be termed as borrowing, as it would be using capital money for revenue purposes, and there were concerns if this was statute. The Assistant Head of Finance explained that the requirement was to pay a minimum revenue provision on your capital financing requirement, which was a revenue cost. Members were concerned if that this was a capital cost used as a short term fix for a revenue problem. It was questioned if this was morally correct. The Assistant Head of Finance explained that even though he understood the point raised, one of the primary reasons for the proposal was to resolve the inequity.

It was questioned if the main purpose of the proposal was to solve the budget problems or the cash problem. In response the Officer explained that the principle may resolve both. In terms of prudent, meant realistic and appropriate, not necessarily conservative. This was in the guidelines of the capital regulations and was for the Authority to decide its approach. It was considered that the approach of annuity was a sound one and to not consider it would be remiss of the Council.

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The Head of Finance explained that there was a paper on the agenda regarding the Future Generation Evaluation, which should be taken into consideration. In terms of future impact it was important to look at what alternatives there were in order to continue services for future generations.

Wales Audit Office advised that they were aware of the paper and proposals and it was unfortunate that the paper had missed the timeline of the issued response. It was considered that the decision would remain with the Council providing that due process had been followed and compliance with statutory requirements. The fact that the paper had been to Cabinet the previous day demonstrated processes being followed. Until the letter had been issued it was not thought to be helpful to comment further.

A Member expressed that there was a clear benefit to accept the proposal and it was beneficial to endorse the recommendations in the report.

However, some Members expressed concerns and felt it was more appropriate to support the principle but to make clear that should the principle not be accepted we could withdraw our recommendation.

Therefore, the proposal that Audit Committee accept the recommendations, endorse the proposal and forward to Council. Upon being put to the vote the following votes were recorded:

- 4 for the proposal
- 2 against the proposal
- 0 abstention

9. Contract Procedural Rules - Exemptions Report

We received a report from the Chief Internal Auditor in order for Members to consider the adequacy and appropriateness of the exemption process from the Authority's Contract Procedure Rules since the last report in July 2015.

The report informed the Audit Committee of the number of waivers requested by Operational managers and identified any non-compliance with the process or adverse trends.

The report recommended that the Audit Committee accepts and acknowledged the justifications for the exemptions provided by operational officers. If the justifications were not accepted, then consideration should be given to calling in the respective operational officer and their respective Head of Service to further account for the reasons why they could not comply with the Council's Contract Procedure Rules at the time of the procurement.

Members were advised that of the 6 requested exemptions, all had been returned to Internal Audit. All officers who requested an exemption would be reminded to return the form to Internal Audit by the Chief Internal Auditor. 3 out of 4 returned forms had been appropriately authorised. This was reassuring in that the managers who were aware of the process are following the correct process.

Following presentation of the report Members were invited to comment. It was suggested that going forward it would be beneficial to receive further detail as to why a specialist provider was preferred.

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Members resolved to accept the report.

10. Progress Report - WAO Proposals for Improvement

Members received a report from the Policy and Performance Officer to provide Audit Committee with an update on the Authority's progress against the Wales Audit Office (WAO) proposals for improvement up to the end of October 2015.

It was recommended that Members consider the current position of proposals and future actions committed in response to the proposals and identify any areas where they feel further action needs to be taken or further information is required.

Following presentation of the report Members were invited to comment.

It was noted that Members had requested further information on SRS and it officers were asked if they agreed that there was more work to be done. The Policy and Performance Manager explained that there were specific governance arrangements in place and it was not appropriate to comment in detail. It was noted that SRS timescales were longer than any other monitoring reports. We heard that the arrangements for the Cloud were in infancy and benefits were still being evaluated. The governance arrangements for SRS were a matter for Gwent Police and were being updated and presented to the board that week.

A Member questioned if the funding for NEETS came directly to the Authority. Officers would look into this and report back to the Committee (**ACTION – MG**).

Members resolved to accept the report.

11. Performance Management Arrangements

Members received a presentation from the Policy and Performance Officer to provide an update on the effectiveness of the authority's performance management arrangements.

Members were recommended to use the update provided to seek assurance on the operation of the Authority's performance management arrangements and identify any areas where they feel action needs to be taken or further information provided.

Following presentation of the report Members were invited to comment.

Members noted there were a mix of good and adequate levels, but understood that Officers were working to improve the levels.

Members resolved to accept the report.

12. Wellbeing of Future Generations Act - WAO commentary on our preparedness

We received a background presentation on the Authority's preparedness of the proposed Wellbeing of Future Generations Act, from Mike Palmer of the WAO.

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We heard that the Wellbeing of Future Generations Act sets out, in law, what sustainable development means in Wales and places a wellbeing duty on most public bodies in Wales. It requires public bodies to carry out sustainable development by setting and publishing wellbeing objectives designed to maximise its contribution to achieving a set of national wellbeing goals.

Following presentation of the report Members were invited to comment, during which time the following points were noted:

A Member referred to the Summary of Findings and the paragraph '*However, at this early stage, there is a lack of consistency in message, understanding and approach, and key business processes are not being utilised to embed sustainable development. This is contributing to a disconnection between the Council's ambition and practice.*' and further in the report, bullet point 44, where it was stated that '*The Council's Conservative and Liberal Democrat Partnership Administration Continuance Agreement confirms the Council's commitment to sustainable development. But the Agreement does not take the opportunity to balance its references to the challenge of living within financial constraints, by highlighting a similar imperative to live within environmental limits. However, to put this in context, the output from a WAO stakeholder group noted that councils are not generally aware of environmental limits and that 'Monmouthshire is probably further along than others'.*' WAO were asked to expand on the references. In response, it was explained that point 44 referred to the stated ambition given in the improvement plan to place sustainable development as a central principle for the Council and the new opportunity to re-emphasize the message that sustainable development was about balancing all the books not just one. This then linked back to the item referred to in the Summary of Findings, given that this is a challenging agenda it was important to maintain consistency.

The report identified that there were areas of inconsistency which officers had been made aware of.

The Head of Policy and Engagement expressed that the benefit of this piece of work at this stage was that it highlighted that at a strategic level we were able to articulate the vision for Monmouthshire in a way that captured the four aspirations of the act. The WAO report had helped to ensure that the message was echoed across the organisation.

A Member expressed that this report linked with the earlier procurement report highlighting the importance of scrutiny.

The report recommended that Members note the content of the WAO report and that hat Members note and agree to the steps outlined in our response to the Next Steps.

We resolved to accept and note the report.

13. To note the time and date of the next meeting as Thursday 14th January 2016 at 2.00pm

Members noted the date and time of the next meeting as Thursday 14th January 2016 at 2.00 pm.

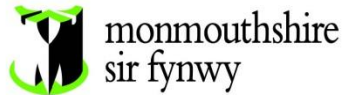
The meeting ended at 3.55pm

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Agenda Item 5

Audit Committee Actions 3rd December 2015

Agenda Item:	Subject	Officer	Outcome
Agenda Item 9 23/09/15	Early Departures and Vacant Posts	P. Davies	A breakdown of special payments by banding requested
Agenda Item 4 22/10/15	MCC response to issues raised by member of public on 16 th July - report	J. Robson	To be provided.
Agenda Item 11 22/10/15	Unsatisfactory Audit Opinions – Passenger Transport Unit	R. Hoggins/ R. Cope	To provide Audit Committee with a report on action taken as result of recommendations. JANUARY MEETING
Agenda Item 11 22/10/15	Unsatisfactory Audit Opinions – Monmouthshire Enterprises	J. Boothroyd/ C. York	To provide Audit Committee with a report on action taken as a result of recommendations. DEFERRED TO MARCH MEETING
Agenda Item 11 3/12/15	WAO Proposals for Improvement	M. Gatehouse	Further information required regarding the allocation of funding for NEETS/ Inspire to Achieve EMAILED TO MEMBERS



SUBJECT: ANNUAL IMPROVEMENT REPORT AND CORPORATE ASSESSMENT

MEETING: Audit Committee

DATE: 14TH JANUARY 2016

DIVISION/WARDS AFFECTED: All

1 PURPOSE

- 1.1 To provide Audit Committee with the published Annual Improvement Report 2014-15, incorporating the Corporate Assessment.
- 1.2 To enable members of Audit Committee to receive feedback directly from Wales Audit Office about the report.

2. RECOMMENDATIONS

- 2.1 That Audit Committee receive the Wales Audit Office Annual Improvement Report 2014-15.
- 2.2 That Audit Committee consider the current position against proposals for improvement in the report and agree the future actions committed in response to the proposals.

3. KEY ISSUES

- 3.1 Each year, the Wales Audit Office reports on how well councils are planning improvement in delivering their services. This is published as part of an Annual Improvement Report (AIR). Since 2013 a rolling programme of corporate assessments of authorities in Wales, based on a four-year cycle has been in place. Monmouthshire received its first Corporate Assessment in March 2015 and the findings of this inspection have been incorporated into the latest Annual Improvement Report which was published in November 2015.
- 3.2 The Auditor General can make the following recommendations for areas that require improvement depending on the significance of the issue:
 - Proposals for improvement
 - Make formal recommendations for improvement - to which we would need to make a formal response 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.

- 3.3 The headline finding of the report is “The Council demonstrates ambition in its vision, enthusiasm to deliver and commitment to working collaboratively, but this needs to be supported by a clearly joined-up strategic approach and effective delivery mechanisms.” The plan contained a number of proposals for improvement. Wales Audit Office have been invited Audit Committee to present the findings
- 3.4 Included within the report are nine new proposals for improvement which can be found on page 9 of the report (appendix 1). There were no statutory recommendations or other recommendations made. Appendix 2 sets out the actions the council will take in response to these proposals. This highlights:
- The specific proposal made
 - Extracts from the report relevant to each proposal – these are not extensive or comprehensive but are intended to give a flavour of the issues behind each of the proposals made by WAO
 - The progress made since the inspection in March 2015.
 - Actions for each of the proposals that show how the authority will continue to address the issue.
- 3.5 As a result of regulatory work previously conducted by the WAO in the authority over the last few years, the council has a number of further proposals for improvement it is addressing. The progress made against these proposals was last reported to Audit Committee in December 2015. Action to address these nine new proposals will now be embedded in the council’s business processes and reporting process alongside the existing proposals to secure the improvements required.
- 3.6 Some of the forward looking actions committed by the authority are likely to be reflected within other council strategic documents such as the council’s Improvement Plan, the Whole Authority Strategic Risk Assessment and the Medium Term Financial Plan. Actions will be embedded in the relevant service improvement plans at a team level and will be monitored and evaluated as part of the authority’s performance management framework.
- 3.7 WAO will conduct a follow-up to the Corporate Assessment from late January 2016 and as part of their ongoing annual audit work programme will follow up progress made with any previous proposals made.

4. REASONS

- 4.1 To ensure that the authority makes arrangements to secure continuous improvement in the exercise of its functions and is able to maximise its contribution to delivering the council’s priorities of education of young people, support for vulnerable people; enterprise and job creation and maintaining locally accessible services.

5. RESOURCE IMPLICATIONS

5.1 Actions within the report are to be delivered within existing resources. Any more detailed proposals that are developed in response to this report, and which have resource requirements, will require a separate decision.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 None - This report does not propose a change of policy or service delivery. Individual actions which require an explicit decision from Cabinet will require a separate Future Generations Evaluation to be completed

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

7.1 There are no specific implications.

8. CONSULTEES

Senior Leadership Team
Cabinet

9. BACKGROUND PAPERS:

None

10. REPORT AUTHOR

Matthew Gatehouse, Policy and Performance Manager

11. CONTACT DETAILS

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01633 644582

Appendix 1

See separate Attachment or visit <http://www.audit.wales/publication/monmouthshire-county-council-annual-improvement-report-2014-15>



Subject area and evidence source

**Wales Audit Office Annual Improvement Report 2014-15, Incorporating the Corporate Assessment report 2015
Summary of Proposals, Key Findings and Actions**

<p>WAO Proposal for Improvement</p>	<p>Engage more effectively with staff to ensure the Council’s values are clearly evident across the organisation.</p>
<p>Key issues from WAO report</p>	<ul style="list-style-type: none"> • The Council has clearly articulated its values • [These] can be seen in the way that meetings operate • [staff conference] attendees raised both strengths and concerns about a range of issues, some of which indicated that the Council’s values are not always demonstrated in practice. These included concerns about openness, communication, decision making and how well staff perceive they are valued by the Council. Some of these concerns were repeated to us during our Corporate Assessment work. The 2014-15 staff survey showed better results with just over 50 per cent of respondents saying that they felt the ‘Authority lives and breathes its corporate values of openness, fairness, flexibility and teamwork’.
<p>Page 15 Current Position</p>	<p>A staff survey was completed in March 2015 and the findings have been used to inform the action plan as part of the People and Organisation Development Strategy. The results of the survey show an average response of 3 out of 5 for people feeling the authority lives and breathes its corporate values.</p> <p>A Monmouthshire Minds staff group has been established as part of the people and organisational development strategy to help promote engagement in the strategy and provide a forum for staff feedback. The people and organisational development strategy was further developed following this engagement and was subsequently focussed on developing people within and outside the organisation. A key action of the strategy was the launch of “You Said: We Did” week in July 2015 which included feedback on progress made with issues and priorities and the new approach to colleague communications.</p> <p>A further staff conference was held in September 2015 to continue the engagement with staff on the future of the organisation.</p>

	Desired Result	Action	Measure or milestone	Responsible Officer	Timescale
Actions	Delivery of actions to provide support and development for people in the organisation.	Deliver the actions in the programme plan of the People and Organisation Development Strategy which brings together the many facets of people and organisational development we run. Including continuing to develop our approach to colleague communication and following up from “You said: we did” week.	Progress against the programme plan is evaluated	Head of Commercial and People Development	May 2016
WAO Proposal for improvement	<p>Improve strategic planning by:</p> <ul style="list-style-type: none"> • ensuring clear links between strategies and agreed priorities; and • developing cohesive strategies to underpin and support robust decision making. 				
Page 16 Key issues from WAO report	<ul style="list-style-type: none"> • The Council has a clearly articulated vision and sense of purpose that takes account of its local context, but needs to be supported by a coherent organisational strategy to drive change and deliver its ambition • The Council has started to strengthen its strategic planning to ensure that resources are better managed to help deliver its vision • The lack of cohesive strategies results in some initiatives being approved without the Council being clear about how they deliver improved outcomes. • The Council has a clear strategic policy around the management of assets, but in practice, assets could be managed more effectively to support delivery of strategic priorities • The People and Organisational Development Strategy does include links to other key strategies that will affect the shape and size of the workforce. • ... the People and Organisational Development Strategy does not refer, in turn, to the Asset Management Plan. In addition, the Medium Term Financial Plan itself does not reflect how assets should be best used to deliver outcomes 				
Current position	<p>The council’s main key strategies to deliver the priorities consist of:</p> <ul style="list-style-type: none"> • The council’s partnership administration continuance agreement signed in March 2015 which reaffirmed the priorities of; education, the protection of vulnerable people and promoting enterprise and introduced maintaining locally accessible services as a fourth priority. The agreement set performance expectations in line with these resource priorities. 				

<p>Page 17</p>	<ul style="list-style-type: none"> • Our Improvement Plan for 2015/17 reflects the performance expectations of the priorities in the partnership continuance agreement, resource pressures and mandated budget savings. • Each of our teams has a Service Plan that aligns to our four priorities and the outcomes we are striving to achieve and we have a range of key performance indicators so that we can keep track of our progress. <p>Underpinning these is a range of “enabling” strategies – The Asset Management Plan, People Strategy, iCounty and Medium Term Financial Plan. These are key to supporting the delivery of the council’s vision, these will be reviewed, as part of their programmed reviews, to ensure they remain up to date, connected to each other and are explicit in their links to support the council’s priorities set out in key plans.</p> <p>The council’s risk register identifies the need to develop and specify the business model for the authority in the long term in order to ensure political priorities can be delivered in the future.</p>				
	Desired Result	Action	Measure or milestone	Responsible Officer	Timescale
	A sustainable business model is in place	Develop the future business model for the authority	Strategy agreed by Cabinet	Chief Executive	March 2016
Key strategies are mutually supportive and aligned to the business model	Ensure the council’s key delivery strategies (Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty) all align to the business model.	Key deliver strategies are aligned	Head of Policy and Engagement	June 2016	

WAO Proposal for improvement	Ensure that the planned revisions and changes made to ‘Check In Check Out’ deliver a clear process of assessing and improving the performance of all staff and that department, team and individual objective setting is in line with the Council’s corporate objectives.
Key issues from WAO report	<ul style="list-style-type: none"> • The purpose of Check in Check Out is not well understood by staff, managers or Members • Some managers were not aware of the target set by the Council for completion of appraisals • Check in Check Out does not sufficiently identify training needs to enable the Council to develop a cohesive and co-ordinated corporate training plan. As a result, the Council cannot be sure that all training meets organisational needs, that all skills gaps are being met or that overall training resources are being deployed effectively.

Current position	<p>Check in, Check Out provides a value-based performance assessment approach between staff and line managers and aims to ensure employees have clear and effective understanding of their contribution to the objectives of their teams and subsequently the Council. Based on feedback received the process has been evaluated and is being further developed.</p> <p>A new section on The Hub has been created to ensure accurate recording of check-in, check-out completion along with identified development needs. This area is currently being piloted by a small cross-section of managers before roll-out to the whole organisation.</p>				
Actions	Desired Result	Action	Measure or milestone	Responsible Officer	Timescale
	Check-in, Check-out is well understood, consistently employed and informs staff development	Revise and roll out the employee performance appraisal approach (check-in, check-out) for staff	New approach launched and communicated	Head of Commercial and People Development	March 2016
	We are able to evidence that staff are receiving appraisals	Ensure robust mechanisms are available to managers to complete accurate records on Check in / Check out on the Hub and ensure ownership of these mechanisms.	Quarterly measures are available to enable monitoring of process	Head of Commercial and People Development	March 2016

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WAO Proposal for improvement	<p>Ensure central specialist functions, such as finance and procurement, work more closely with individual service areas in identifying potential savings, the scope of savings achievable and the potential to use pooled budgets with partners.</p>
Key issues from WAO report	<ul style="list-style-type: none"> • The Council has implemented a constructive approach to deciding where savings would be made and has improved its budget monitoring arrangements • To date the emphasis within the budget setting process has been on individual service areas identifying potential savings. Whilst services are very well placed to do this, we found only very limited support from central Council functions, such as finance and procurement and that corporate support is only provided on request. Unless the Council adopts a 'holistic' approach drawing on the wider skills within the Council it will be more difficult to address the funding gap. • [The] level of adoption of ideas generated by the public is very positive and demonstrates effective public engagement by a Council that is also willing to listen.

	<ul style="list-style-type: none"> There is some use of pooled budgets and partners recognise that sharing facilities, skills and information are of equal importance. Finding ways to involve Local Service Board members more in the Council's budget setting process and setting more collaborative and pooled budgets where appropriate will help delivery of shared outcomes. 				
<p style="text-align: center;">Current position</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 19</p>	<p>A corporate process and dedicated support has been identified to facilitate service areas to develop potential budget savings, in line with the agreed budget timelines. In October 2015 Cabinet agreed a report setting out the budget proposals that have been developed particularly focused on the next year (2016/17) for budget consultation with Members, the public and community groups. These proposals have been developed with the support of finance and other relevant council departments, including identifying any further external support where required. An extra piece of work has also been carried out on these proposals to test their feasibility and feedback given to budget holders to develop in finalising the proposals for the budget.</p>				
	<p>Work is continuing on the need to address the longer term issue of a reducing resource base. Further mandates and business cases outlining the detail to address the savings targets in the latter years of the MTFP will continue to be worked up, in line with the agreed budget process and submitted for scrutiny through select committees as appropriate.</p>				
	<p>An assessment on the preparedness of services to deliver the 2015/16 budget mandates was completed in March 2015 to mitigate risks and maximise the levels of income or reductions in costs required to deliver approved savings.</p>				
	<p>The Strategic Procurement Unit ensures its focus is on areas of more significant procurement risk. To strengthen the resilience of procurement and procurement skills base devolved officers have been identified (after an analysis of the council's third party expenditure) to sit on a corporate procurement network that comprises 10 of the council's highest spending areas. This group is then complimented by Internal Audit and a representative from Economic Development and our schools. After undertaking some core procurement training, the network now meet on a bi monthly basis to discuss key procurement issues.</p>				
<p style="text-align: center;">Actions</p>	<p style="text-align: center;">Desired Result</p>	<p style="text-align: center;">Action</p>	<p style="text-align: center;">Measure or milestone</p>	<p style="text-align: center;">Responsible Officer</p>	<p style="text-align: center;">Timescales</p>
	<p>The authority is able to balance its budget and has an agreed medium term financial plan</p>	<p>Continue to provide corporate support to managers to deliver the savings, in line with agreed timescales, including the use of specialist support as required.</p>	<p>Percentage of mandated budget savings delivered</p>	<p>Head of Finance</p>	<p>Ongoing</p>

WAO Proposal for improvement	Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.				
Key issues from WAO report	<ul style="list-style-type: none"> • The Council has a strong collaborative approach to providing services and recognises that given the current financial climate and what the Council deems as the 'social capital' (community resource and skills) within the county, working with partners is key to sustaining services. • Partner organisations value the 'can do' approach and willingness to seek joint solutions • The Council's approach to partnership activity is not documented or part of an overall strategy and is largely 'optimistic' rather than strategic...[This] means the Council is not always clear whether it gets what it needs from partnership working to achieve better outcomes for citizens 				
Page 20 Current position	<p>The council works with a variety of partners and collaboratively in a number of different ways. Progress to strengthen arrangements of existing partnership and collaborations, where required continues on an ongoing basis for example strengthening governance arrangements of our ICT Shared Resource Service (SRS).</p> <p>While some of the important corporate arrangements on partnership and collaborative working are being developed, including an agreed approach to involving volunteers and community organisations - a county that serves volunteering programme has been established that aims to support and enable volunteers in the County. Also, a community governance review has been completed and cabinet have agreed the format, a members seminar was held to discuss the suggestions in the Community Governance Review. Each Single Integrated Plan (SIP) partnership group has reviewed its memberships, Terms of Reference and governance to reflect statutory responsibilities and established an up to date action plan. A SIP performance group has been established to review partnerships delivering under the Local Service Board and SIP.</p> <p>The council is increasingly considering alternative delivery models to sustain services. Further mandates and business cases outlining the detail to address the savings targets in the latter years of the MTFP are continuing to be developed. The council's risk register identifies the need to develop and specify the business model for the authority in the long term in order to ensure political priorities can be delivered in the future. The business model will help focus planning arrangements for any future partnership and collaborative working.</p>				
Actions	Desired Result	Action	Measures or milestones	Responsible Officer	Timescales
	A sustainable business model is in place	Develop the future business model for the authority	Strategy agreed by Cabinet	Chief Executive	March 2016
	Clarity of outcomes and arrangements when services are being	Implement a policy development and evaluation framework and timetable	Framework embedded in the policy development	Head of Policy and Engagement	June 2016

	delivered through alternative model		process of the council		
	Structures clarified and processes aligned to delivery frameworks to support community governance.	Council to consider and agree the community governance action plan endorsed by Cabinet in October 2015	Action plan adopted for further development	Head of Community Delivery	December 2015

WAO Proposal for improvement	Further develop and embed performance management arrangements to allow the Council to hold partners to account and to support the Local Service Board to deliver its plans.				
Page 21 Key Issues from WAO Report	<ul style="list-style-type: none"> • Arrangements for holding partners to account and scrutinising their activities are improving but this remains challenging with the number of partners and delivery channels used • A lack of clarity about the aims and measurable anticipated improvements from collaborative projects also makes holding partners to account more difficult. We found the Council sometimes struggles to articulate what it is trying to achieve in clear terms, resulting in different understanding. • Revised terms of reference [for the Local Service Board] have been agreed but these are not accessible on the Local Service Board website • Activity to date has focussed on setting the future path for the Local Service Board and ensuring it understands the needs of the community. • Performance management arrangements, including specific measures and how to collect the underlying data (some of which is not collected now) are developing, and the Council anticipates the new arrangements will be in place by the end of the year. • The outcome of the Community Governance review, completion of detailed delivery plans (particularly for the Local Service Board and Whole Place) and strengthening the performance management and accountability arrangements, together with an adaptable outlook, mean the Council should be able to build resilience and manage its partnership activity in a more sustainable way 				
Current Position	<p>Each Single Integrated Plan (SIP) partnership group has reviewed its memberships, Terms of Reference and governance to reflect statutory responsibilities and established an up to date action plan. A SIP performance group has been established to review partnerships delivering under the Local Service Board and SIP. The membership of the group is multiagency and is chaired by ABHB. All partnerships have been reviewed through the SIP performance group which met monthly up until March 2015. These will resume in April 2016 to evaluate progress and impact and understand any challenges that have arisen. A set of LSB performance indicators were agreed by the LSB in April 2015. The LSB also has a priority work stream for 15/16 which is “closing the gap”.</p>				

	<p>Select Committees have scrutinised the performance of partnership activity during 2015 - the integrated youth offer and Safer Monmouthshire partnership. As part of this scrutiny it was recognised further training will be required for members.</p> <p>The LSB is currently transitioning to a Public Service Board (PSB) as part of the implementation of the Future generations Act.</p>				
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 22</p> <p style="text-align: center;">Actions</p>	Desired Result	Action	Measure or Milestones	Responsible Officer	Timescale
	Performance of partnerships delivering under the LSB and SIP is evaluated.	To develop a work programme for the next round of the SIP performance group.	Work programme established	LSB Development Manager	March 2016
	Members are aware of their responsibilities for scrutinising activity under the Public Service Board.	Hold member training sessions on scrutinising partnership activity.	Member training sessions held.	LSB Development Manager	March 2016
	Alignment of the Strategic Board of key partnership programmes across Monmouthshire with the latest legislation	Complete the transition of the Local Service Board to a Public Service Board	Public Service Board established	LSB Development Manager	April 2016

<p>WAO Proposal for improvement</p>	<p>Strengthen the governance and challenge arrangements by:</p> <ul style="list-style-type: none"> • ensuring that minutes of meetings are signed at the next suitable meeting in accordance with the Council's constitution to improve timeliness and transparency of public reporting; and • reconsider the Council's policy of not formally minuting Cabinet meetings.
<p>Key Issues from WAO Report</p>	<ul style="list-style-type: none"> • The Council's website sets out information for all its public committees and it contains links to access key records such as agendas, minutes and decisions. At the time of our review, the actual information available on the website was limited and key elements were missing, highlighting weak governance arrangements. • There have been instances of significant delays in relation to the approval of select-committee minutes.

- Cabinet decisions are recorded, scrutinised and then made available on the Council website. Neither the Local Government Act 1972 nor the Council's Constitution require minutes of Cabinet meetings to be taken and subsequently approved as an accurate record. However, we consider the taking and approval of minutes to be good practice.

Current position

All public meetings of the Council are live streamed on YouTube and are available to view on the council's YouTube channel at any time after the meeting, which provides greater transparency of the council's business. Staff vacancies that had led to delays have now been filled. In addition the Modern Gov system has been implemented in September 2015 which is speeding up the processes and increasing Democratic Service officer's capacity to process minutes for sign off within required timescales. *Modern Gov* has also improved the documentation of minutes, agendas and reports for meeting on the council's website making these more easily accessible for the public. Minutes of special meetings are required to be signed off at the next ordinary meeting of the committee not special meetings and this will continue.

All cabinet meetings are live streamed, all reports are available on the council's website and the leader reads out the recommendations from each report before it is voted on. A decision-log is published on the website following each cabinet meeting detailing the decisions that have been which include any amendments made to the proposed decision. Not publishing minutes for Cabinet has been a longstanding practice of the council which has raised no issues of transparency and openness in the decision making process and the council does not have any plans to change this process for recording decisions at cabinet.

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Desired Result	Action	Milestone	Responsible Officer	Timescales
Timely and transparent public reporting	Ensure sign off of minutes of committee meetings and carry out sample checks to provide monitoring	All minutes signed off at appropriate meetings	Local Democracy Manager	Ongoing
More efficient processes	Continue to embed Modern Gov in the democratic services process	Modern Gov embedded	Local Democracy Manager	Ongoing

Actions

WAO Proposal for improvement	Develop the Council’s workforce planning arrangements by including accurate data and key management information around workforce issues and statistics, reporting regularly to Senior Leadership and Management Teams to enable effective monitoring of progress and management of these issues on an ongoing basis.				
Key Issues from WAO Report	<ul style="list-style-type: none"> • The Council’s People and Organisational Development strategy sets out clearly the Council’s ambitions for its staff • The strategy could be developed further to show how its organisational ‘shape’ will change from the Council it is now, to its future state, and what it will look like, operating with reduced finances and people. • There is evidence that workforce planning takes place in some service areas...but it is not consistently applied and is not conducted on a Council-wide basis 				
Current position	<p>The council’s strategic risk register identifies the lack of understanding at this stage of the future model of the organisation means it is difficult to develop consistent Workforce planning. As part of the developments of the business model for the authority in the long term in order to ensure political priorities can be delivered in the future, workforce planning will form an important part of this.</p> <p>Workforce information is now available on the council’s intranet via the “People Services data hub” which provides a "one-stop-shop" for information related to People Services, which covers HR, Payroll, Training and Organisational Development. This includes statistics on workforce sickness at a directorate level and ability for Managers to review their own teams sickness in the year. Work is being developed to make these reports available within the council’s employee self-service portal “my-view”.</p>				
Page 24 Actions	Desired Result	Action	Milestone	Responsible Officer	Timescales
	A sustainable business model is in place	Develop the future business model for the authority	Strategy agreed by Cabinet	Chief Executive	March 2016
	Clarity on the future shape of the workforce	Use this business model to articulate the future workforce requirements of the authority including numbers of staff and skills needed	Workforce plan developed	Head of Commercial and People Development	November 2016
	Workforce statistics are available at team level in a timely manner	Reports covering key workforce statistics available to Managers	Reports developed on “my-view” and “the hub”	Head of Commercial and People Development	May 2016
	Effective monitoring of workforce issues	Put in place arrangements to ensure systematic reporting to DMTs and Senior Leadership Team	Programmed monitoring reports established	Head of Commercial and People Development	July 2016

<p>WAO Proposal for improvement</p>	<p>Improve performance management arrangements by:</p> <ul style="list-style-type: none"> • ensuring planned improvements are tangible; • improving target setting to better reflect desired improvement and ensuring resources are allocated to deliver Council priorities through the Medium Term Financial Plan; • developing arrangements to identify intended outcomes, targets and data collection arrangements when services are being delivered through alternative models; and • improving data quality arrangements to ensure that performance reporting is accurate and that decisions are made based on robust information.
<p>Key Issues from WAO Report</p>	<ul style="list-style-type: none"> • The Council's performance management arrangements are improving • There are weaknesses in setting targets and milestones... without specifying the intended outcomes, the Council is unable to make informed, robust decisions, track performance, demonstrate value for money, or evaluate whether the delivery model is delivering the intended purpose. • We examined [six PIs] and found that delays in data entry, lack of supporting evidence and estimated data where actual data was required cast doubt over the credibility of data produced by the Council • The Council has been proactive in setting up alternative models of service delivery, however, the intended outcomes of new delivery models are not always well specified.
<p>Page 25</p> <p>Current position</p>	<p>The stage 1 Improvement Plan for 2015/17 was published in May 2015 which set the council's improvement objectives for the year. Based on previous feedback received from Wales Audit Office, alterations were made to provide clearer links between the activity in the plan and measures of success to monitor progress, performance and impact against the objectives.</p> <p>Each action area has a clearly defined timescale and milestone/measure attached. The measures included, provide two years' worth of trend performance data and set a target quantifying the expected impact of performance. This enables the Improvement Objectives to be scored based on the council's self-evaluation framework, which was further developed in the Improvement Plan 2015/17 to set defined criteria for each scoring level (Level 1 – Unsatisfactory to Level 6 – Excellent).</p> <p>The Wales Audit Office Annual Improvement Report recognises the improvements in target setting and improved links between actions and measures in the improvement plan. Further feedback identifies the need to continue to ensure this is consistent across all areas. Service targets are set in service plans in consideration of agreed priorities, demands, resources and finance and subject to challenge by Department Management Team and the Policy and Performance teams. Although strengthening the arrangements for target setting is required to further improve the robustness of target setting.</p> <p>The data quality process continues to be strengthened. Internal guidance notes on completing national and local performance indicators are produced setting clear requirements for data compilers. There is continued support from the Policy and Performance team with a specific</p>

and clearly defined role for Internal Audit to quality assure data. In 2015 all PIs received an Internal Audit control rating of *Good*. It is recognised that there is particular risk to data quality, including target setting, when developing performance data measures for new policies or initiatives that may not have been subject to data quality processes previously. These areas will be particularly targeted for policy and performance team support.

The Medium Term Financial Plan enables budget proposals to be developed based on the council's agreed vision and priorities while taking into account the likely medium term resource position of the authority.

Page 26 Actions	Desired Result	Action	Milestone	Responsible Officer	Timescales
	An improvement plan that demonstrates how the council will improve services within current resource constraints	Ensure that feedback from residents and regulators is used in developing the council's annual improvement plan.	Certificate of Compliance received alongside positive feedback from stakeholders	Head of Policy and Engagement	May 2016
	Clear and robust targets to articulate ambition and support accountability	Continue to quality assure the council's performance measurement database to ensure target changes are captured and an audit trail of changes maintained.	Audit trail of targets established	Head of Policy and Engagement	Ongoing
	Stretching, realistic and robust targets	Strengthen target setting arrangements and revise and recirculate target setting guidance	Revised target setting implemented	Head of Policy and Engagement	April 2016
	Accurate performance data	Allocate Internal Audit time appropriately to focus on the data systems underpinning data as well as the accuracy of the outputs of the data.	Internal Audit control rating on national and local performance indicator data.	Head of Policy and Engagement	May 2016
	Clarity of outcomes and arrangements when services are being delivered through alternative model	Implement a policy development and evaluation framework and timetable	Framework embedded in the policy development process of the Council	Head of Policy and Engagement	June 2016



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2014-15

Incorporating the Corporate Assessment Report 2015

Monmouthshire County Council

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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 must report on how well Welsh councils, fire and rescue authorities, and national park authorities are planning improvement in delivering their services. This report sets out the findings of the work undertaken on behalf of the Auditor General by staff of the Wales Audit Office in Monmouthshire County Council (the Council) and also draws on the work of the relevant Welsh Inspectorates. The report summarises the assessments undertaken since the Auditor General published his last annual improvement report in June 2014 and includes the findings of the Auditor General's Corporate Assessment, undertaken in March 2015. Taking all these findings into account, the report records the Auditor General's conclusions on whether he believes that the Council will make arrangements to secure continuous improvement for 2015-16.
- 2 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.
- 3 The Auditor General has concluded that it is uncertain whether the Council will be able to respond positively to the internal and significant external challenges it faces and make arrangements to secure continuous improvement for 2015-16.
- 4 To inform his conclusion the Auditor General has also drawn on the findings of the Corporate Assessment work at the Council during March 2015, which are set out in this report. The Auditor General's Corporate Assessment concludes that **the Council demonstrates ambition in its vision, enthusiasm to deliver and commitment to working collaboratively, but this needs to be supported by a clearly joined-up, strategic approach and effective delivery mechanisms.**
- 5 We reached this conclusion because:
 - the Council has a clearly articulated vision and sense of purpose that takes account of its local context, but need to be supported by a coherent organisational strategy to drive change and deliver its ambition; and
 - a culture of mutual respect and trust exists between Councillors and officers, leading to productive working relationships, although there are examples of decision making that could have been more robust, informed and subject to effective challenge.

- 6 We also found that the Council has started to strengthen its strategic planning to ensure that resources are better managed to help deliver its vision:
- the Council's financial management arrangements are generally sound, although they could be further developed to better support the delivery of the Council's strategic vision and to meet the financial challenges ahead;
 - the Council has developed a People and Organisational Development Strategy, however, to make the best use of its people resources this Strategy needs to be underpinned by organisation-wide workforce planning, complete and accurate workforce data and a fully implemented, whole-Council appraisal process;
 - the Council has a clear strategic policy around the management of assets, but in practice, assets could be managed more effectively to support delivery of strategic priorities;
 - the Council is developing its Information Technology arrangements in order to support its strategic vision but more work needs to be done; and
 - the Council has adequate Information Management arrangements in place but acknowledges and has started to address some weaknesses.

7 We also found that:

- The Council has a collaborative culture and engages well with stakeholders and community partners; it is developing delivery plans, targets and monitoring arrangements that will enable it to provide clarity about anticipated outcomes and demonstrate improvement.
- Whilst systems, procedures and guidance are in place, the Council is not consistently managing performance, improvement and risks. We also found that, for 2013-14 and 2014-15, the Council was clear about what it was trying to achieve and can demonstrate a positive direction of travel in performance but due to limitations in some of its arrangements, it is not always able to demonstrate impact or quantify improved outcomes. We concluded that:
 - The Council's overall direction of travel in performance is positive but it has had mixed success in delivering its plans to improve outcomes.
 - The Council's education services for children and young people remain in special measures and Estyn will carry out a final monitoring visit in Autumn 2015 to evaluate whether or not the authority still requires special measures.

- The Council is working well to improve outcomes for adults but services for children remain weak in a number of areas. There are particular concerns around safeguarding.
- The Council shows ambition to regenerate the towns and create employment opportunities although has limited evidence to demonstrate improvement.
- The Council is committed to becoming a more efficient and effective organisation, however, demonstrating improvement is difficult due to weak target setting.
- The Council is improving its waste and recycling performance.
- The Council was generally delivering environmental services at above-minimum levels and despite significant budget cuts, stakeholders were mostly positive about current services but had low awareness of future plans. The Council would find it difficult to take on new statutory duties that protect the public and the environment.
- The Council had made good progress in paying out Discretionary Housing Payments but because of some weaknesses in public information and policy documentation, it was uncertain that resources were provided to those in the greatest need.
- The Council has made positive progress to promote the Welsh language by engaging local residents and improving translation services.

2014-15 performance audit work

- 8 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 reviews and a corporate assessment reporting under six themes: vision and strategy; governance and accountability; use of resources; collaboration and partnerships; managing improvement; and performance and outcomes.
- 9 To inform areas of the Corporate Assessment we reviewed the Council's approach to implementing new ways of working as 'tracers'. This review assessed the Council's approach to well-managed risk taking, the effectiveness with which it measures success and how it learns and revises approaches accordingly. The review comprised the following initiatives which are referred to throughout the report:
- Town Centre Regeneration Teams
 - CMC2
 - Centre for Innovation
 - Community Coordination
- 10 The work carried out since the last AIR, including that of the 'relevant regulators', is set out in [Appendix 5](#).
- 11 In addition to this programme of audit work, Monmouthshire County Council requested that the Auditor General undertake a review of the Council's preparedness for the proposed Well-being of Future Generations Act (the Act). This work is summarised in [Appendix 6](#).

Based on the work of the Wales Audit Office and relevant regulators, Estyn, CSSIW and the Welsh Language Commissioner, the Auditor General considers that it is uncertain whether Monmouthshire will comply with the requirements of the Local Government Measure during 2015-16

- 12 A significant factor resulting in the Auditor General's conclusion that it is uncertain whether Monmouthshire will comply with the requirements of the Local Government Measure during 2015-16 is that the Council's education services for children and young people still require special measures. We will continue to review this situation throughout 2015-16, particularly in light of Estyn's final monitoring visit in Autumn 2015.
- 13 The key findings of reports issued since the last AIR by the Wales Audit Office, the CSSIW, Estyn and the Welsh Language Commissioner are summarised in [Appendix 7](#).

Recommendations and Proposals for Improvement

- 14 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.
- 15 We have made a number of proposals for improvement to the Council during the year and those relating to the Corporate Assessment are included in this report. We have made no formal recommendations in this report. Where we have made proposals for improvement to the Council in this report and in our other reports we will continue to monitor them during the course of our improvement assessment work.

Corporate Assessment Proposals for Improvement

16 We have made nine proposals for improvement as part of our March 2015 Corporate Assessment as follows:

Corporate Assessment Proposals for Improvement	
P1	Engage more effectively with staff to ensure the Council's values are clearly evident across the organisation.
P2	Improve strategic planning by: <ul style="list-style-type: none"> ensuring clear links between strategies and agreed priorities; and developing cohesive strategies to underpin and support robust decision making.
P3	Ensure that the planned revisions and changes made to 'Check In Check Out' deliver a clear process of assessing and improving the performance of all staff and that department, team and individual objective setting is in line with the Council's corporate objectives.
P4	Ensure central specialist functions, such as finance and procurement, work more closely with individual service areas in identifying potential savings, the scope of savings achievable and the potential to use pooled budgets with partners.
P5	Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.
P6	Further develop and embed performance management arrangements to allow the Council to hold partners to account and to support the Local Service Board to deliver its plans.
P7	Strengthen the governance and challenge arrangements by: <ul style="list-style-type: none"> ensuring that minutes of meetings are signed at the next suitable meeting in accordance with the Council's constitution to improve timeliness and transparency of public reporting; and reconsider the Council's policy of not formally minuting Cabinet meetings.
P8	Develop the Council's workforce planning arrangements by including accurate data and key management information around workforce issues and statistics, reporting regularly to Senior Leadership and Management Teams to enable effective monitoring of progress and management of these issues on an ongoing basis.
P9	Improve performance management arrangements by: <ul style="list-style-type: none"> ensuring planned improvements are tangible; improving target setting to better reflect desired improvement and ensuring resources are allocated to deliver Council priorities through the Medium Term Financial Plan; developing arrangements to identify intended outcomes, targets and data collection arrangements when services are being delivered through alternative models; and improving data quality arrangements to ensure that performance reporting is accurate and that decisions are made based on robust information.

Other Recommendations and Proposals for Improvement

- 17 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](#).
- 18 In addition, recommendations and areas for improvement made by the CSSIW during the course of the year are set out in [Appendix 9](#).

Detailed report



Introduction

- 19 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement in delivering their services. **Appendix 1** provides more information about the Auditor General's powers and duties under the Measure.
- 20 In 2013-14, staff of the Wales Audit Office began a four-year cycle of Corporate Assessments of improvement authorities in Wales. This means that, in addition to an annual programme of improvement studies and audits of councils' approaches to improvement planning and reporting, each Council will receive an in-depth Corporate Assessment once during a four-year period. In the intervening years, we will keep track of developments and focus further assessment work on a number of key themes, developed in discussion with each Council.
- 21 We undertook our Corporate Assessment fieldwork in Monmouthshire County Council (the Council) during March 2015. This annual improvement report includes the Corporate Assessment report and also summarises the regulatory reports issued to the Council since the last annual improvement report was published in June 2014. Whilst the Corporate Assessment does not aim to provide a comprehensive analysis of the performance of all of the Council's services, it reports on the Council's track record of performance and outcomes as well as the key arrangements that are necessary to underpin improvements in services and functions.
- 22 This work has been undertaken by staff of the Wales Audit Office on behalf of the Auditor General. With help from Welsh inspectorates, Estyn (for education), the Care and Social Services Inspectorate for Wales (CSSIW), and the Welsh Language Commissioner, we have brought together a picture of what the Council is trying to achieve, how it is going about it, and the progress it has made since the Auditor General published his last annual improvement report. Finally, taking all this into account, the report records the Auditor General's conclusion on whether the Council is likely to make arrangements to secure continuous improvement for 2015-16.
- 23 This conclusion should not be seen as a definitive statement 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.
- 24 Our fieldwork for the Corporate Assessment focused on the extent to which arrangements are contributing to delivering improved service performance and outcomes for citizens. The corporate assessment sought to answer the following question:

'Is the Council capable of delivering its priorities and improved outcomes for citizens?'

25 The Corporate Assessment covers the following:

Vision and strategic direction:

‘Does the Council’s vision and strategic direction support improvement?’

Governance and accountability:

‘Do the Council’s governance and accountability arrangements support robust and effective decision-making?’

Use of resources:

‘Is the Council managing its resources effectively to deliver its planned improvements in performance and outcomes?’

Collaboration and partnerships:

‘Are the Council’s collaboration and partnership arrangements working effectively to deliver improved performance and outcomes?’

Managing improvement:

‘Is the Council effectively managing its improvement programme?’

Performance and outcomes:

‘Is the Council making progress on achieving its planned improvements in performance and outcomes?’

26 The conclusions in this report are based on the work carried out and, unless stated otherwise, reflect the situation at the point in time they were concluded.

27 Since conducting our Corporate Assessment fieldwork, we have met the Chief Executive, the Leader and the Head of Policy and Partnerships and have discussed our provisional findings. The Council has responded positively to those findings and is committed to addressing the issues raised.

The Council demonstrates ambition in its vision, enthusiasm to deliver and commitment to working collaboratively, but this needs to be supported by a clearly joined-up strategic approach and effective delivery mechanisms

Vision and strategy

The Council has a clearly articulated vision and sense of purpose that takes account of its local context, but need to be supported by a coherent organisational strategy to drive change and deliver its ambition

- 28 The Single Integrated Plan identifies three themes and within each theme it defines three outcomes as follows:
- Nobody Is Left Behind
 - Older people are able to live their good life
 - People have access to appropriate and affordable housing
 - People have good access and mobility
 - People Are Confident, Capable and Involved
 - People's lives are not affected by alcohol and drug misuse
 - Families are supported
 - People feel safe
 - Our County Thrives
 - Business and enterprise
 - People have access to practical and flexible learning
 - People protect and enhance the environment
- 29 The Partnership Administration set out its political priorities in the 2012 Partnership Agreement and these are mirrored in the 'Improvement Plan 2014-17' (the Improvement Plan) which are clearly aligned to the Single Integrated Plan themes and outcomes. These are education, safeguarding vulnerable people and supporting businesses and job creation.
- 30 These strategic priorities take account of local targets and national priorities and focus on outcomes that are important to local people and those highlighted as in need of improvement by recent Wales Audit Office, CSSIW and Estyn audit, regulation and inspection reviews. The Council also places its priorities in the context of sustainable, resilient communities, reflecting the thrust of the Well-being of Future Generations (Wales) Act.

- 31 To achieve these priorities the Council has four Improvement Objectives:
- We will provide an improved education provision for Monmouthshire.
 - We will work to help people live their own lives by building flexible and responsive services.
 - We want to enable our county to thrive.
 - We want to be an efficient, effective and sustainable organisation.
- 32 The Council's political leadership has been proactive in reviewing its political priorities and setting out its aspirations in the light of a changing financial climate. In February 2015, the Council's political partnership affirmed its direction of travel – confirming commitment to the Single Integrated Plan outcomes, making no changes to its values and retaining its existing three core priorities but proposing to add a fourth – 'maintaining locally accessible services'. This provides a clear basis on which officers should plan and deliver services. In addition, the political partnership commits the Council to being an early adopter of the Well-being of Future Generations (Wales) Act.
- 33 However, the Council does not translate its ambition effectively into the way it plans for improvement. The Council's Improvement Plan 2014-17 included 49 measures of performance against its four Improvement Objectives of which only 28 (57 per cent) had specific targets for improvement. The absence of clear targets made it difficult for the Council to demonstrate the extent of planned improvement, and made it difficult to hold managers and members to account or provide challenge throughout the wider organisation. The Council has addressed many of these issues in its Improvement Plan 2015-17 but of the 36 performance indicators, three do not currently have targets, three of the targets have reduced from 2014-15 to 2015-16 with no explanation and it is insufficiently clear how some targets support the Council's improvement priorities.
- 34 In addition to the lack of clarity in some areas of the Improvement Plans about the extent of planned improvement, strategies that should underpin delivery of the Council's Improvement Objectives are not clearly joined up and therefore do not fully support the Council's aspirations to drive continuous improvement, in a co-ordinated way. For example, the Council has key strategies such as the Medium Term Financial Plan, People and Organisational Development Strategy and an Asset Management Plan. However, from these documents, there is no clear expression of the future shape of the Council, such as: how many staff will be needed and what skills are required to deliver the Council's priorities; what skills gaps exist and how these will be filled; what this means for future council buildings and the likely impact of information technology. The current funding reductions facing local government will require significant changes in service delivery and this will, for example, affect future workforce requirements. Responding to these changes will require cohesive plans and strategies.

- 35 The Council's Improvement Objectives are wide reaching and the 2015 Monmouthshire Partnership Agreement sets out political priorities for investment and dis-investment. These priorities have not been clearly reflected in the Council's existing strategies, although the Council is now starting to address this. As a result, the Council cannot demonstrate that its resources have been or will be channelled to where it wants to make the most impact.

The Council clearly sets out its expectations of a culture of open and inclusive leadership, although as yet these are not fully embedded within the organisation

- 36 The Council has clearly articulated its values. Its Improvement Plan 2014-17 defines its culture through a set of values that aim to underpin all the work of the Council and guide the behaviours that are expected of everyone working for or working with the Council. These values are: openness; fairness; flexibility and teamwork. The Council's political leaders clearly articulate the Council's vision and strategies and provide positive leadership. Cabinet members have a clear understanding that the Council is moving from a pure service delivery organisation to an enabling authority, working with communities to help them deliver improvement themselves. Members understand that this will involve changing the way in which some services are provided and who provides them.
- 37 The Council has an ambition and enthusiasm to promote new ways of working and approaches to service delivery but these do not always deliver in line with key strategies and are not always well communicated or understood across the Council. It has introduced a structured approach to identifying budget savings, corporate templates for service plans and webcast council meetings, which are positive developments and are in line with organisational values. However, its three-year 'Centre of Innovation' project was terminated after its first year following criticism by members; and the Council is currently considering the future purpose of its Community Interest Company CMC2 after changes to government grants threaten its ongoing financial viability.
- 38 The Council recognises that it needs to do more to communicate better. During our Corporate Assessment we asked a small focus group of staff about the Improvement Objectives and only one person recognised them accurately. The Council's own recent self-assessment as part of its preparation for the Corporate Assessment identified weaknesses in communication. This weakness was echoed at the recent staff event organised by the Council where some staff raised concerns about communication.
- 39 Although the Council's political leadership is clear about the Council's priorities, these are often not translated effectively into action, or reflected constructively in the way risks are defined, assessed and managed. For 2014-15 the Council's risk register identified three risks as low risk, seven as medium and one as a high risk to the whole authority. The high risk was 'potential that negative findings from pending CSSIW and Estyn inspections will divert energy from an ambitious transformation programme'. This might be read as implying that the Council is more concerned about the risk of regulators diverting them from the transformation programme than the risk of not addressing weaknesses in core services.

Governance and accountability

A culture of mutual respect and trust exists between Councillors and officers, leading to productive working relationships, although there are examples of decision making that could have been more robust, informed and subject to effective challenge

The Council has well-defined roles and responsibilities, is developing a culture of accountability and is engaging with staff to better embed its expected values and behaviours

- 40 The Council's constitution is up to date. It was last updated in September 2014 and clearly sets out roles and responsibilities for members and officers.
- 41 Relationships between members and senior officers are positive. They are underpinned by mutual respect and trust. There is a strong culture of professionalism amongst members and a number proactively take personal responsibility for their roles.
- 42 Council business is generally conducted in a professional and constructive manner. The Council's values of openness, fairness, flexibility and teamwork can be seen in the way that meetings operate. For example, Council meetings are structured to ensure input from cabinet members and allow questions from opposition leaders. Officers are in attendance to answer questions of a technical nature and, as most meetings are webcast live, the Council shows that it promotes openness at this level.
- 43 A range of guidance and training is made available to members. An area where this is clearly demonstrated is in relation to the scrutiny function. The Council's Scrutiny and Executive protocol is a guide for members and other parties which outlines the interface between Scrutiny and the Executive, and the procedural elements that underpin the relationship. The protocol sets out key responsibilities, processes and the overall scrutiny framework. There is also a scrutiny handbook available, providing a higher level and more simplified introduction and guide to the scrutiny process. This guidance supplements the procedures set out in the Constitution and provides practical support.
- 44 Council values are becoming more embedded across the wider organisation. The Council has pro-actively engaged with staff and sought their views in a variety of ways during 2014-15. For example, a staff event was attended by over 1,000 staff from different directorates and 719 staff from across the Council responded to its staff survey. At the staff event, attendees raised both strengths and concerns about a range of issues, some of which indicated that the Council's values are not always demonstrated in practice. These included concerns about openness, communication, decision making and how well staff perceive they are valued by the Council. Some of these concerns were repeated to us during our Corporate Assessment work. The 2014-15 staff survey showed better results with just over 50 per cent of respondents saying that they felt the 'Authority lives and breathes its corporate values of openness, fairness, flexibility and teamwork'. The Council has taken action to work with a small staff group to better understand staff concerns and to take appropriate action.

Well-managed risk taking and the quality of decision making are sometimes hindered by a lack of strategic direction, poor data quality, and limitations in legal monitoring

- 45 The lack of cohesive strategies results in some initiatives being approved without the Council being clear about how they deliver improved outcomes. For example, outcome measures for the Council's Centre for Innovation and Community Co-ordination initiatives and Community Interest Company, CMC2, were not well defined but were duly approved. Whilst well-managed risk taking is necessary within the public sector, members must be clear about how initiatives fit into the overall strategic framework to ensure that outcomes are clear and ill-thought-through risks are avoided.
- 46 There is evidence that data quality is not as robust as it could be in all areas. We carried out a small sample check of data quality, reviewing three national strategic indicators and three local indicators and their underlying systems. We identified poor target setting, data collection arrangements and controls for three of the indicators, which resulted in the inaccurate reporting of performance. As a result of these concerns about the current levels of controls on data quality, members cannot always be certain that decisions are being based on robust and accurate information in reports.
- 47 Legal support for decision making is limited. The Monitoring Officer/Head of Legal Services is not a member of the Senior Leadership Team although he has a general open invitation to attend meetings. Whilst reports presented to Cabinet are routinely verified by the Council's Monitoring Officer/Head of Legal Services, this is often in the latter stages of drafting, which limits the opportunity to comment on the quality of the report and robustly assess whether they are fair and balanced, and all important legal issues are considered.

The Council has improved the transparency of its public reporting of Council business, but some weaknesses remain

- 48 The Council's website sets out information for all its public committees and it contains links to access key records such as agendas, minutes and decisions. At the time of our review, the actual information available on the website was limited and key elements were missing, highlighting weak governance arrangements. The Council is currently upgrading its website with mod gov¹ and is retrospectively populating the website.
- 49 There have been instances of significant delays in relation to the approval of select-committee minutes. The constitution states that minutes should be approved at the next suitable meeting. However, we identified instances where minutes were not approved until several meetings later, and we were unable to tell from the information available why this delay had occurred.

¹ mod.gov is an app for automatically downloading, viewing, and annotating meeting papers of local authorities and other organisations that use the modern.gov decision management system.

50 Cabinet decisions are recorded, scrutinised and then made available on the Council website. Neither the Local Government Act 1972 nor the Council's Constitution require minutes of Cabinet meetings to be taken and subsequently approved as an accurate record. However, we consider the taking and approval of minutes to be good practice, particularly where the Cabinet has considered a number of options before taking a decision.

The Council is taking steps to improve scrutiny but progress is sometimes hampered by poor quality of information and inconsistently robust challenge

51 Scrutiny is improving and has come a long way from an earlier low base. In 2010 a Wales Audit Office review of Monmouthshire's scrutiny arrangements concluded that 'Scrutiny is beginning to provide a more robust challenge and is starting to have a positive impact on the business of the Council'.

52 Select Committee chairs now determine their programmes, with the support of the Scrutiny Manager, drawing from a wide range of sources, including: the Cabinet and Council Forward Planner; suggestions from members, officers and the public; and the Council's risk assessment. Work programmes are updated accordingly as new matters emerge. All scrutiny work programmes are publicly available online and meetings are webcast. Pre-scrutiny meetings are held to determine the line of questioning to improve the effectiveness of the sessions, and recommendations are logged and actions followed up. All of this contributes to better processes underpinning the scrutiny function.

53 Select Committee members say they are well supported by training opportunities but take-up is low. Extensive training is provided for scrutiny members, which is organised and co-ordinated by the Scrutiny Manager. Training has covered a broad range of areas, including raising the bar in scrutiny, challenge, performance management, financial management, and schools' finances. However, although training for Select Committee members on performance management information was provided in summer 2014, less than 40 per cent of members attended this training.

54 Despite an established scrutiny system and protocol being in place, the ability to proactively challenge is hindered by tensions relating to cabinet member attendance, participation at meetings and poor quality information. We understand that it is rare for Cabinet Members not to attend Select Committees but on the occasions when we observed recent Select Committees a number of decisions were being scrutinised but the relevant Cabinet Members were not present. The reports were presented by officers, who also responded to queries raised. For one decision, relating to a policy matter, the issue could not be resolved as the Cabinet Member was not present. An instance was also observed where, although the Cabinet Member was in attendance, the Member did not present the report nor respond to any queries, both of which were done by the officer.

- 55 Our observations also showed examples where: reports were not clear enough for members to understand important issues; members expressed concern about the perceived over-positivity of reports and the lack of objectivity; and a report was deferred because of the lack of information. Unless Select Committee members receive appropriate information in a timely manner, they will be unable to carry out the function effectively.
- 56 The lack of some clear targets sometimes makes it difficult for scrutiny members to assess performance and provide adequate challenge of cabinet members and officers, which hinders accountability.
- 57 However, there is a growing culture of individual accountability amongst senior politicians. The Leader has recently introduced member appraisals and regular one-to-one meetings with his Cabinet Members across both political groups in the partnership administration to support development and hold them to account for performance within their portfolios. This is being developed and managed well and has been received constructively amongst all Cabinet Members, with a positive impact in terms of strengthening accountabilities and understanding of roles and responsibilities.
- 58 Heads of Service challenge sessions have been introduced with the relevant Cabinet Member and Chief Officer attending each of these sessions. Seven sessions have been held to date with three more scheduled. The Council has started to evaluate the Heads of Service Challenge sessions to identify what impact these sessions are having and whether any changes need to be introduced. This shows a commitment to improving the effectiveness of internal challenge. Our observation of one of these sessions found the process was well structured and welcomed by officers and members as an opportunity to share information but it is too early to say what impact they are having on service outcomes.
- 59 The Council co-operates well with external review bodies to support delivery of the regulatory programmes and responds promptly to sign off reports, but sometimes is not fully accepting of messages and sees regulation as a distraction from its own core business. As a result, some services may take longer to make important improvements to policies and processes and to improve outcomes.

Use of resources

The Council has started to strengthen its strategic planning to ensure that resources are better managed to help deliver its vision

The Council's financial management arrangements are generally sound, although they could be further developed to better support the delivery of the Council's strategic vision and to meet the financial challenges ahead

- 60 The Council has established generally robust financial management arrangements. A Medium Term Financial Plan exists, which is subject to regular review and update to reflect changing circumstances and is supported by well-developed budgetary control arrangements. Overall, the Council has a good track record of managing its finances within budget.
- 61 The Council faces significant financial challenges, in common with other public bodies across Wales. During autumn 2014, the Welsh Government announced that the Council's revenue funding would be reduced by 4.5 per cent. This clearly presented significant challenges to the Council and, whilst savings totalling some £5.3 million were identified meaning that a balanced budget was set for 2015-16, a £10 million funding gap exists over the remainder of the Medium Term Financial Plan period (2016-17 to 2018-19).
- 62 The Council has implemented a constructive approach to deciding where savings would be made and has improved its budget monitoring arrangements. It has developed detailed savings plans to help it deliver a balanced budget for 2015-16. The proposals have been subject to wide-ranging consultation between members, officers and the wider public. Detailed monitoring and reporting arrangements have also been introduced, and these are being further developed for 2015-16, to support the delivery of the planned savings.
- 63 The Council's public engagement exercise on budget-setting resulted in 27 ideas that were generated by the public and that have been implemented by the Council. This level of adoption of ideas generated by the public is very positive and demonstrates effective public engagement by a Council that is also willing to listen.
- 64 To date the emphasis within the budget setting process has been on individual service areas identifying potential savings. Whilst services are very well placed to do this, we found only very limited support from central Council functions, such as finance and procurement and that corporate support is only provided on request. Unless the Council adopts a 'holistic' approach drawing on the wider skills within the Council it will be more difficult to address the funding gap.

- 65 The availability of reserves to cover future variations from the Medium Term Financial Plan is very limited. The Council has set a minimum prudent level of general reserves, which it aims to maintain at between four and six per cent of its net budget. The closing usable general reserves level of £7.1 million at 31 March 2015, according to the unaudited 2014-15 financial statements represented 4.8 per cent of the net budget. If it is to maintain them at above four per cent, the Council's capacity to utilise its reserves to help it bridge the funding gap is therefore very limited. The closing earmarked reserves balance at 31 March 2015 is some £10.9 million according to the unaudited accounts. Further use of reserves is planned to support the 2015-16 budget, using £1.65 million from earmarked reserves and £40,000 from general reserves. The Council's overall financial position has, however, benefitted by some £330,000 during 2014-15 in that a £31,000 surplus was achieved against budget and the planned £296,000 use of general reserves was not required.
- 66 At the time of our Corporate Assessment fieldwork, the Council did not have an Income Generation Strategy setting out its policy in respect of increases to fees and charges, although such a policy has been subsequently approved in October 2015. In the absence of a clear policy, services could apply an inconsistent approach to setting fees and charges and the Council could not have used fees and charges as an effective lever to support delivery of the strategic priorities.
- 67 On 27 November 2014 the Auditor General 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 as the Appointed Auditor and his reporting responsibilities under the Code of Audit Practice. The Auditor General issued an unqualified opinion on the Council's accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. The Annual Audit Letter can be found in [Appendix 4](#) of this report.
- 68 In light of the ongoing challenges facing councils due to reduced funding, the Wales Audit Office carried out local and national reviews to assess whether authorities are financially resilient by reviewing their financial health and how they are budgeting and delivering on required savings. In respect of Monmouthshire, we concluded that the Council had generally adequate financial management arrangements but there were some shortcomings that may impact on its ability to deliver its financial plans.
- 69 We came to this conclusion because:
- the Council had a good track record of operating within budget but was unable to demonstrate that previous years' individual savings targets had been met because of some weaknesses in the budget monitoring arrangements; and
 - the Council had introduced plans and arrangements to deliver savings but there were some weaknesses that needed to be addressed to ensure it delivers the savings it needs to make.

The Council has developed a People and Organisational Development Strategy, however, to make the best use of its people resources this Strategy needs to be underpinned by organisation-wide workforce planning, complete and accurate workforce data and a fully implemented, whole-Council appraisal process

The Council has developed a People and Organisational Development Strategy, but gaps remain in its strategic approach to effectively managing the workforce

- 70 The Council's People and Organisational Development strategy sets out clearly the Council's ambitions for its staff. The strategy states its overarching intention is 'connecting people to purpose' and further states that it will 'connect our people to one another, to purpose and the resources available, in order to spur innovation and performance, this should mean that our investment in people development activity is in line with our core purpose as an organisation, which is to deliver sustainable and resilient communities'. However, the strategy could be developed further to show how its organisational 'shape' will change from the Council it is now, to its future state, and what it will look like, operating with reduced finances and people.
- 71 The Council's People and Organisational Development Strategy action plan includes the detail to show how it will implement the required changes. The action plan contains actions that focus on the development of staff, volunteers and apprentices, with others centred on evaluating activities undertaken previously. Because the impact of the austerity measures on service delivery has not yet been assessed, it is unclear from the action plan how the Council intends to develop and shape the future structure and organisation of its functions. The People and Organisational Development Strategy does include links to other key strategies that will affect the shape and size of the workforce.

Integrated workforce planning is not being conducted on a Council-wide basis and this could hinder the Council's achievement of its strategic priorities

- 72 Service Improvement Plans do not routinely contain details of future workforce planning. There is evidence that workforce planning takes place in some service areas, for example, the Children and Young People's Directorate, but it is not consistently applied and is not conducted on a Council-wide basis, to link workforce requirements to organisational objectives, financial plans, and service delivery.
- 73 Preparing a workforce plan for the whole Council will help strategic planning by identifying opportunities for redeploying and retraining people and providing an opportunity for more joined-up planning across service areas or departments. Without an organisation-wide plan there is a risk that changes to service delivery in one area may have unplanned or unintended effects on other services. Management teams will also be less able to manage workforce changes, to ensure that the Council is making the best use of its staff resources, to achieve its objectives.

The Council's Human Resources policies and plans do not maximise staff capacity and capability

- 74 The Council has introduced its revised appraisal process, 'Check in Check Out'. The stated purpose of this process is 'enabling staff to know what is expected of them, to agree how values and behaviours are linked to how staff perform at work and to ensure that all our work links to the wider purpose of Monmouthshire County Council'.
- 75 The purpose of Check in Check Out is not well understood by staff, managers or members. Some staff described Check In Check Out as a process to generate innovative ideas for cost-saving initiatives. Some managers were not aware of the target set by the Council for completion of appraisals and current data regarding sickness levels and some members were not aware of Check in Check Out at all. Guidance on Check in Check Out is being reviewed by the Council in the light of difficulties that have arisen since its launch. This indicates that the Check in Check Out appraisal process has not been well communicated or implemented.
- 76 Check in Check Out does not sufficiently identify training needs to enable the Council to develop a cohesive and co-ordinated corporate training plan. As a result, the Council cannot be sure that all training meets organisational needs, that all skills gaps are being met or that overall training resources are being deployed effectively.

People management is not well supported by Information and Communication Technology (ICT) or managed strategically

- 77 The People Services IT system, provided via an external company, is not fully fit for purpose as it hinders the accurate capture and reporting of key workforce information. The workforce data and statistics provided from the system are inadequate. For example, sickness days lost per Full Time Equivalent (FTE) in the Council were incorrectly reported as 11 days per FTE and required manual calculations to obtain an accurate figure. The Council advised that the correct figure is 9.89 days per FTE. The system provider was also responsible for a four-to-six-week delay in the roll out of a self service function for managers. This indicates that the Council is poorly provided with workforce data requiring inefficient use of its own resources to rectify deficits.
- 78 Members and senior managers within the Council do not receive sufficient accurate data to help them manage the workforce strategically. The failure to collect and maintain accurate data on the profile of the workforce and statistics on a range of key workforce indicators and regularly report this to Senior Management and Leadership hinders effective management and scrutiny.

The Council has recognised that the human resources service and model will not effectively support Council services to achieve planned improvements

- 79 The Council is taking action to improve the Human Resources support provided to managers. The Council's People Services function sits within the Commercial and People Development Directorate of the Council. Its Service Improvement Plan states that People Services need 'to understand their service, their service pressures and maintain the realisation that they are the customer, sometimes they feel that People Services behave in a way that communicates that People Services are the customer and that there are too many hoops to go through to achieve what they need to achieve for their service area'. This indicates that managers recognise the weaknesses and are actively seeking to address them.
- 80 The People Services team recognises that its service provision is inconsistent across the Council. A recent restructure has attempted to put in place 'same staff, same support, same directorate'. Some services are satisfied with the support received from the People Services, but more work is required to reach a suitable and consistent standard across the Council.

The Council has put in place measures to engage with staff but it is too early to tell whether these are having an impact

- 81 The Council aims in its People and Organisational Development Strategy to 'connect its people to one another, to purpose and resources available'. Whilst we found that communication with staff through the use of modern technology is welcomed by staff, some staff within the Council who are not connected feel 'out of the loop' in respect of communications and engagement on decisions which affect them.
- 82 This sense of disconnect is more prominent for staff who do not work out of Magor or Usk and/or do not have use of information technology as part of their job role and work location. The Council's Staff Conference in November 2014, highlighted these issues and the Council has since begun to address some of these concerns. It has established a staff forum called Monmouthshire Minds, is undertaking a staff survey, which at the time of our corporate assessment had received 500 responses, and is implementing senior management visits to diverse sites to update staff on key messages. The Communications and Engagement team has set an objective to 'improve communications to ensure a sense of belonging and feeling 'part of it' through an understanding of what happens at a whole authority level'. This demonstrates the Council is committed to improving communication with all staff, but it is too early to assess the impact of the activities the Council is undertaking.

The Council has a clear strategic policy around the management of assets, but in practice, assets could be managed more effectively to support delivery of strategic priorities

- 83 The Council has a clear policy setting out how it should make the best use of its assets. Its Asset Management Plan links the use of its assets to the delivery of its strategic objectives, including the need for the Council's land and buildings to be in the right place to meet the needs of service users. The Asset Management Plan states that asset management should help to improve outcomes and deliver priorities, and it links the management of assets to the Single Integrated Plan, the People and Organisational Development Strategy and the Medium Term Financial Plan. Although the Asset Management Plan contains some examples of impact and reflects national priorities, particularly the likely reduction in the number of local authorities as a result of public sector reform, the People and Organisational Development Strategy does not refer, in turn, to the Asset Management Plan. In addition, the Medium Term Financial Plan itself does not reflect how assets should be best used to deliver outcomes and there is no evidence of public consultation on how the Council uses its assets.
- 84 The Council has put in place clear structures to support the management of its assets. A member-led board oversees all of the Council's regeneration and asset projects and an officer working group monitors the delivery of the Asset Management Plan. However, the process for translating the Asset Management Plan policies into operational activity is inadequate. The Council's service planning guidance makes no reference to asset management and Service Improvement Plans do not indicate how services intend to use assets to improve outcomes for their customers and/or increase service efficiencies.
- 85 The Council has a clear framework for managing the performance of its assets, but it is not fully effective. The Council has processes to ensure that its assets are kept in good condition, including programmes of planned and cyclical maintenance, and data on its assets is stored on a terrier database. The Asset Management Plan contains performance indicators which are linked to the Council's strategic objectives, but these are mainly quantitative and are not reported as part of the Council's corporate performance management framework.

The Council is developing its Information Technology arrangements in order to support its strategic vision but more work needs to be done

- 86 The Council has a strategy for the use of technology but this does not show the extent of planned improvement needed to demonstrate success. The Digital Strategy (iCounty) sets out the Council's overall planned direction of travel for IT and digital technology, together with measurable outcomes. In order to demonstrate that the aims of the strategy have been achieved and to monitor progress, the Council needs to set specific targets for the delivery of these outcomes.
- 87 The ICT programme has appropriate Member and officer oversight. The Digital Board meets regularly and oversees the implementation of the iCounty Strategy. It advises but has no decision-making powers. The Board consists of two Cabinet Members, representatives from CMC2 (a Council owned Community Interest Company) and Shared Resource Services (SRS) and Council officers. The Digital Board reports to Cabinet periodically.
- 88 The Council has an appropriate structure to oversee ICT delivery. Day-to-day operational matters are overseen by the ICT Business Change Team. The team consists of managers from SRS, business partners and Council directorates. The strategic purpose of the ICT Business Change Team is to help the Council, SRS and partners communicate, deliver, develop and join up their ICT systems in a timely manner whilst avoiding duplication. The ICT Business Change Team has two main operational functions. It seeks to resolve reported problems and filters proposals for enhancements to assess whether they can be developed within existing products or processes.
- 89 Satisfaction across the Council with IT services is mixed. Some departmental managers raised concerns, specifically referring to a lack of understanding about the prioritisation of responses to hardware and software faults as well as concerns over the HR IT systems referred to above. This feedback was received via focus groups with a small number of staff representing a cross section of the Council. However, we did receive positive feedback from some senior officers and members.
- 90 The Council has IT risk management processes in place, but there are weaknesses in the reporting of IT risks to the Corporate Risk Register. Whilst some very high level IT risks are included in the Corporate Risk Register, risks relating to the replacement Social Services IT system project are not. There is a project-specific risk register, but some key risks are not considered. The Social Services IT system project contains some significant risks such as confidentiality of information, its development by an external company (CMC2) with no track record of developing these complex systems and the requirement for significant changes to working practices. Furthermore, the future of CMC2 as a software developer is uncertain, which highlights potential risks around ongoing support for this complex and critical system. Unless risks such as these are clearly documented, rated and mitigated against, the Council places itself at considerable risk as a consequence of its approach to IT developments.

- 91 The Council is evaluating its ICT services, and regularly receives feedback on performance from SRS to the Council in 'performance dashboards'. It is awaiting the results from a SOCITM market and value for money test.

The Council has adequate Information Management arrangements in place but acknowledges and has started to address some weaknesses

- 92 The Council has adequate arrangements in place to manage information securely, although there was a minor breach in 2014. Internal arrangements include policies and procedures relating to information governance including retention and disposal policies, an information governance group, an information manager and a Data Protection/Freedom of Information officer. A senior manager is the dedicated Senior Information Risk Owner and the Council can access an information security support service through one of its IT contracts. There was an incident in 2014, involving the inadvertent disclosure of bank details. This seems to have been dealt with quickly, and appropriate lessons learned.
- 93 As a result of this incident, the Council recognised the need to reinforce information security management and has taken appropriate action. It has undertaken further awareness-raising activity with staff who prepare reports. Information governance will be included in induction training and all managers are expected to attend mandatory data-protection training. Members also receive data-protection training. The Council is also developing a revised set of guidelines for committee-report writers, outlining expectations and guidance regarding the format and content of reports. This demonstrates a commitment to reviewing and improving arrangements.

Collaboration and partnerships

The Council has a collaborative culture and engages well with stakeholders and community partners; it is developing delivery plans, targets and monitoring arrangements that will enable it to provide clarity about anticipated outcomes and demonstrate improvement

The Council is proactive at working collaboratively with a range of stakeholders and partners and is improving accountability and scrutiny arrangements

- 94 The Council has a strong collaborative approach to providing services and recognises that given the current financial climate and what the Council deems as the 'social capital' (community resource and skills) within the county, working with partners is key to sustaining services. Collaborative working is actively sought by the Council and partner organisations value the 'can do' approach and willingness to seek joint solutions. The Council's approach to partnership activity is not documented or part of an overall strategy and is largely 'optimistic' rather than strategic. A recent example is the CMC2 community interest company where its purpose continues to be re-defined as opportunities emerge or previous ventures fail. Making the most of opportunities is positive, but such an approach means the Council is not always clear whether it gets what it needs from partnership working to achieve better outcomes for citizens. A more planned, risk-assessed approach would make better use of resources and manage potential duplication.
- 95 The Council works collaboratively in a number of different ways, both formally and informally. Examples include working with neighbouring councils to deliver Housing and Council Tax Benefit, ICT and the Education Achievement Service. The Y Prentis scheme with Melin Homes provides apprenticeships, and the In One Place project brought together health bodies, housing associations, and neighbouring councils to provide extra care housing solutions. Discussions are ongoing with Gwent Police to explore the possible sharing of facilities, and with the South Wales Fire and Rescue Service to share data about those at risk from fire. The Council's community co-ordination projects in Abergavenny and Caldicot are positive examples of partnership working with Health colleagues to develop locally-based support for vulnerable people.
- 96 CSSIW recognises that the Council works well with partners to deliver help, care and protection and shows a high level of enthusiasm and commitment to corporate parenting.
- 97 New ways of working are readily embraced, for example, through Community Interest Companies. Community Interest Companies are subject to governance checks by an independent regulator and are viewed positively by the Council as a means of engaging with local businesses, and encouraging citizens to participate. This is particularly the case for citizens who may not engage with the Council directly. There are two Community Interest Companies; one set up by the Council – CMC2 , and one set up autonomously by a community group – the Caldicot Town Team (which contributes to delivering the Seven for Severnside Plan) .The vision and business plan for CMC2 are unclear and have changed several times since its

inception. Although wholly owned by the Council, information about the operation of CMC2 to the Council is limited and it is difficult for members to be assured that CMC2 is delivering as planned.

- 98 Arrangements for holding partners to account and scrutinising their activities are improving but this remains challenging with the number of partners and delivery channels used. A lack of clarity about the aims and measurable anticipated improvements from collaborative projects also makes holding partners to account more difficult. We found the Council sometimes struggles to articulate what it is trying to achieve in clear terms, resulting in different understanding.
- 99 Stronger outcome reporting and regular liaison mean the Council is better placed to monitor how well the Shared Resource Service is delivering agreed outcomes, and there are member aspirations that the newly formed Education Achievement Service Audit Committee will further challenge the corporate governance aspects of the company's performance.
- 100 The Council is particularly keen to involve local community groups to provide and shape services and the Whole Place Strategy is key to delivering this. New opportunities are sought out, for example, the Abergavenny Business Improvement District project.
- 101 The recent evaluation of the Whole Place Strategy (reported to the Stronger Communities Select Committee 30 January 2015):
- recognised the enthusiasm amongst officers and citizens for the approach and positive features on which to build for the longer term;
 - reported progress against proposals for improvement raised by the Wales Audit Office previously;
 - recognised that the increasing number of groups and partners falling within Whole Place can cause confusion about roles, responsibilities, reporting and accountability and makes it difficult to clearly show how actions by the various groups contribute towards delivering the Council's aspirations; and
 - agreed a review of Community Governance to make these aspects clearer in the future, which is due to be concluded shortly.
- 102 Following its re-launch in 2012 the Local Service Board has been providing a forum for mainly public sector partners responsible for services in Monmouthshire to come together. Revised terms of reference have been agreed but these are not accessible on the Local Service Board website. The older sub-groups have also been rationalised but again we were unable to locate these on the website. The Local Service Board which is now supported by a Programme Board and three operational groups – the Gwent Needs Assessment Group, the Engagement and Participation Group and the new Single Integrated Plan Performance Group – met for the first time in September 2014. Activity to date has focussed on setting the future path for the Local Service Board and ensuring it understands the needs of the community. Members feel they have a strong footing on which to take this forward that reflects their respective needs.

- 103 The Single Integrated Plan outlines a broad work programme for 2013-2017 for the Local Service Board and member organisations. Specific delivery plans that describe what actions will be taken, by whom and when, to contribute to the overall work programme are being finalised. Performance management arrangements, including specific measures and how to collect the underlying data (some of which is not collected now) are developing, and the Council anticipates the new arrangements will be in place by the end of the year. These documents and arrangements are key to ensuring the Local Service Board can clearly set out what it intends to improve, how it will do this, and how it will measure impact. The plans should also allow greater monitoring of progress and scrutiny both by Local Service Board members and those of the respective partner organisations. The Council has plans to establish a Scrutiny Panel which will challenge the performance of the Local Service Board in future.
- 104 The outcome of the Community Governance review, completion of detailed delivery plans (particularly for the Local Service Board and Whole Place) and strengthening the performance management and accountability arrangements, together with an adaptable outlook, mean the Council should be able to build resilience and manage its partnership activity in a more sustainable way.
- 105 There is some use of pooled budgets and partners recognise that sharing facilities, skills and information are of equal importance. Finding ways to involve Local Service Board members more in the Council's budget setting process and setting more collaborative and pooled budgets where appropriate will help delivery of shared outcomes.
- 106 Notwithstanding this, there are a number of partnership schemes where the future direction and operation are being considered partly in the light of funding constraints. These include Y Prentis (with Melin Homes) and CMC2 (future ICT developments).

The strategic vision for the Shared Resource Service was not formally established at the outset, which contributed to weaknesses in how the emerging service was managed and governed. Partners have acknowledged these issues and are addressing them as part of an ongoing internal strategic review

- 107 The Shared Resource Service (SRS) is a collaboration between the Council, Torfaen County Borough Council and the Gwent Police Authority (now the Gwent Police) to deliver shared IT services to the three organisations. Data Centre Hosting services are also provided to other public bodies including the NHS Wales Informatics Service (NWIS) by Torfaen County Borough Council as part of the Shared Resource Centre located in Blaenavon in northern Torfaen.
- 108 Our review sought to answer the question: Was the Shared Resource Service properly established and was it effectively managed and governed by its partners? We concluded that the strategic vision for the SRS was not formally established at the outset, which contributed to weaknesses in how the emerging service was managed and governed. Partners have acknowledged these issues and are addressing them as part of an ongoing internal strategic review.
- 109 There was a clear rationale for developing the SRS but, whilst the service has evolved over time, there were some weaknesses in how it was established. Monmouthshire Council was not a founding partner of SRS. The final decision to set up the SRS by Torfaen County Borough Council was approved by Members but was not fully supported by a sufficiently detailed business case. The decision to join the SRS by Monmouthshire Council and Gwent Police Authority was supported by appropriate information although there were some gaps on the likely cost implications. A memorandum of understanding and agreement is in place that clearly sets out how the SRS is constituted and the Shared Resource Service is now providing some benefits for all partners but the initial plans were often too optimistic.
- 110 A strategic review has been completed which is addressing the weaknesses identified in performance management, oversight and scrutiny. Whilst Monmouthshire Council was not a founding partner, since it joined SRS in 2011, the findings of the review are relevant to its role in the partnership. The effectiveness of the SRS Board in overseeing the management and development of the SRS has been mixed. Some of the initial weaknesses in scrutiny and oversight of the SRS have been addressed but further work is needed. Sound budget management arrangements are in place, but more work is required by the SRS to demonstrate it is delivering value for money.

Managing improvement

Whilst systems, procedures and guidance are in place, the Council is not consistently managing performance, improvement and risks

The Council has discharged its improvement planning duties under the Local Government Measure, however, more needs to be done to strengthen arrangements to support robust and effective decision making and improvement

- 111 The Council's Improvement Plan 2014-17 complied with the Local Government (Wales) Measure 2009 (the Measure) but we identified some opportunities for improvement. The Council responded positively to our feedback on its 2014-17 Improvement Plan and sought to address our comments when compiling the 2015-17 Improvement Plan. A review of the draft Improvement Plan for 2015-17 identifies improvements in target setting and improved links between actions and measures. The draft Improvement Plan for 2015-17 was agreed by the Council on 23 April 2015 and was published on 20 May 2015. We will complete the review on the final Improvement Plan 2015-17 and provide more detailed feedback.
- 112 The Improvement Plan 2014-17 was widely scrutinised before being finalised and published. This draft improvement plan was considered by the Senior Leadership Team, Select Committees and Council. This process allows both senior officers and elected members the opportunity to consider and scrutinise planned performance. Local residents were consulted as part of the budget setting process and this has informed the future priorities of the Council.
- 113 The Council considered budget mandates, the medium term financial plan and political priorities when setting its four improvement objectives for 2014-17, of:
- 'We will provide an improved education provision for Monmouthshire'
 - 'We will work to help people live their lives by providing flexible and responsive services'
 - 'We want to enable our County to thrive'
 - 'We want to be an efficient, effective and sustainable organisation'
- 114 However, the improvement objectives and resources were not always linked as budgets were not allocated to all planned improvement activity. For example, the Service Improvement Plan 2014-15 for Community-led Delivery states that 'a budget has not yet been allocated for Whole Place'. Whole Place supports delivery of the Council's 2014-17 Improvement Objective of 'We want to enable our County to thrive'. As a result, the Improvement Plan 2014-17 was not completely resourced and as such may not deliver planned improvements.

115 The Council produced clear improvement objectives for 2014-15 and 2015-16 but more work needs to be done to increase evidence of their delivery. Both Improvement Plans provide the rationale for the selection of the improvement objectives and a description of each objective with links to the Single Integrated Plan. The Improvement Plans have actions and targets to support the objectives, but although progress has been made in identifying targets in the 2015-16 Plan, not all the actions have clear measures and targets. In addition, not all the measures relate clearly to the Improvement Objectives and the actions set out against each Objective. As a result, the Council will not be able to fully demonstrate whether the level of improvement anticipated has been delivered because parts of the planning arrangements are underdeveloped.

The Council's performance management arrangements are getting better and need further development to fully support robust and effective decision making and improvement

116 The Council's performance management arrangements are improving. A restructure in 2014 brought together Policy and Performance staff into a corporate team to pool expertise and promote consistent approaches across the Council. The Council has produced guidance and a template on the development and format of Service Improvement Plans that clearly set out the process and timescales for their production, implementation and monitoring. The use of this template is not compulsory for all Directorates.

117 In 2014, the Council improved performance management arrangements for members. The Council's Select Committees now receive quarterly updates on the improvement objectives 2014-17 and Welsh Government outcome agreements, and do request additional information if reports are not clear. Quarterly reports on the 'Effectiveness of Council Services' are considered by Cabinet. The report includes a cabinet performance dashboard which is also available on the Council's Hub that members can access outside of Cabinet meetings.

118 The Council has performance information available on the Hub that staff and members can easily access. It has introduced Heads of Service Challenge sessions to increase accountability and has developed Service Improvement Plans and Heads of Service Plans setting out performance data, targets and risks. Performance clinics have been established to support those managers whose services are underperforming. This demonstrates improvements in the accessibility of information and an increased focus on holding members and managers to account.

119 The Council's performance management arrangements do not set out how Service Plans within directorates overlap and support each other to deliver the strategic Improvement Objectives. Chief Officers produce an annual directorate report which retrospectively reflects on performance from the previous 12 months and includes 2014-15 priority actions. However, these reports do not follow a consistent format and none of the reports that we looked at referenced the Council's sustainable development policy nor its commitment to sustainability made in the 2014-17 Improvement Plan.

120 There are weaknesses in setting targets and milestones. The Council has been proactive in setting up alternative models of service delivery, however, the intended outcomes of new delivery models, such as Community Co-ordination and Whole Place, are not always well specified. Where they are specified, targets and data collection arrangements are generally under developed. Without specifying the intended outcomes, the Council is unable to make informed, robust decisions, track performance, demonstrate value for money, or evaluate whether the delivery model is delivering the intended purpose.

121 In December 2014, Cabinet approved changes to some targets as set out in the Council's Improvement Plan 2014-17, Outcome Agreement Grant with the Welsh Government and departmental targets. In error, the revised targets were not reflected where appropriate in the Quarter three performance report to Cabinet. For example:

- the target for the percentage of initial assessments completed in the year where the child has been seen alone by the social worker was mis-stated as 42.9 per cent when 48 per cent was the agreed target;
- the target for the number of new jobs created where assistance was provided by Monmouthshire Enterprise and Partners was mis-stated as 150 when 200 was the agreed target;
- the target for the average wage level in the County was mis-stated as £454 when £465 was the agreed target; and
- the target for the number of children and young people with a current pathway plan was mis-stated as 90 per cent when 98 per cent was the agreed target.

In the Quarter four performance report, the previous error was mostly corrected, except two targets in this report which were incorrectly reported. The errors resulting in incorrect targets being reported in the Quarters three and four Cabinet performance reports resulted in members receiving inaccurate data when scrutinising the Council's key performance indicators and forming judgments on the Council's performance.

122 We examined six of the Council's performance measures and the data systems that support them. We examined three national strategic indicators (NSIs), and three performance measures that the Council has developed itself. We chose these six measures because they form part of the evidence to support the delivery of the Council's Improvement Plan for 2014-17. We found that delays in data entry, lack of supporting evidence and estimated data where actual data was required cast doubt over the credibility of data produced by the Council. As a result members and the public more widely cannot be assured that the information provided is accurate.

- 123 The Council has developed a sound in-house performance management system to replace its previous system and this will increase availability of information to members and staff. The performance dashboard provides for each performance indicator, the actual data, target data, an illustrative direction of travel that offers an aid to interpretation, ie, improving or in decline, an RAG (red, amber, green) comparison of actual against target and a spark line that illustrates the trend of performance data of multiple periods. However, the effectiveness of the RAG status for each performance indicator is largely dependent upon the Council setting challenging targets for their performance indicators.
- 124 The performance hub is an initiative that has helped to support the performance management arrangements of the Council. However, the design and build of the databases that deliver the hub, whilst functional, are not fully developed to ensure efficiency, accuracy and resilience of the data.
- 125 The Inspection of Children's Services report published by CSSIW in February 2015 highlighted that performance management and quality assurance arrangements needed to be more effectively embedded so managers at all levels have timely, relevant and accurate performance and quality assurance information to enable managers to be more effective in their roles and to deliver improvements.
- 126 Following Estyn's inspection of education services for children and young people in November 2012, the authority was identified as requiring special measures. In March 2015, Estyn completed the third of a series of four scheduled monitoring visits to the Council to assess the Council's performance management processes. Following this monitoring visit, Estyn found in respect of Education services that:

'The local authority has developed a new corporate performance assessment process, which is providing a more robust system to manage performance. The process is ensuring that the children and young people (CYP) directorate's priorities appropriately reflect the corporate priorities. This is assisting individuals and teams within the CYP directorate to have a better understanding of their roles and how their work contributes to that of the directorate and wider corporate priorities. The local authority's processes for managing performance are now more consistent, more transparent and better understood by staff in the CYP directorate, although it is too early to evaluate the effectiveness of the policy and procedures in improving performance.

The CYP's service improvement plans align well with the key corporate themes within the single integrated plan. The service improvement plans identify broadly the priorities for improvement appropriately. However, it is not always obvious in the service improvement plan what actions the local authority is taking to address the areas for improvement.

The CYP's directorate has a more effective system for reporting on the progress against the actions in the service improvement plans and on the achievement of performance indicators to senior officers and elected members. Staff at all levels are beginning to be held to account more rigorously for their areas of responsibility.

The CYP directorate's use of performance data has improved, for example, in identifying progress of vulnerable groups and pupils with additional learning needs. The authority has also improved the range of data in the youth service, which means that the authority and its partners have a better understanding of how the provision helps learners to progress and achieve. However, the access that schools have to management information systems is still too inconsistent. The information and analysis provided in the managers' reports are not always helpful enough to ensure that messages are identified accurately. In addition, teams do not always give enough attention to detail when reviewing their performance. As a result, areas for improvement are not picked up well enough.

The regional school improvement commissioned services are providing better quality information to the local authority on standards and leadership in schools, which in turn enables the local authority to identify underperformance and to use its statutory powers where necessary. As a result, the local authority is intervening more appropriately in underperforming schools. Head teachers from underperforming schools have been invited to attend scrutiny meeting to account for the performance in their schools. School leaders now have a better appreciation of their lines of accountability, and this is beginning to impact well on the outcomes achieved by their pupils. There is also an increasing rigour and better clarity to the process of setting school attainment targets and this is helping to promote more appropriate expectations for improvement in the local authority's schools.

The authority has appropriate arrangements to scrutinise aspects of the education department's work. The arrangements align well with the monitoring of the post inspection action plan and the priorities of the education department.'

Whilst risk management arrangements have improved they remain weak

- 127 The Council has risk assessments embedded within individual Service Improvement Plans, heads of service improvement plans and budget mandates and there exists a Whole Authority Strategic Risk Assessment. However, defining and determining levels of risk are underdeveloped.
- 128 The three-year Whole Authority Strategic Risk Assessment (2014-15 to 2016-17) and the latest version of the Strategic Risk Management Policy were considered by Cabinet in March 2015. However, the Council's only high level risk in 2014-15 was the 'potential that negative findings from pending CSSIW and Estyn inspections will divert energy from an ambitious transformation programme'. For 2015-16, the Council does not have any high-level risks.
- 129 The Whole Authority Risk Assessment is poorly constructed and does not articulate clearly enough the risks to the Council and how these risks will be managed. The Whole Authority Risk Assessment does not define the ratings for likelihood and impact of risks although these are included within the Strategic Risk Management Policy. There is an absence of pre and post mitigation risk scores in the Whole Authority Risk Assessment. Actions to mitigate risk do not generally change the

risk level. Eight out of the 11 whole authority risks will remain at the same risk level from 2014-15 to 2015-16 despite actions being proposed to mitigate the risk. Six of the 11 corporate risks will remain at the same risk level for three years. Escalation of service level risks is unclear within the Strategic Risk Management Policy and Guidance. A Cabinet report on the whole authority strategic risk assessment in March 2015 stated that the Whole Authority Risk Assessment only covers High and Medium level risks; however, three low-level risks are included within the Whole Authority Risk Assessment.

130 Access to and responsibility for the Whole Authority Strategic Risk Assessment is improving. The Whole Authority Strategic Risk Assessment will be available on the Hub for staff and members to review. Cabinet members have executive responsibility to assess the strategic risk assessment at least annually and the Audit Committee has a responsibility to assure that a risk management framework is in place. An accountable Cabinet Member and senior officer have been allocated for each of the 11 corporate risks. Select Committees have also reviewed risks as part of the budget mandate process and forward work programme.

131 The Inspection of Children's Services report published by CSSIW in February 2015 states:

'The quality of risk analysis within assessments was variable; often risk was implied rather than explicitly articulated.

Risk based planning and authoritative practice were not sufficiently evident. There were significant deficits in multi-agency risk management, in particular with regards to the use by social services of "contracts of expectations", which fail to adequately protect children. Managers did not effectively challenge poor quality risk management practices.'

The Council reports performance to the public and is clear on how to enhance future public reporting, however, it could provide a more balanced view of performance and improvement

132 The Council's annual Improvement Plan Stage 2 'How we performed' is the main vehicle for informing the public about its performance. The Council published its most recent annual assessment of performance (2013-14) on its website on the statutory deadline of 31 October 2014 and complied with the requirements of the Local Government Measure 2009. However, the extent of improvement during 2013-14 is unclear in the report and it contains some inaccuracies.

133 Performance information is available to the public via performance monitoring reports to Scrutiny, Cabinet and full Council meetings. These are available on the Council website. In 2014, the Council started to live stream Scrutiny, Cabinet and full Council meetings on YouTube, demonstrating openness and transparency in debate and decision making. This gives the public easy access to observe meetings and access relevant supporting documentation. The opportunity does exist for the public to access information on the Council's performance, but it is unclear whether the public is aware of these facilities.

- 134 The presentation of sustainable development issues on the Council's website is not clear. The 'Sustainable Development' section is not easily accessible and the term has to be searched for, being located in 'business, advice and legislation'. This does not convey the idea of sustainable development being 'the central organising principle' of the Council. We considered this issue in more detail in our review of the Council's preparedness for the Well-being of Future Generations (Wales) Act 2015, which is summarised in [Appendix 6](#).
- 135 The Council makes performance information available to the public through other means too. It produced a Performance Bulletin following the publication of the national strategic indicators and public accountability measures from Data Unit Wales in September 2014. This bulletin provided a summary of performance of the Council's improvement objectives 2013-2016. However, services performing well had greater prominence in the bulletin compared with services that were underperforming. The bulletin could therefore have provided the public with a more balanced view of performance.
- 136 The Council is exploring opportunities to share performance data more widely. It has developed an in-house solution for the replacement of Ffynnon and this is available to staff and members on the Hub. The Council aims to make this performance data available to the public in the future via the Council's website.

Performance and outcomes

For 2013-14 and 2014-15, the Council was clear about what it was trying to achieve and can demonstrate a positive direction of travel in performance but due to limitations in some of its arrangements, it is not always able to demonstrate impact or quantify improved outcomes

- 137 This section of the report focuses on the performance of Council services. We provide an overview of performance in 2013-14 as well as a more detailed assessment of progress against a selection of the Council's Improvement Objectives. We also include a summary of CSSIW's Performance Evaluation Report 2013-14, Estyn monitoring visit letters to date, and the Welsh Language Commissioner's assessment of progress in Monmouthshire.
- 138 We report specifically on the 2013-14 and 2014-15 performance data as these are the published data sets since the last Annual Improvement Report in 2014.
- 139 The Council's overall direction of travel in performance is positive but it has had mixed success in delivering its plans to improve outcomes. The Council claimed in its Performance Bulletin for 2013-14 that it had 'improved or was ranked among the top authorities [in Wales] for 70 per cent of indicators'. Whilst this was factually correct, it could have led the reader into believing that the Council was performing better than it was. In fact, seven of the PIs considered to be part of the 70 per cent that had improved were in the bottom quartile; and performance in two of the PIs that were in the top quartile had deteriorated.
- 140 Our analysis of the national strategic indicators and public accountability measures for 2013-14 and 2014-15 are set out below.

National strategic indicators	2014-15	2013-14	2012-13
Number of NSIs	30	30	30
Number with actual values that have got BETTER	19	17	12
Number with actual values that have got WORSE	8	9	6
Number with a RANKING that have got BETTER	15	12	9
Number with a RANKING that have got WORSE	9	8	6
Number ABOVE Welsh average	18	13	15
Number BELOW Welsh average	12	16	14

Public accountability measures:	2014-15	2013-14	2012-13
Number of PAMs	13	14	14
Number with actual values that have got BETTER	11	8	8
Number with actual values that have got WORSE	0	5	5
Number with a RANKING that have got BETTER	7	4	7
Number with a RANKING that have got WORSE	2	6	5
Number ABOVE Welsh average	10	9	9
Number BELOW Welsh average	3	4	4

- 141 Published data for 2014-15 indicates that performance, measured by national strategic indicators and performance accountability measures, has changed as follows – from 2013-14: 30 indicators have improved, eight have declined and four are unchanged. We will assess progress more thoroughly when we carry out our Assessment of Performance later in 2015, but note that this indicates a positive direction of travel for the Council. The Council set out its priorities in the 2014-15 Improvement Plan. To achieve these priorities the Council has four Improvement Objectives as set out in paragraph 30 above.
- 142 The Council set out its own assessment of its performance against its improvement objectives in its annual report 'How we performed 2013-14'. We have taken into account some of its content in our assessment of its progress.

The Council's education services for children and young people remain in special measures and Estyn will carry out a final monitoring visit in Autumn 2015 to evaluate whether or not the authority still requires special measures

- 143 Estyn inspected the Council's education services in November 2012 and they were judged to be unsatisfactory. Capacity to improve was also judged to be unsatisfactory. The report recommended that the service should be placed in special measures and a Ministerial Recovery Board was established.
- 144 Since the Council's education services for children and young people were placed in special measures, Estyn has concluded three of its four monitoring visits. The first Estyn monitoring visit took place in February 2014 and considered the progress made by the authority against the Safeguarding recommendation arising from the 2012 inspection. Estyn concluded

'the local authority has made some good initial progress in addressing the shortcomings around safeguarding identified at service and practitioner level. However, the most challenging and significant shortcomings identified in the strategic management of safeguarding have not been addressed well enough. The local authority still does not have effective enough management information

systems and processes to enable it to receive appropriate and evaluative management information about safeguarding. It is not able to routinely identify how well the actions taken impact on the safeguarding of all children and young people in Monmouthshire or to prioritise actions for improvement well enough.'

145 Estyn's second visit took place in June 2014 to assess progress against two of the recommendations:

- Recommendation 4: Improve corporate planning to strengthen links between the local authority's priorities and service level targets; and
- Recommendation 5: Improve self-evaluation across all services and make better use of data to plan services strategically and target resources.

146 Estyn's letter to the Council following the visit noted some improvements, but also highlighted a number of shortcomings and acknowledged that aspects of the work were at an early stage.

147 The third Estyn visit took place in March 2015 to assess progress against the following recommendation:

- Recommendation 6: Ensure that performance management is effective and robust and allows elected members and senior officers to identify and address underperformance.

148 Estyn's letter to the Council following the visit noted that during the last 12 months, the local authority has developed a new corporate performance assessment process, which is providing a more robust system to manage performance. The final visit planned for Autumn 2015 will evaluate progress against all of the recommendations.

149 The Council's improvement priority is 'We will provide an improved education provision for Monmouthshire' – it rated its own performance against this priority as 'Adequate – Strengths just outweigh weaknesses'.

150 Our analysis of the Education related national strategic indicators and public accountability measures for 2013-14 shows that most showed slightly improved performance from the previous year.

The Council is working well to improve outcomes for adults but services for children remain weak in a number of areas. There are particular concerns around safeguarding

151 The Council's improvement priority is 'We will work to help people live their own lives by building flexible and responsive services' – it rated its own performance against this priority as 'Good – Important strengths with some areas for improvement'. The Council's assessment is based on nine performance measures and four planned actions but it is unclear how the Council has concluded that progress is 'good'.

Of the performance measures:

- one has a target shown as 'not applicable';
- one has no target – it states 'establish baseline';
- one target is set as zero where a higher number would show progress;
- three targets were either a greater or lesser performance when compared to 2012-13;
- one target is to perform better than in the previous year; and
- one shows a measure of the number of families who have been supported by the Team Around The Family (TAFF) but the actual shows the number of referrals – which is not the same thing.

152 We have based our assessment of improvement on the PI data above and four reviews that have relevance to this improvement objective.

153 As part of the Wales Audit Office Social Services Sustainability work that took place across the five Gwent Councils, we produced a document for the Council that presented:

- future demand for social services in Monmouthshire through benchmarking population projections for children and older people; and
- a suite of graphical analyses that combined financial and performance data for social services in Monmouthshire over multiple years and which also placed Monmouthshire within the context of the other 21 Welsh councils.

154 There were no recommendations or conclusions from our work as we provided each council with a data pack that displayed the information from a different perspective and facilitated a Gwent-wide workshop for Directors of Social Services and Directors/Heads of Finance to discuss. We received positive feedback on the output and await to see how the Council uses this approach as part of its internal challenge processes.

155 CSSIW's Annual Review and Evaluation of Performance 2013-2014 concluded that in 2013-14, social services continued to make strong progress and performed well in many areas of adult services. However, for children's services, whilst there had been some improvement, more needed to be done to improve key areas and to consolidate practice following the restructure of services. [CCSSIW: Performance Evaluation Report 2013-14 on Monmouthshire County Council Social Services.](#)

156 The CSSIW Performance Evaluation Report 2013–14 stated:

‘In adult services the Council has made good progress in reshaping services which are person centred, focus on facilitating community-based solutions and supporting people to remain independent for as long as possible. The Council performs well against many of the key performance indicators for adult services and has improved performance in its reviews of care plans. The implementation of new ways of working has enabled the Council to achieve savings within adult services. People receiving services, in the main, provide positive feedback about their experiences and the outcomes achieved.

In children’s services, performance in relation to initial care planning and statutory visits for looked-after children is weaker than other comparable local authorities and the Wales average. An inspection of safeguarding and care planning of looked-after children and care leavers who exhibit vulnerable or risky behaviour found that the Council needed to make significant improvement in a number of areas including risk assessment and care planning practice. In contrast to this, there has been improved performance in the areas for improvement identified in CSSIW’s 2012-13 annual review and evaluation of performance. In particular, performance around initial assessments and at the point of referral has strengthened.’

157 The report recognised that the Council has listened to and understands what matters to the people of Monmouthshire in terms of their social-care needs through its systems thinking work, surveys and consultations. It also notes the Council’s success in developing collaborative arrangements which are having a positive impact, most notably through the work of the integrated health and social-care teams in adult services. However, it notes that progress on the implementation of five-year strategies for the integration of learning disabilities and mental health services across the Gwent area has been slow.

158 CSSIW undertook an inspection of children’s services in November 2014 and published the inspection report in February 2015. This report focused on four themes: access arrangements, assessment, care management and review, and leadership and governance. [CSSIW: Inspection of Children’s Services on Monmouthshire County Council](#).

The main findings are listed below.

‘**Access Arrangements:** Thresholds between “early help” (the provision of information, advice and signposting) and statutory social services interventions were not appropriately understood or operating effectively. Although children and young people in need of help and/or protection were generally identified by professionals from all agencies, the quality of referral information sharing was poor. When contacts were received where there was an obvious indication of significant harm, prompt and effective action was taken. However, if there was no obvious indication of significant harm, decisions to progress contacts to a referral and/or an initial assessment were not timely. Neither was the system for tracking/managing contacts acceptable; there was a risk of cases being

lost and/or of lengthy delays to children and families receiving the help they needed. Management oversight of access arrangements was insufficient. As a consequence some children were left in need and some were potentially left at risk of significant harm.

Assessment: Children and young people who are, or who are likely to be, at risk of harm were identified and protected. Child protection enquiries were generally thorough and timely although strategy discussions did not routinely include information from all relevant partners. Overall, assessments were timely and contained appropriate information from a range of sources. The quality of risk analysis within assessments was variable; often risk was implied rather than explicitly articulated. Although assessments were generally child-focussed, they did not always take account of children's communication needs. Nor did they detail children's diversity requirements or explicitly express their wishes and feelings often enough. The quality of recording throughout the assessment process was poor and as a result failed to evidence the depth of enquiry that had been undertaken. Most assessments were not shared with children and families. Although the timeliness and quality of decision-making was adequate, management oversight of the assessment process was ineffective. Overall the quality of assessments was inconsistent. The impact of lack of engagement and lack of transparency was that children and families were not always clear about the purpose of the help they received and/or the need for protection.

Care Management & Review: Children and young people identified as being in need of help or protection, including children looked after, generally experienced timely and effective multi-agency help and protection. The quality of care planning and review was adequate. Some good services were delivered to families and good quality direct work with children was evident. However, risk based planning and authoritative practice were not sufficiently well evidenced. There were significant deficits in multi-agency risk management, in particular with regard to the use by social services of "contracts of expectations" which fail to adequately protect children. Managers did not effectively challenge poor quality risk management practices. Workforce stability had been recently achieved in children's services and social workers were committed to achieving good outcomes for children and families. This stability now needs to be consolidated and sustained in order to achieve continuous improvement in outcomes for children and families.

Leadership & Governance: Leadership management and governance arrangements did comply with statutory guidance and arrangements for effective engagement were in place. Senior leaders were committed to improving safeguarding and this was reflected well in strategic planning. Strategic plans had not been effectively disseminated throughout children's services. More focussed and sustained improvement is required to establish an effective strategy for the delivery of good quality services and outcomes for children, young people and their families. The authority worked well with partners to deliver help, care and protection for children and young people and showed a high level of enthusiasm and commitment to corporate parenting.

Local joint needs analysis did not inform planning for children's services. Neither performance management, quality assurance monitoring nor strategies to ensure the authority sustained a culture of learning were sufficiently well embedded to provide a thorough understanding of the difference that help, care and protection was making for children and families. Senior leaders were insufficiently well sighted on front line work in children's services.

Services were delivered by a suitably qualified, experienced and competent workforce that was able to meet the needs of local children, young people and their families. Most social workers expressed trust and respect for senior managers and said that morale was high within the workforce. Management oversight and supervision was accessible but was insufficiently effective in supporting the workforce to deliver services that result in positive outcomes for children and families.'

CSSIW undertook a National Inspection of safeguarding and care planning of looked-after children and care leavers who exhibit vulnerable or risky behaviour

159 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:

- supported and protected looked-after children and care leavers;
- identified and managed the vulnerabilities and risky behaviour of looked after children and care leavers;
- promoted rights-based practice and the voice of the child;
- promoted improved outcomes for looked-after children and care leavers; and
- promoted compliance with policy and guidance.

Findings from the individual local authority inspections and the CSSIW national overview report can be found on the CSSIW website.

In August 2014, the Wales Audit Office undertook a review of 'Local Authority Arrangements to Support Safeguarding of Children'

160 We concluded:

- the governance, accountability and management arrangements for overseeing whether the Council is meeting its safeguarding responsibilities to children have some weaknesses which the Council must address;
- the Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children have some weaknesses which the Council must address;
- the Council's approach to identifying and acting on improvements in its safeguarding arrangements has some weaknesses which the Council is addressing; and
- overall whistleblowing arrangements are generally sound, but there are some weaknesses in policy, process and training that need to be addressed.

The Council shows ambition to regenerate the towns and create employment opportunities although has limited evidence to demonstrate improvement

161 The Council's improvement priority for 2013-14 was 'We will help to regenerate our towns and assist in creating employment within the County' and the Council rates its own performance against this priority as 'Adequate – Strengths just outweigh weaknesses'. The Council's assessment was based on seven performance measures and eight planned actions.

162 Of the seven performance measures:

- number of Community Plans completed: the target was 12 and actual performance was three;
- number of Digital Community Projects initiated through CMC2: the target of two was achieved;
- total number of new jobs created where assistance was provided by Monmouthshire Enterprise and Partners: the target was 260 and actual performance was 124;
- number of jobs safeguarded where assistance was provided by Monmouthshire Enterprise and Partners: the target was 85 and actual performance 16; and
- number of inward investment projects secured where assistance was provided by Monmouthshire Enterprise and Partners: the target was seven and actual performance five.

- 163 The remaining two targets of the number of new business start-ups where assistance was provided by Monmouthshire Enterprise and Partners and the percentage of employability course participants that gained employment exceeded the target. Of the eight planned actions, it is impossible to assess real progress. Some actions have not yet had quantifiable impact, one refers to impact since 2012 making it impossible to quantify improvement in 2013-14 and similarly another does not state a timeframe so impact cannot be assigned to 2013-14.
- 164 The Council's approach to area regeneration known as 'Whole Place' supports this improvement objective by taking forward the Seven for Severnside Whole Place Plan framework, in particular, the strand on town centre regeneration and the development of the Bryn y Cwm Whole Place plan and interventions within the community of Abergavenny. However, the Council's Improvement Plan Stage 2: 'How we Performed 13/14' states that there have been 'some individual successes at a community level such as the involvement of the town team in organising a local fireworks display' in Caldicot and the 'full impact has yet to be felt in the community'. For the development of the Bryn y Cwm Plan, whilst the plan has brought together priority actions and local business and voluntary groups, 'it is not possible to evaluate the difference that has been made as the plan is in its infancy'. Whilst there is activity at a local level in developing and supporting this objective through Whole Place, there is no performance management framework and no specific performance targets within the Improvement Plan that quantify the impact of Whole Place.

The Council is committed to becoming a more efficient and effective organisation, however, demonstrating improvement is difficult due to weak target setting

- 165 The Council's improvement priority is 'We want to remain an efficient and effective organisation' and the Council rated its own performance against this priority as 'Good – Important strengths with some areas for improvement'. The Council's assessment is based on 11 performance measures and nine planned actions.
- Of the 11 performance measures:
- four targets had not been set;
 - two targets required a baseline; and
 - two targets were either a greater or lesser level when compared to 2012-13 performance.
- 166 It is difficult to understand how the Council has assessed its current performance against these ill-defined performance measures.

The Council is improving its waste and recycling performance

167 The Council's improvement priority was 'We want to work with our residents to reduce the impact we have on the environment and use our resources more sustainably' and the Council rated its own performance against this priority as 'Good – important strengths with some areas for improvement'. The Council's assessment is based on 19 performance measures and seven planned actions.

168 Of the 19 performance measures:

- Thirteen relate to waste and recycling. Waste and recycling data shows that the Council performed well exceeding the Welsh Government statutory target of 52 per cent with 63 per cent, meaning that Monmouthshire was ranked second in Wales. The remaining 12 targets performed well compared to previous performance.
- Four targets were either a greater or lesser level when compared to 2012-13 performance and these were for two recycling and waste targets and the two targets on fly tipping.
- Of the seven planned actions, all actions have been implemented either in part or fully.

The Council was generally delivering environmental services at above-minimum levels and despite significant budget cuts, stakeholders were mostly positive about current services but had low awareness of future plans. The Council would find it difficult to take on new statutory duties that protect the public and the environment

169 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.

170 Our review concluded that 'The Council was generally delivering environmental services at above-minimum levels and despite significant budget cuts, stakeholders are mostly positive about current services but have a low awareness of future plans. The Council will find it difficult to take on new statutory duties that protect the public and the environment'.

The report identified the following:

- 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;
- the Council was delivering most of its environmental health services above minimum standards as judged against the Best Practice Standards;

- since 2011-12 the Council had cut its environmental health budget, delivered in-year savings and reduced staff;
- staff survey respondents were mostly positive about the current standards of the environmental health service but there was a low awareness of current performance or future plans amongst citizens; and
- new environmental health statutory duties were being introduced which the Council would find difficult to deliver.

The Council had made good progress in paying out Discretionary Housing Payments but because of some weaknesses in public information and policy documentation, it was uncertain that resources were provided to those in the greatest need

- 171 Our review found that the Council had processes in place to support vulnerable customers to apply for Discretionary Housing Payments. However, whilst there was a Discretionary Housing Payments policy in place, which was adopted in April 2013, this was not publicly available. Similarly, the Council did not have a published welfare reform and anti-poverty strategy and it was unclear how the Council used Discretionary Housing Payments to assist people to reduce the impact of welfare reform changes such as the Spare Room Subsidy, and the benefit cap, or addressed the financial challenges faced by other families in housing need. There was a reference to welfare reform in the Single Integrated Plan, but it was not clear how Discretionary Housing Payments fed into this.
- 172 The Council shares its Housing Benefit service with Torfaen County Borough Council and the documentation was the same for both councils. Access to information on Discretionary Housing Payments is easily found on the Council's website by using the search facility and provides some information about Discretionary Housing Payments. The application form was five pages in length and could be downloaded, printed and sent to the Council. However, the Council did not offer the option of applying online.
- 173 The Council monitored the level of Discretionary Housing Payments expenditure against the amount provided by the Department for Work and Pensions, the number of customers helped, the speed of processing applications and the number of landlords helped. In October 2013 the Council also presented a report on its administration of Discretionary Housing Payments to its Adults Select Committee. However, the Council did not monitor the impact of Discretionary Housing Payments and how it was helping vulnerable people. The Council had paid out £148,914 of its Department for Work and Pensions allocation of £127,731 at the end of November 2014 assisting 996 applicants. This represented 116 per cent of its allocation. Whilst the Council should be commended for paying more Discretionary Housing Payments than allocated, this was tempered by the fact that without proper monitoring it cannot be sure that its funding decisions were being made to the right people.

The Council had made positive progress to promote the Welsh language by engaging local residents and improving translation services

- 174 The role of the Welsh Language 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.
- 175 The Welsh Language 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 Welsh Language Commissioner outlining its performance in implementing the language scheme. The Welsh Language Commissioner analyses every monitoring report, provides a formal response and collects further information as required.
- 176 The findings of the Welsh Language Commissioner were that: 'The Council has developed a new bilingual corporate website. Over 90 per cent of the content is now available in Welsh, and measures have been established to ensure that English only content cannot be uploaded to the site. The Council works in collaboration with 130 of Monmouthshire's Welsh-speaking residents in order to ensure the accuracy and integrity of translated documents, and members of this network also monitor the website's content. Following the approval of the Welsh Language Skills Strategy, an audit was initiated to ascertain the number of Welsh speakers in its employment, and their roles within the organisation. This exercise will enable the Council to assess future recruitment and training needs. The Social Care and Housing department is also conducting a similar audit, in order to fulfil commitments relating to the 'More than just Words' strategic framework. A new Welsh language editorial policy has been published, and a simultaneous translation service was provided for the first time in the Council's history during a planning meeting in Usk. The Youth Services department provides a Welsh-medium counselling and advice service for young people.'

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 Monmouthshire County Council’s 2014-15 Improvement Plan

Certificate

I certify that I have audited Monmouthshire County 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
Non Jenkins, Manager
Dave Wilson, Performance Audit Lead

Appendix 3 – Audit of Monmouthshire County Council’s assessment of 2013-14 performance

Certificate

I certify that I have audited Monmouthshire County 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 Public Services
Non Jenkins, Manager
David Wilson, Performance Audit Lead

Appendix 4 – Annual Audit Letter

Councillor Peter Fox
Leader
Monmouthshire County Council
County Hall
Rhadyr
Usk
Monmouthshire
NP15 1GA

Dear Councillor Fox

Annual Audit Letter – Monmouthshire County Council 2013-14

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 30 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 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 full Council in my Audit of Financial Statements report on 19 September and 25 September respectively.

We reported that a number of amendments were made to the draft financial statements including some material classification amendments. None of these amendments however had an impact on the Council's closing position or its balances. There were also two uncorrected misstatements in the financial statements which were not material and were therefore not adjusted for. A more detailed report covering these, and some other, issues identified during our audit will be presented to the Council's Audit Committee in December.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

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 Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

The Council continues to face significant challenges concerning its financial position. Whilst the Council achieved a £877,000 under spend on its 2013/14 budget, a funding gap of some £20.7 million has been identified by the Council over the 2014/15 to 2017/18 period and a savings plan has been established to help bridge this gap. These challenges have since deepened as a result of the recent local government settlement whereby the Council's budget is to be cut for 2015-16 by a further 4.3%. We have recently completed some work to assess the Council's financial position and a report will follow later in the year.

I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2013

My work to date on certification of grant claims and returns has not identified significant issues that would impact on the 2014-15 accounts or key financial systems

Whilst no issues have been identified to date our grants certification audit work is at a relatively early stage. A detailed report on my grant certification work will follow in February 2015 once this year's programme of certification work is complete.

The financial audit fee for 2013-14 will exceed that set out in the Annual Audit Outline by £5,070. Our Annual Audit Outline set out our audit fee for 2013-14 at £176,068. Unfortunately we were required to undertake more work than was originally planned, and our fee must cover the costs incurred in delivering the audit. The additional fee arising as a result of this is however likely to be more than offset by a reduction in our grants certification fee.

Yours sincerely

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

Cc: Mr Paul Matthews, Chief Executive
Mrs Joy Robson, Head of Finance

Appendix 5 – Summary of work carried out since the last AIR, including that of the ‘relevant regulators’

Project name	Brief description	Dates when the work was undertaken
Corporate Assessment including tracers	To provide a position statement of an improvement authority’s capacity and capability to deliver continuous improvement.	January, February and March 2015
Audit of Financial Statements Report	To provide an opinion on whether the financial statements give a true and fair view of the financial position of Monmouthshire County Council at 31 March 2014 and its income and expenditure for the year then ended.	September 2014
Wales Audit Office Financial Planning Assessment	Review of the Council’s financial position and how it is budgeting and delivering on required savings.	July and August 2014
Wales Audit Office Annual ‘Improvement Plan’ Audit	Review of the Council’s published plans for delivering on improvement objectives.	May 2014
Wales Audit Office Annual ‘Assessment of Performance’ Audit	Review of the Council’s published performance assessment, including testing and validation of performance information.	November 2014
Review of the Council’s Safeguarding arrangements including its whistleblowing policy and arrangements	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.	March to May 2014
Delivering with Less – Environmental Health	The first in a series of studies looking at how councils are managing to deliver with less, this study considered the impact of cuts in resources on the ability of council environmental health services to deliver their statutory obligations.	December 2014
Managing the impact of Welfare Reform changes on Social Housing Tenants in Wales	Review of arrangements to manage the impact of welfare reform. The Council also received local feedback in addition to the national report.	March 2015
Data Quality Review	Review of a small sample of reported performance indicators to assess the accuracy of data.	February 2015

Project name	Brief description	Dates when the work was undertaken
Sustainability of Social Services	Gwent-wide review, undertaken with CSSIW, of the sustainability of Social Services considering performance, management, and revenue expenditure over multiple years.	April 2014 to January 2015
CSSIW National Inspection: Safeguarding and Care Planning of looked after children and care leavers, who exhibit vulnerable or risky behaviours – Inspection of Monmouthshire County Council	Assessment of the quality of Safeguarding and Care Planning.	April 2014
CSSIW Performance Evaluation Report 2013-14	Annual Review of the Council's Social Services.	October 2014
CSSIW Inspection of Children's Services	Review considering the experiences of children and young people who needed or still need help and protection.	November 2014
Estyn – Local Authority Education Service	Monitoring Visits.	June 2014 and March 2015
Welsh Language Commissioner	Review of the Council's approach to the Welsh language.	January 2015
Review of the Shared Resource Service	Review of the collaboration between Torfaen County Borough Council (TCBC), Monmouthshire County Council (MCC) and the Gwent Police Authority (now Gwent Police) to deliver shared IT services to the three organisations.	May 2015

Appendix 6 – The Well-being of Future Generations Act: a commentary on preparedness

In addition to the programme of audit work set out above, Monmouthshire County Council requested that the Auditor General undertake a review of the Council's preparedness for the proposed Well-being of Future Generations Act (the Act)², as part of the support being provided under the Early Adopters' Programme of the Welsh Local Government Association (WLGA). The Wales Audit Office is engaging with the Early Adopters' programme to support improvement and inform the Wales Audit Office's response to the Act.

In response to the request from the Council, the Auditor General took the opportunity presented by the planned Corporate Assessment to undertake a light touch review of the Council's preparedness for the requirements of the Act. The review took place alongside, but separate from, the Corporate Assessment. This approach had the advantage of:

- Maintaining the integrity of the Corporate Assessment methodology and approach.
- Minimising the impact on the Council by using the Corporate Assessment arrangements to undertake the review activities.
- Enabling the review of preparedness to be informed by the Corporate Assessment.
- The output is a short commentary, which will be followed by a shared learning round table event with participants from the Council, the WLGA and the Wales Audit Office. This will provide an opportunity to identify key learning points and agree how the learning should be shared more widely with public services in Wales.

Our preparedness review found that the Council has a clearly stated ambition to implement the Well-being of Future Generations Act. The Council also has some building blocks in place, which should provide a foundation on which to build a more embedded and systematic approach to sustainable development. However, at this early stage, there is a lack of consistency in message, understanding and approach, and key business processes are not being utilised to embed sustainable development. This is contributing to a disconnection between the Council's ambition and practice.

We expect that the Council's position is similar to that of other public bodies in Wales which are at an early stage in responding to the requirements of this new legislation.

² The Well-being of Future Generations (Wales) Act is about improving the social, economic, environmental and cultural well-being of Wales. It will make the public bodies listed in the Act think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. Monmouthshire County Council is participating in the Welsh Local Government Association's supported initiative for local authorities that have volunteered to be early adopters of the Well-being of Future Generations Act.

Appendix 7 – Summary of key findings of reports issued since the last AIR by the Wales Audit Office, the CSSIW, Estyn and the Welsh Language Commissioner

Audit of accounts	<p>On 30 September 2014, the Appointed Auditor issued an unqualified audit opinion on the accounting statements confirming that they presented 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 4).</p>
Improvement planning and reporting audits	<p>The Auditor General for Wales issued audit certificates stating that the Council had discharged its duties under the Local Government (Wales) Measure 2009 (see Appendices 2 and 3).</p>
Vision and strategic direction	<p>The Council has a clearly articulated vision and sense of purpose that takes account of its local context, but need to be supported by a coherent organisational strategy to drive change and deliver its ambition.</p> <p>The Council clearly sets out its expectations of a culture of open and inclusive leadership, although as yet these are not fully embedded within the organisation</p> <p>Wales Audit Office Corporate Assessment – November 2015</p>
Governance and accountability	<p>A culture of mutual respect and trust exists between Councillors and officers, leading to productive working relationships, although there are examples of decision making that could have been more robust, informed and subject to effective challenge.</p> <p>The Council has well-defined roles and responsibilities, is developing a culture of accountability and is engaging with staff to better embed its expected values and behaviours.</p> <p>Well-managed risk taking and the quality of decision making are sometimes hindered by a lack of strategic direction, poor data quality, and limitations in legal monitoring.</p> <p>The Council has improved the transparency of its public reporting of Council business, but some weaknesses remain.</p> <p>The Council is taking steps to improve scrutiny but progress is sometimes hampered by poor quality of information and inconsistently robust challenge.</p> <p>Wales Audit Office Corporate Assessment – November 2015</p>

Use of resources

The Council has started to strengthen its strategic planning to ensure that resources are better managed to help deliver its vision.

The Council's financial management arrangements are generally sound, although they could be further developed to better support the delivery of the Council's strategic vision and to meet the financial challenges ahead.

Wales Audit Office Corporate Assessment – November 2015

The Council had generally adequate financial management arrangements but there were some shortcomings that may impact on its ability to deliver its financial plans.

Wales Audit Office – August 2014. The report on financial resilience is available [here](#).

The Council has developed a People and Organisational Development Strategy, however, to make the best use of its people resources this Strategy needs to be underpinned by organisation-wide workforce planning, complete and accurate workforce data and a fully implemented, whole-Council appraisal process.

The Council has a clear strategic policy around the management of assets, but in practice, assets could be managed more effectively to support delivery of strategic priorities.

The Council is developing its Information Technology arrangements in order to support its strategic vision but more work needs to be done.

The Council has adequate Information Management arrangements in place but acknowledges and has started to address some weaknesses.

Wales Audit Office Corporate Assessment – November 2015

<p>Collaboration and partnership</p>	<p>The Council has a collaborative culture and engages well with stakeholders and community partners; it is developing delivery plans, targets and monitoring arrangements that will enable it to provide clarity about anticipated outcomes and demonstrate improvement.</p> <p>Wales Audit Office Corporate Assessment – November 2015</p> <p>The Council is proactive at working collaboratively with a range of stakeholders and partners and is improving accountability and scrutiny arrangements.</p> <p>Wales Audit Office Corporate Assessment – November 2015</p> <p>The strategic vision for the Shared Resource Service was not formally established at the outset, which contributed to weaknesses in how the emerging service was managed and governed. Partners have acknowledged these issues and are addressing them as part of an ongoing internal strategic review.</p> <p>Wales Audit Office – May 2015.</p>
<p>Managing improvement</p>	<p>Whilst systems, procedures and guidance are in place, the Council is not consistently managing performance, improvement and risks.</p> <p>The Council has discharged its improvement planning duties under the Local Government Measure, however, more needs to be done to strengthen arrangements to support robust and effective decision making and improvement.</p> <p>The Council's performance management arrangements are getting better and need further development to fully support robust and effective decision making and improvement.</p> <p>Whilst risk management arrangements have improved they remain weak.</p> <p>The Council reports performance to the public and is clear on how to enhance future public reporting, however, it could provide a more balanced view of performance and improvement.</p> <p>Wales Audit Office Corporate Assessment – November 2015</p>

Performance and outcomes

For 2013-14 and 2014-15, the Council was clear about what it was trying to achieve and can demonstrate a positive direction of travel in performance but due to limitations in some of its arrangements, it is not always able to demonstrate impact or quantify improved outcomes.

The Council's overall direction of travel in performance is positive but it has had mixed success in delivering its plans to improve outcomes.

Wales Audit Office Corporate Assessment – November 2015

The Council's education services for children and young people remain in special measures and Estyn will carry out a final monitoring visit in Autumn 2015 to evaluate whether or not the authority still requires special measures.

Wales Audit Office Corporate Assessment – November 2015

Estyn's June letter to the Council following the visit noted some improvements, but also highlighted a number of shortcomings and acknowledged that aspects of the work were at an early stage.

Estyn – June 2014. [Estyn monitoring visit outcome letter June 2014 on Monmouthshire County Council.](#)

Estyn's March letter to the Council following the visit noted that during the last 12 months, the local authority had developed a new corporate performance assessment process which provided a more robust system to manage performance.

Estyn – March 2015. [Estyn monitoring visit outcome letter March 2015 on Monmouthshire County Council.](#)

The Council is working well to improve outcomes for adults but services for children remain weak in a number of areas. There are particular concerns around safeguarding

Wales Audit Office Corporate Assessment – November 2015

The Council was considering how to use financial and performance data from our Social Services Sustainability work across the five Gwent councils to plan for future social services provision.

Wales Audit Office – February 2015

In 2013-14, social services continued to make strong progress and performed well in many areas of adult services. However, for children's services, whilst there had been some improvement, more needed to be done to improve key areas and to consolidate practice following the restructure of services.

CSSIW – October 2014. [CSSIW: Performance Evaluation Report 2013-14 on Monmouthshire County Council Social Services.](#)

Performance and outcomes (continued)

CSSIW undertook an inspection of children's services in November 2014 and published the inspection report in February 2015. This report focused on four themes: access arrangements, assessment, care management and review, and leadership and governance.

CSSIW – February 2015. [CSSIW Inspection Report on Monmouthshire County Council's Children's Services](#).

CSSIW undertook a National Inspection of safeguarding and care planning of looked-after children and care leavers who exhibit vulnerable or risky behaviour.

CSSIW – August 2014. [Findings from the individual local authority inspections and the CSSIW national overview report can be found on the CSSIW website](#).

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

The governance, accountability and management arrangements for overseeing whether the Council is meeting its safeguarding responsibilities to children have some weaknesses which the Council must address.

The Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children have some weaknesses which the Council must address.

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

Overall whistleblowing arrangements are generally sound, but there are some weaknesses in policy, process and training that need to be addressed.

Wales Audit Office – October 2014. [Report on Arrangements to Support Safeguarding of Children](#).

The Council shows ambition to regenerate the towns and create employment opportunities although has limited evidence to demonstrate improvement.

The Council is committed to becoming a more efficient and effective organisation, however, demonstrating improvement is difficult due to weak target setting.

The Council is improving its waste and recycling performance.

Wales Audit Office Corporate Assessment – November 2015

**Performance and
outcomes (continued)**

The Council was generally delivering environmental services at above-minimum levels and despite significant budget cuts, stakeholders were mostly positive about current services but had low awareness of future plans. The Council would find it difficult to take on new statutory duties that protect the public and the environment.

Wales Audit Office – December 2014

The Council had made good progress in paying out Discretionary Housing Payments but because of some weaknesses in public information and policy documentation, it was uncertain that resources were provided to those in the greatest need.

Wales Audit Office – January 2015

The Council had made positive progress to promote the Welsh language by engaging local residents and improving translation services.

Welsh Language Commissioner – September 2014 – [Welsh Language Commissioner's response to the Annual Monitoring Report 2013-14 on Monmouthshire County Council's Welsh Language Scheme.](#)

Appendix 8 – National report recommendations 2014-15

Date of report	Title of review	Recommendation
May 2014	Good Scrutiny? Good Question!	R1 Clarify the role of executive members and senior officers in contributing to scrutiny.
		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.
		R3 Further develop scrutiny forward work programming to: <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.
		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.
		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.
		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.
		R7 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.
		R8 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.

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	R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.
		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.
		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.
		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.
		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.
		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.

Date of report	Title of review	Recommendation
October 2014	Delivering with less – the impact on environmental health services and citizens	<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.

Appendix 9 – Recommendations and areas for improvement made by the CSSIW during the course of the year

CSSIW – Performance Evaluation Report 2013-2014 – Areas for improvement

The Council should:

- work with health colleagues to ensure that children and young people with mental health needs receive appropriate Child and Adolescent Mental Health Services to meet their needs;
- take action in response to the areas for improvement highlighted in the looked after inspection report;
- put in place systems to evaluate the impact of work undertaken by the safeguarding and quality assurance unit to improve safeguarding arrangements in education;
- review structure and practice in the Family Support Team to ensure concerns are picked up and addressed in a timely manner;
- the Council should improve performance in relation to looked after children statutory visits;
- review practice in and performance in relation to looked after children and take appropriate action to improve in this area;
- ensure a Personal Education Plan is in place for all looked after children who require one;
- further improve on the completion of children in need reviews in accordance within the statutory timetable;
- ensure the Council has a good understanding of the levels of needs of vulnerable and at risk looked after young people and its corporate parenting responsibilities; and
- implement the corporate parenting strategy.

CSSIW – Inspection of Children’s Services – February 2015

- R1** Training should be delivered for all professionals/agencies to ensure that the thresholds for access to children’s services are clearly understood and consistently applied; this training should incorporate completion of quality referral information and reports to conference.
- R2** Effective systems must be in place to ensure that all children who meet the threshold for an initial assessment by children’s services receive a timely assessment that is of good quality so that their safety is secured.
- R3** Strategy discussions and decisions should be informed by the involvement of all relevant professionals and clearly record the rationale for decisions and agreed timescales for action.
- R4** The quality and consistency of record keeping should be improved; all staff and managers should ensure that their records are of good quality, are up to date and are systematically stored.
- R5** The quality of risk assessment and risk management should be improved; policies and toolkits should be revised to focus explicitly on risk assessment and management in children’s services and staff should be trained appropriately. ‘Contracts of expectation’ should not be used to manage risk; statutory child protection processes should be initiated where there are safeguarding concerns.
- R6** There should be a greater focus on engaging with children and involving them in the assessment process; this should include taking more account of children’s communication needs and a more detailed analysis of their cultural, religious and other diversity needs.
- R7** The quality of assessments and plans should be improved to ensure that they are consistently of a good quality, with a clear focus on the needs, risks and strengths of children, and that desired outcomes, timescales and accountabilities for actions are clear.
- R8** Performance management and quality assurance arrangements, including scrutiny of service demand and routine auditing of the quality of practice, should be more effectively embedded so that managers at all levels have timely, relevant and accurate performance and quality assurance information to enable them to do their jobs effectively and to deliver improvements.
- R9** The consistency and quality of management oversight, direction and supervision of front line staff throughout children’s services should be improved.
- R10** Senior leaders should take steps to enhance their line of sight on frontline work and ensure the improvements needed in children’s services are prioritised and the pace of improvement sustained.

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**SUBJECT: INTERNAL AUDIT SECTION
PROGRESS REPORT 6 Months into 2015/16**

**DIRECTORATE: Chief Executive's
MEETING: Audit Committee
DATE: 14th January 2016
DIVISION/WARDS AFFECTED: All**

1. PURPOSE

To consider the adequacy of the internal control environment within the Council based on the outcomes of audit reviews and subsequent opinions issued to the 31st December 2015.

To consider the performance of the Internal Audit Section over the first 9 months of the current financial year.

2. RECOMMENDATION(S)

That the Committee note the audit opinions issued.

That the Committee note the progress made by the Section towards meeting the 2015/16 Operational Audit Plan and the Section's performance indicators at the three months stage of the financial year.

3. KEY ISSUES

- 3.1 The Section has started to undertake its programme of audits in accordance with the 2015/16 Operational Audit Plan.
- 3.2 This report gives brief details of the work undertaken in the year to date. The report also gives details of the Section's performance indicators for the 9 months to 31st December 2015.
- 3.3 The Public Sector Internal Audit Standards came into force in April 2013 which the Internal Audit team needs to demonstrate it is compliant with; these replaced the former Code of Practice for Internal Audit within Local Government. The new standards have been reported to the Audit Committee separately.

4. REASONS

- 4.1 Since the start of the financial year, the Internal Audit Section has completed 25 audit jobs from its 2015/16 Operational Audit Plan, six of which were opinion related. As at 31st December 2015, 3 'Good' and 3 'Reasonable' audit opinions have been issued; 4 grant claims have been given an unqualified audit opinion. These reports are listed in the table shown in Appendix 1.
- 4.2 One report related to the annual governance statement where no opinion was given, but this forms part of the Council's annual financial statements and financial advice was given in several areas.
- 4.3 The definitions of the five internal audit opinions and the risk ratings used by the Section are provided at Appendix 2 for Members' information. These audit opinions are currently under review, as is the format of the audit reports.
- 4.4 Finalisation work from 2014/15 continues; of the 14 reviews at draft report stage at 31 March 2015, 8 have subsequently been finalised:

Audit Review	Audit Opinion
Treasury Management	Very Good
Cashiers	Good
Bank Reconciliation	Good
Car Parks	Reasonable
Procurement	Unsatisfactory
Llandogo Primary	Reasonable
Usk Primary	Good
Chepstow Leisure Centre	Good

- 4.5 Audit management have also been involved with 9 special investigations to date this year, some of which have continued from 2014/15; these are often very sensitive and time consuming. Work has been undertaken on 3 unplanned areas, providing additional advice and support for service managers.
- 4.6 Appendix 3 of the report gives details of the Section's performance indicators as at 31st December 2015.
- 4.7 3 audit reviews started in the year have been finalised; the acceptance of audit recommendations was good at 99%. Evaluation questionnaires have not yet been returned from operational managers so no data is available to measure how were satisfied they were with the audit service they had received.
- 4.8 On average, draft reports have taken 52 days to issue. It has taken an average of 46 days to issue final reports following receipt of

management comments. The main reason for the delay in getting reports reviewed and then issued was the team's involvement with three very time consuming special investigations, one of which was at the request of Senior Management in Education and a Cabinet Member.

- 4.9 Getting audit reports out to service managers are key indicators. The audit management will endeavour to continue to turnaround the work within the target time set for draft and final reports.
- 4.10 The percentage coverage of the audit plan at 40% (47% 2014/15) is lower than the same period of the previous year and below the profiled target of 50% at this stage of the financial year. Management will keep this indicator under careful review for the rest of the year to ensure that the audit coverage by the year end is as comprehensive as possible. The operational plan will be re-prioritised to ensure the higher risk areas are covered by the year end if resources become an issue again.
- 4.11 The team started the year with an ongoing vacancy. An Interim Principal Auditor was appointed during May to help support the resources within the team and help achieve more of the audit plan. One of the Senior Auditors left the team during quarter one to take up a new post within the Authority. These two vacancies have subsequently been filled on a permanent basis. There was an unexpected absence within the team and further on the job training was required for inexperienced staff new to the team.
- 4.12 The team also took time out of planned work to develop a new reporting format to improve the efficiency and effectiveness of audit work. Audit opinions are also in the process of being revised and updated in order to give a better understanding of the level of assurance gained from undertaking the audit work. These will be presented to Audit Committee in due course.
- 4.13 In quarter 1 the team get involved with the verification and validation of the Council's annual performance indicators before they are submitted to Welsh Government. This is often a time consuming exercise with tight timescales. The team are also involved with the administration of the National Fraud Initiative (NFI) data sets on behalf of the Council.

5. SERVICE MANAGEMENT RESPONSIBILITIES

- 5.1 Heads of Service and service managers are responsible for addressing any weaknesses identified in internal systems and demonstrate this by including their management responses within the audit reports. When management agree the audit action plans they are accepting

responsibility for addressing the issues identified within the agreed timescales.

- 5.2 Ultimately, managers within MCC are responsible for maintaining adequate internal controls within the systems they operate and for ensuring compliance with Council policies and procedures. All reports, once finalised, are sent to the respective Heads of Service for information and appropriate action where necessary.

6. FOLLOW UP AUDIT REVIEWS

- 6.1 Where unsatisfactory and unsound opinions are issued, they are followed up within a twelve month timescale to ensure that the agreed actions have been taken by management and that the internal control systems are improved. These will be reported separately to the Audit Committee.

7. RESOURCE IMPLICATIONS

None.

8. CONSULTEES

Head of Finance

Results of Consultation:

N/A

9. BACKGROUND PAPERS

Operational Audit Plan 2015/16

10. AUTHORS AND CONTACT DETAILS

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AUDIT COMMITTEE JANUARY 2016

**INTERNAL AUDIT SECTION PROGRESS REPORT
2015/16 – 9 MONTHS**

APPENDIX 1

Internal Audit reviews from the 2015/16 Operational Audit Plan where fieldwork has been completed and/or final reports issued since 1/4/15 are listed in the table below.

Internal Control Opinions give the auditor’s overall conclusion on the control environment operating in each system/establishment under review. Opinions range from very good through to unsound.

Draft issued indicates that a draft report has been issued and a response is awaited from the client before the report can be finalised.

**Status of reports as at 31 December 2015
2015/16 Quarter 3**

Job number	Directorate	Service	Job Name	Risk Rating / Priority	Complete when FINALISED	Opinion given
P15/16/10	Chief Executive's	Policy & Engagement	NSI's & SID's Pis	Medium		Good
P15/16/11	Chief Executive's	Policy & Engagement	Local Pis	Medium		Good
P15/16/31	Children & Young People	Schools	Caldicot Comprehensive	Medium		Good
P15/16/05	Chief Executive's	Finance	Debtors (14/15)	Medium		Reasonable
P15/16/08	Chief Executive's	Democracy & Regulatory Services	Building Control	Medium		Reasonable
P15/16/37	Enterprise	Commercial & People Development	Payroll (14/15)	Medium		Reasonable
P15/16/19	Children & Young People	Standards	Foundation Phase Revenue Grant	Medium	Finalised	Unqualified
P15/16/20	Children & Young People	Standards	Out of School Childcare Grant	Low	Finalised	Unqualified
P15/16/43	Enterprise	Community-led Delivery	Digital Inclusion Grant	Low	Finalised	Unqualified
P15/16/57	Social Care & Health	Commissioning	Supporting People Grant Claim			Unqualified

Job number	Directorate	Service	Job Name	Risk Rating / Priority	Complete when FINALISED	Opinion given
P15/16/07	Chief Executive's	Finance	Audit Advice			
P15/16/09	Chief Executive's	Democracy & Regulatory Services	Audit Advice			
P15/16/17	Chief Executive's	Operations	Audit Advice			
P15/16/18	Children & Young People	Resources	Audit Advice			
P15/16/34	Children & Young People	Schools	Audit Advice			
P15/16/35	Children & Young People	Youth Service	Audit Advice			
P15/16/39	Enterprise	Commercial & People Development	Audit Advice			
P15/16/44	Enterprise	Community-led Delivery	Audit Advice			
P15/16/47	Enterprise	Tourism, Leisure & Culture	Audit Advice			
P15/16/52	Social Care & Health	Children's Services	Audit Advice			
P15/16/56	Social Care & Health	Adult Services	Audit Advice			
P15/16/58	Social Care & Health	Commissioning	Audit Advice			
P15/16/60	Social Care & Health	Resources & Performance	Audit Advice			
P15/16/62	Corporate	Corporate	Annual Governance Statement	Not Applicable		

Internal Audit Opinions

Each report contains an opinion which is an overall assessment of the control environment reviewed. The full list of audit opinions used is shown below:

Opinion	Description
VERY GOOD	Very well controlled with minimal risk identified; a few minor recommendations.
GOOD	Well controlled although some risk identified which needs addressing.
REASONABLE	Adequately controlled although some risks identified which may compromise the overall control environment.
UNSATISFACTORY	Not very well controlled; unacceptable levels of risk identified; changes required urgently.
UNSOUND	Poorly controlled; major risk exists; fundamental improvements are required with immediate effect.

Recommendation Ratings

Each recommendation contained within the Internal Audit report has a 2 part priority rating. The number refers to Internal Audit assessment attached to the relevant weakness identified, whilst the letter relates to the urgency with which we believe the recommendation should be implemented (see tables below).

Rating	Assessment of the Weakness Identified
1	Fundamental weakness.
2	Highly significant weakness.
3	Significant weakness.
4	Minor weakness.

Rating	Proposed Timescale for Implementation
A	Should be actioned immediately
B	Should be implemented as soon as possible but within 3 months.
C	Ongoing requirements or within 12 months.

Unqualified opinion - the terms and conditions of the grant were generally complied with;

Qualified opinion - the terms and conditions of the grant were not fully complied with

AUDIT COMMITTEE JANUARY 2016

**INTERNAL AUDIT SECTION PROGRESS REPORT
2015/16 – 9 MONTHS**

APPENDIX 3

Performance Indicators

	2014-15	Q1	Q2	Q3	Q4	Target
1	Percentage of planned audits completed	32%	43%	47%	65%	50% (80% pa)
2	Percentage of audits completed within planned time	0%	0%	0%	0%	60%
3	Average no. of days from audit closing meeting to issue of a draft report	9 days	35 days	40 days	52 days	12 days
4	Average no. of days from receipt of response to draft report to issue of the final report	4 days	12 days	33 days	29 days	5 days
5	Percentage of recommendations made that were accepted by the clients	100%	99%	95%	96%	90%
6	Percentage of clients at least 'satisfied' by audit process	N/A	100%	100%	91%	90%
7	Percentage of directly chargeable time (actual v planned)	94%	92%	86%	85%	100%
8	Number of special investigations	3	5	6	6	

	2015/16	Q1	Q2	Q3	Q4	Target
1	Percentage of planned audits completed	14%	23%	40%		50% (80% pa)
2	Percentage of audits completed within planned time	0%	50%	33%		60%
3	Average no. of days from audit closing meeting to issue of a draft report	3 days	17 days	52 days		12 days
4	Average no. of days from receipt of response to draft report to issue of the final report	12 days	34 days	46 days		5 days
5	Percentage of recommendations made that were accepted by the clients	100%	99%	99%		90%
6	Percentage of clients at least 'satisfied' by audit process	N/A	N/A	N/A		90%
7	Percentage of directly chargeable time (actual v planned)	94%	81%	120%		100%
8	Number of special investigations	6	7	9		

N /A – not available



SUBJECT:	Scrutiny Performance Report
MEETING:	Audit Committee
DATE:	14th January 2016
DIVISIONS/WARDS AFFECTED:	All

1 PURPOSE

- 1.1 To present the Scrutiny Service Plan 2015-2018 (updated for Quarter 2) to the Council's Audit Committee, in order that Members can monitor the performance of the function and assess the fitness of purpose of the Council's Scrutiny arrangements.

2 RECOMMENDATIONS

- 2.1 That the Audit Committee considers the robustness of the Scrutiny Service Plan 2015-2016 (Appendix A) together with 'Key Scrutiny Milestones 2014-2015' (Appendix B) in ensuring continuous improvement in the scrutiny function.
- 2.2 That the Audit Committee considers the Council's recent response to the recommendations made to all Welsh Authorities following the WAO Scrutiny Study 2013-2014 (Appendix C).
- 2.3 That the Audit Committee considers the views of the WAO on scrutiny in Monmouthshire during the Council's Annual Improvement Corporate Assessment Report 2014-2015, making recommendations (if appropriate), to address any areas of Member concern (Appendix D).

3 KEY ISSUES

- 3.1 The Wales Audit Office conducted a national study of scrutiny across Wales during 2013. The study involved a learning exchange team belonging to each Council conducting an initial self-evaluation of their scrutiny arrangements, prior to meeting neighbouring authorities at a regional workshop and selecting a partner authority to shadow its scrutiny function. Caerphilly Council was selected the partner Council to shadow Monmouthshire during the study. The Councils met their respective scrutiny teams and observed each other's scrutiny meetings before drawing their conclusions. A second self-evaluation of Monmouthshire's scrutiny arrangements enabled the team to acknowledge progress made and to identify areas for further improvement.
- 3.2 Following completion of the WAO study, each Council was required to produce an Action Plan to enable the WAO to continue to monitor scrutiny's progress as part of their on-going work with the Council. The 'WAO Scrutiny Action Plan' is the Council's Scrutiny Service Plan (2015-2018), which identifies the actions that will be taken over a specified timescale to improve

scrutiny in Monmouthshire. The Scrutiny Service Plan 2015-2018 feeds directly into the Council's performance and improvement framework and is updated on a quarterly basis (Appendix A). The plan is the key document upon which the Wales Audit Office continues to monitor scrutiny's progress.

3.3 The WAO's final report also made a number of recommendations to all Welsh Councils and the Council's most recent response to these recommendations is attached for consideration by the Audit Committee (Appendix C).

3.4 The Scrutiny Manager, Scrutiny Chairs and Scrutiny Champion were interviewed as part of the WAO Annual Improvement Corporate Assessment Report 2014-2015. The conclusions of the WAO on the effectiveness of Monmouthshire's Scrutiny function are attached to enable the Audit Committee to make recommendations to address any areas of concern (Appendix D).

4 REASONS

4.1 Scrutiny is a statutory function and performs a fundamental role in the Council's decision-making process. The Audit Committee is responsible for ensuring the Council's governance arrangements are fit for purpose and that scrutiny delivers its responsibilities effectively.

5. RESOURCE IMPLICATIONS

5.1 There are no direct implications arising from the report.

6. SAFEGUARDING, SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS

6.1 There are no direct implications arising from the report.

7. CONSULTEES

Scrutiny Chairs Liaison Group

7. BACKGROUND PAPERS

- Scrutiny Service Plan 2015-2018 at Quarter 2 (Appendix A)
- 'Key Scrutiny Milestones 2014-2015' (Appendix B)
- Response to WAO Scrutiny Study's Recommendations 2013 (Appendix C)
- Extract of the WAO Annual Improvement Report 2014-2015, 2015 (Appendix D)

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Scrutiny Service Plan 2015/16

Service:	Scrutiny
Service Manager:	Hazel Ilett
Directorate:	Local Democracy
Head of service	Tracey Harry
MCC Priority:	Not applicable
MCC Outcome:	All - Support Service
Single Integrated Plan (SIP) Outcome:	All MCC Contribution - Support Service

Our Purpose

Our purpose is to manage the scrutiny process effectively to ensure openness, transparency and accountability in the Council's decision-making. We provide support to elected Members to enable them to constructively challenge policy and decision-making, improving public service delivery to Monmouthshire citizens.

Our customers are wide ranging: elected Members, Officers within the authority, citizens, public sector organisations and external auditors. We ensure that the scrutiny function is the mechanism through which the public and key stakeholders can become involved in the work of the Council.

Our customers need to be satisfied that the scrutiny function is effectively performing its' role in ensuring the Council and partners deliver outcomes to Monmouthshire citizens.

Evaluation of performance during 2014-15

Objective	Progress	Impact	Evidence
<p>To deliver a bespoke Scrutiny Development Programme for Members that meets their needs and provides them with core competency skills to perform the Scrutiny Member role effectively.</p>	<p>A range of training sessions were provided and these were well attended by Members, with sessions repeated when necessary.</p>	<p>Members advised they found the sessions very useful and there has been a marked improvement in some areas of questioning and analysis of performance and financial information. Investing in Member development delivers a vital, yet intangible, return on investment (ROI) through more effective scrutiny.</p>	<p>The WAO peer evaluation study evidenced our “comprehensive training programme”. Study observations of scrutiny meetings reflected “excellent questioning skills by Members” and “effective chairing”.</p>
<p>To ensure that the Scrutiny Chairs Liaison Group plays a fundamental role in agreeing the direction and focus of future scrutiny development.</p>	<p>The group met every 6 weeks and assisted the Scrutiny Manager by agreeing:</p> <ul style="list-style-type: none"> ✓ the Budget Scrutiny Process ✓ the Process for Scrutiny of the Risk Log ✓ Areas for joint scrutiny ✓ Consultation responses on Scrutiny matters ✓ The Scrutiny Handbook ✓ The development of the Scrutiny Webpage ✓ Amendment to the corporate report template 	<p>The scrutiny Manager has benefited from an agreed ‘way forward’ for different scrutiny tasks.</p>	<p>Chairs have advised that they have found these meetings very effective in terms of agreeing scrutiny processes and exchanging practice and experience.</p> <p>Amendment to the corporate report template to include ‘safeguarding implications’ was a recommendation of this group which was agreed by full Council.</p>
<p>To provide effective impartial and experienced support to Scrutiny Members.</p>	<p>Pre-meetings have been established for all Scrutiny Committees and guidance and encouragement is given to Scrutiny Committees to identify the intended outcomes of the meeting and to plan questioning strategies.</p>	<p>There has been marked improvement in the quality of the scrutiny activity following the introduction of pre-meetings. Members are well organised and lead the process. Behaviour is professional, which adds legitimacy to the scrutiny process.</p>	<p>The WAO peer evaluation report has referred to “well managed meetings” and the provision of “active support and advice during meetings”. The WAO peer evaluation report evidenced “excellent questioning with useful follow-up questioning”.</p>

Evaluation of performance during 2014-15

Objective	Progress	Impact	Evidence
<p>To ensure tangible and balanced scrutiny work programmes.</p>	<p>The Committees have been encouraged to prioritise topics for inclusion into their work programmes using the 'scrutiny topic selection criteria'.</p>	<p>This has ensured that scrutiny activity has added value to the strategic direction of the Council.</p>	<p>The WAO peer evaluation study evidenced a work programme that "clearly sets out reports on performance, policy development, pre-decision, challenge/monitoring performance and on-going monitoring of scrutiny's recommendations". Scrutiny can demonstrate clear examples whereby scrutiny work has added value to the direction of the Council - these will be evidenced in the Scrutiny Annual Report.</p>
<p>To guide Members to work politically and to 'constructively challenge'.</p>	<p>A "Scrutiny and Executive Protocol" has been developed to ensure clarity on the responsibilities of all parties involved in scrutiny. Members have been trained through the Scrutiny Member Development Programme to constructively challenge.</p>	<p>Members have demonstrated an improved ability to challenge and hold officers and the Executive to account in a fair and productive manner.</p>	<p>The WAO peer evaluation study evidenced "Members hold officers and the executive to account and scrutiny has made the Executive more aware of what is required of them". The study evidenced beneficial relationships, citing the "relationship between Executive Members, Chief Executive, Officers and Scrutiny Members was respectful and challenging".</p>
<p>To ensure there is effective Cabinet Forward Planning to ensure there are opportunities for pre-decision scrutiny.</p>	<p>Every Scrutiny Committee discusses the "Cabinet Forward Plan" at every meeting to identify relevant issues for scrutiny. The plan is also emailed to all Members weekly to ensure they have the opportunity to conduct pre-decision scrutiny.</p>	<p>There has been a reduction in the number of 'call-in' meetings as a consequence of better forward planning.</p>	<p>The WAO peer evaluation report refers to "legitimate call-ins which were challenged successfully" and highlights how scrutiny's efforts have led to "the Executive taking on board the issues".</p>

Evaluation of performance during 2014-15

Objective	Progress	Impact	Evidence
<p>To implement an improved “Budget Scrutiny Process” to enable Scrutiny Committees to engage much earlier in the budget setting process</p>	<p>The Scrutiny Chairs Group agreed a revised process for scrutiny of the budget, focussing on key mandates of significant concern.</p>	<p>This proved to be a highly effective procedure for scrutinising the budget, Scrutiny Members working with officers to develop budgetary proposals and provide a clear steer on difficult financial decisions.</p> <p>Public engagement in scrutiny was highly successful, key stakeholders sharing their views with Scrutiny Committees and offering innovative budgetary solutions.</p>	<p>Several proposals developed by scrutiny Members were implemented as part of the Council’s final budget. Solutions developed through the scrutiny process demonstrate the ROI of scrutiny activity and justifies the ‘added value’ of the function.</p>
<p>To deliver a “Scrutiny Handbook” to provide a useful reference guide for Members, officers and the public on the role and value of scrutiny.</p>	<p>This was a key ‘area for improvement’ evidenced in the WAO peer evaluation report and has been delivered through the “Monmouthshire Scrutiny Action Plan” (Service Improvement Plan 2013-2016).</p>	<p>The Handbook had been developed and agreed by the Scrutiny Chairs Group.</p> <p>The Handbook appears on the Scrutiny Webpages and has been sent to new officers who have little understanding of the Council’s Governance Framework.</p>	<p>Initial indications are that the Handbook is useful and will assist the reader in gaining a basic understanding of the role of scrutiny.</p> <p>Some representations made to scrutiny Committees suggest the Handbook has been read by Members of the public and are looking to engage with scrutiny.</p> <p>The next local government election’s new Members are likely to benefit significantly from the Handbook.</p>

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Evaluation of performance during 2014-15

Objective	Progress	Impact	Evidence
<p>To ensure Scrutiny Members add value to the Council's self-evaluation, performance management and improvement arrangements.</p>	<p>The four Scrutiny Committees received the Risk Assessment Log at each of their January meetings where in-depth challenge sessions with Cabinet Members and Officers were held.</p>	<p>The scrutiny process was able to challenge portfolio holders and key officers upon risk management, in line with the budget process. The closer alignment of scrutiny of risk and scrutiny of the budget mandates enabled Members to holistically evaluate each proposal and provide the appropriate challenge.</p>	<p>Scrutiny made recommendations in relation to the Strategic Risk Assessment process, re-drafting and re-prioritising key risks, which was accepted by the Council's Cabinet.</p>
<p>To ensure that information brought to Members is detailed and relevant and enables them to undertake effective scrutiny.</p>	<p>Estyn Inspection feedback had highlighted Members did not always have the necessary performance information to enable them to challenge constructively and that Members were receiving too detailed information in too many different formats.</p> <p>The Scrutiny Manager has worked closely with officers to address this. Performance reports are now combined and are drafted in conjunction with the Education Achievement Service to avoid duplication in reporting or inconsistency in messages being presented.</p>	<p>Members are being provided with high quality relevant information in a timelier manner.</p>	<p>Members have advised that report quality is improving and their ability to understand the information they are being presented with has increased.</p> <p>Estyn's suggestions have been implemented and this improvement should be evidenced in their next report.</p>

Evaluation of performance during 2014-15

Objective	Progress	Impact	Evidence
<p>To promote the role and value of scrutiny to the Executive and to Officers to ensure adequate understanding of the scrutiny role.</p>	<p>Training sessions have been undertaken at DMT's and SMT to assist officers in their understanding the scrutiny role and how to respond to both scrutiny requests for information and challenge at meetings.</p> <p>A 'Scrutiny Executive Protocol' has been implemented to clarify roles and responsibilities in relation to scrutiny.</p> <p>A Scrutiny Webpage and a Scrutiny Handbook are publicly accessible.</p>	<p>There has been an improvement in terms of Officer's understanding of scrutiny – requests to bring items forward for scrutiny are more frequent</p>	<p>There has been a reduction in the number of 'call-in' meetings following an increase in requests to table important issues to scrutiny ahead of Executive decision.</p>
<p>To undertake more focussed scrutiny work through holding additional scrutiny meetings as a full committee (not via Task and Finish Groups).</p>	<p>Over the course of the previous year, it became evident that whilst completed Task and Finish Groups could demonstrate clear outcomes, reviews were generally taking too long to complete, with the potential for "mistimed reviews" and scrutiny "missing the boat" in terms of impact. Member attendance at Task and Finish Groups was inconsistent, which slowed progress and hindered the ability to achieve real outcomes.</p>	<p>Scrutiny Committees are able to influence decision-making through conducting shorter sharper pieces of work as a full committee. The added benefit is that all meetings are accessible to the public and are live streamed to enable openness, transparency and accountability.</p>	<p>Scheduled additional meetings have proven to be better attended, with scrutiny work completed in a timelier manner. The approach allows greater flexibility for scrutiny to engage at the optimum point to achieve maximum impact and several pieces of policy development work such as the Car Parking Charging Policy evidence this improved way of working.</p>

Areas for Continued Focus:

- Despite efforts to ensure that information brought to Members is detailed and relevant, the Estyn Inspection feedback highlighted Members did not always have the necessary performance information to enable them to challenge constructively. The post-inspection “performance management framework for education” increased the amount of information presented to Scrutiny Committees and feedback from the ‘Ministerial Recovery Board’ suggested Scrutiny Members were receiving too detailed information in too many different formats. The Scrutiny Manager has worked with officers to revise performance reporting so that Scrutiny Members are provided high quality and relevant data in a timely manner, however, this remains an area for continued focus.
- Over the course of the previous year, it became evident that whilst completed Task and Finish Groups demonstrated clear outcomes, reviews were taking too long to complete, with the potential for “mistimed reviews” and scrutiny “missing the boat” in terms of impact. Member attendance at Task and Finish Groups was inconsistent, which slowed progress and hindered the ability to achieve real outcomes. To address this, Scrutiny Committees undertake more focussed scrutiny work through holding additional meetings, which are better attended, with work being completed in a timelier manner.
- Whilst scrutiny has been promoted internally to the Executive and to officers via presentations/training to Departmental Management Team meetings, there still appears to be a lack of understanding within service areas about scrutiny’s role within the decision-making process. There is a clear need to further promote the role and value of scrutiny. This has been developed via a scrutiny website – which was an acknowledged ‘area for improvement’ evidenced in the WAO peer evaluation report.
- There is a need to ensure the Scrutiny Website contains all relevant scrutiny information and is user friendly for Members, Officers and the general public. All training information could be made available on this website in due course.
- Whilst there is the opportunity for the public to engage with the work of Council via the public open forum at every Scrutiny Committee meeting, there needs to be systematic engaging with the public on every scrutiny item (which is a requirement under the Local Government (Wales) Measure 2010).

Objective	Key Actions	Impact / Outcome	Strategy	Timescale	Funding	Officer	Q1 Performance appraisal	Q2 Performance appraisal	Q3 Performance appraisal	Q4 Performance appraisal
To support Members in scrutinising the Strategic Risk Register and holding Cabinet Members and Officers to account for actions taken to mitigate risks wherever possible.	<p>To work with the committees to identify follow-up actions arising from scrutiny of key risk areas and to schedule quarterly risk management into the work programmes.</p> <p>To ensure the scrutiny activity is clearly organised and that Cabinet Members and Officers are clear as to what is expected of them by clarifying roles and responsibilities and ensuring a clear timetable is in place for the scrutiny of key risks.</p>	<p>Those responsible for risk management are held to account</p> <p>Key risks going forward relating to the committees' remit are managed.</p>	Strategic Risk Assessment Process	Ongoing	None	Hazel Ilett	<p>I will assist Select Committees in scrutinising the Strategic Risk Assessment Process in 2015-2016 by:</p> <p>Organising the scrutiny of the risk assessment in line with the scrutiny of budget mandates to ensure there is proper alignment of budget proposals with the risk assessment.</p> <p>In order for scrutiny to robustly challenge cabinet members and officer on key risks, I will ensure the Committee meeting cycle provides an opportunity to focus solely on risk challenge. I will also refresh Members' training on risk management.</p>	<p>I am working with colleagues in Improvement Team to review the Risk Assessment process for 2015-16, giving thought as to how the current system of recording and reporting risk could be more effective and meaningful.</p> <p>I have arranged for each Select Committee to discuss the Risk Assessment process during their December/January meeting cycle. I will then programme future Risk Challenge sessions and will train Members on risk management.</p>		
							On Target	On Target	Not Started	Not Started
To support Members in reviewing the appropriateness of new and existing policy.	<p>To work with the Cabinet Support Officer to ensure the Cabinet Forward Plan is updated and is accessible to Members.</p> <p>To assist the chairs in identifying topics for pre-decision scrutiny and prioritising their work more effectively.</p> <p>To work with senior officers to encourage them to consider early pre-decision scrutiny of issues to avoid call-ins and the subsequent delays in decision-making.</p>	<p>New and existing policies are fit for purpose and meet citizens' needs.</p> <p>The right policies are scrutinised at the right time, to achieve maximum impact.</p> <p>Members have the appropriate information upon which to challenge policy.</p>	Constitution	Ongoing	None	Hazel Ilett	<p>I ensure Committees scrutinise all major new policy and review existing policy to ensure fitness for purpose. Where required, I ensure committees jointly scrutinise issues to ensure outcomes for citizens.</p> <p>I work closely with the Senior Democratic Services</p>	<p>In response to the problem of inadequate notice being given to table reports to scrutiny, I'm liaising with key officers regularly to identify issues at an early stage that may require pre-decision scrutiny. I'm encouraging Officers to engage with Scrutiny at the start of the</p>		

							<p>Officer to ensure that the Cabinet Forward Planner features on all ordinary Select Committee agendas and to ensure that Members are emailed an updated version on a weekly basis. This ensures Members are aware of forthcoming decisions and that I can identify key issues for scrutiny at an early stage.</p> <p>Inadequate notice from officers of items requiring decision by Cabinet or Council does not enable the scrutiny process to be factored in. This is a recurrent problem despite external training having been provided to SMT and SLT in January 2015.</p> <p>I will continue to periodically attend meetings of SMT and DMT to discuss the impact of poor planning on the scrutiny function and on Members ability to perform their role effectively.</p> <p>I have produced a guidance note on agenda despatch deadlines which has been emailed to all staff to ensure awareness of reporting timescales.</p>	<p>decision-making process to secure Member 'buy in' and this is reducing the number of decisions being called-in.</p> <p>I'm ensuring that Members are consulted via email if there is a specific interest in a subject area, which also avoids decisions being called-in because further information is required. This has alleviated the heavy workload of scrutiny committees, as not all issues that Members should be consulted upon require being taken through the scrutiny process.</p> <p>To help promote the role and value of scrutiny to officers, I now offer direct assistance to those who may be unfamiliar with scrutiny or the political arena. I meet the officers, explain the process and discuss potential lines of inquiry so that their reports are in return, clear and concise and answer Members' questions. Member Feedback is that report quality is improving, whilst Officers say they</p>		
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								welcome the guidance / advice.			
								On Target	On Target	Not Started	Not Started
<p>To support Members in holding the Executive and Officers to account for decisions they have taken / will take in the future.</p> <p>To offer support to scrutiny Members to enable them to hold the Cabinet and officers to account for performance on major initiatives and collaborative activity.</p> <p>To gather information, organise key witnesses, assist with lines of inquiry and ensure a clear 'way forward' for future scrutiny activity.</p>	<p>To assist Members at pre-meetings by setting the context for discussion and offering guidance on questioning technique.</p> <p>To work with the Improvement Officers to ensure that DMT's nominate a relevant officer to attend select committees to respond to any challenge.</p> <p>To liaise with the relevant Cabinet Member to ensure clarity of purpose and responsibility and rationale for their attendance at select meetings.</p> <p>To work with the chairs of select committees to ensure the Committee agrees a "way forward" at every scrutiny meeting, to ensure there is a clear outcome of the scrutiny.</p>	<p>The decisions taken are the right decisions and meet the needs of the citizens.</p> <p>The best use is made of resources, to realise project aspirations. The longevity, performance and risks associated with the projects are managed, ensuring value to the public purse.</p>	Constitution	Ongoing	None	Hazel Ilett	<p>I have assisted Members in undertaking pre-decision scrutiny of several major policies which have resulted in changes to those policies.</p> <p>Several major decisions have also been 'called-in' which have resulted in changes to how those decisions are presented and reported to Cabinet.</p> <p>I have established arrangements for scrutinising collaborative initiatives such as the Shared Resource Service and CMC2 to ensure they are accountable for their performance and service delivery. Scrutiny Committees will continue to scrutinise the appropriate topics to ensure delivery against key outcomes. Recent scrutiny of both the SRS review and the business plan for the Community Interest Company have ensured both services deliver outcomes and are held accountable for their service delivery.</p> <p>I have assisted</p>	<p>I'm undertaking a more proactive approach to preparing Officers and Cabinet Members ahead of scrutiny to ensure expectations are clear. My rationale for this is that Members' 'challenge ability has improved and as such, there have been numerous occasions where Members have been disappointed with reports presented to them. I have also requested early sight of draft reports to enable me to suggest any amendments before being tabled to scrutiny and this has also improved the quality of reports being presented to scrutiny.</p> <p>I'm continuing to assist Members in preparing key questions for meetings and I'm maximising the opportunity during pre-meetings to ensure roles and responsibilities of various officers, cabinet members and partners are clear.</p>			

							<p>Scrutiny Members by preparing questions to pose to key witnesses to ensure the scrutiny is robust and focusses on key areas of concern. This involved me scheduling many meetings with various staff in order to devise relevant key lines of inquiry that would ensure the scrutiny is fair, meaningful and delivers outcomes. An example of successful scrutiny that has led to a specific outcome is the work undertaken by the Adults Select Committee in conjunction with the health board on 'end of life care', which has led to the committee working closely with health on a future project and potentially Monmouthshire becoming a pilot for the project. Further joint scrutiny of specific topics such as housing and of key decisions such as the solar farm business case will take place in July.</p> <p>Challenge of the Education Achievement Service has been highly successful and has resulted in marked improvement in their performance in several key areas identified by Estyn:</p>	<p>The increase in scrutiny's workload has been significant (is likely to increase with new Future Generations responsibilities). Select Committees are holding additional Committee meetings rather than establishing Task and Finish Groups which take too long to complete. This has led some Officers and Cabinet Members to question the outcomes being delivered by Select Committees. To address this, I'm preparing quarterly reports for Cabinet detailing scrutiny's recommendations. Whilst this is a new intervention, I believe it will assist in reassuring the Executive that Scrutiny is playing a critical role in decision-making.</p> <p>To further address this I'm working with the Scrutiny Chairs to ensure recommendations are communicated to Cabinet Members in writing. In May 2015, I revised the Scrutiny minute template to ensure clearer summing up by the Scrutiny</p>		
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							Individual Pupil Tracking, Financial Management including the proposed use of underspends and the consistency of Challenge Advisors. My role in supporting the select committee in preparing questions and ensuring Members are properly informed of key areas of concern has enabled a high degree of challenge.	Chair and to ensure a concise recommendation can be captured in the minutes. Feedback from Members and Officers confirms that the changes made to how Members determine the 'Way Forward' are helping to clarify the Committee's specific stance on issues.		
							On Target	On Target	Not Started	Not Started
							On Target	Select Progress	Select Progress	Select Progress
To support Members in analysing performance information to enable them to hold responsibility holders to account for performance and outcomes.	<p>As far as possible, to ensure the content of reports and presentations is clear and pitched correctly.</p> <p>To ensure further information requests are coordinated and acted upon.</p> <p>To work with officers in education to strengthen the level of scrutiny of schools, the EAS and the Council through holding regular meeting to identify areas of underperformance and to identify key issues for scrutiny.</p> <p>To work with the improvement officers to establish a rolling programme of training on performance monitoring in order to develop a more in-depth understanding of performance data and encourage more probing questioning.</p>	<p>Cabinet and Officers achieve satisfactory performance and continuous improvement in line with targets and performance indicators set nationally.</p> <p>Schools perform at a high level and continuously improve.</p> <p>The EAS raises educational attainment in schools and delivers value for money for the Council in terms of school improvement.</p>	<p>Constitution</p> <p>Performance Management Framework</p>	Ongoing	None	Hazel Ilett	<p>The Children and Young People's Select Committee have scrutinised the Estyn Report and from July 2013 onwards, are frequently monitoring the intended delivery of Estyn's recommendations.</p> <p>Head teachers of the 4 comprehensive schools have attended the Committee to account for school performance and further visits to schools will be made if necessary to delve deeper into key areas.</p> <p>EAS are also being scrutinised by the Children and Young People's Select Committee to ensure the delivery of</p>	<p>I am liaising more frequently with colleagues across the organisations who prepare performance reports to ensure that reports convey clear messages and avoid confusion amongst Members. This is a direct response to feedback from Estyn that reports contained mixed messages and provided too detailed information, which hindered effective scrutiny.</p> <p>I'm ensuring that bodies such as EAS, SRS and CMC2 attend scrutiny committees to account for their performance in delivering our outcomes.</p>		

						<p>individual outcomes for the county. They will be invited to attend scrutiny late summer to account for school performance.</p> <p>The Chair of the CYP Select Committee and the Scrutiny Manager have met with the Internal Monitoring Board and the Ministerial Recovery Board in order to discuss the appropriate level of scrutiny of education matters and ways in which the scrutiny can be improved.</p> <p>I have worked very closely with service area officers and external organisations to ensure that the information being brought to scrutiny is clear and of a high quality and there is improvement in this regard. A training seminar for officers from CYP was held in June on political report writing and the political process.</p> <p>Ensuring the work of various external auditors is clear and timely is proving difficult, given that several auditors may choose to inspect and report on a single theme, thus duplicating work and on occasions, sending mixed</p>	<p>Member questioning has substantially improved, so I have concentrated my efforts on ensuring scrutiny members recognise the various roles and are able to clearly identify where challenge should be levied. This area has progressed, with challenge being more appropriately directed.</p> <p>I am guiding Members to probe deeper into issues to ensure there is evidence behind statements made: For example, pre-decision scrutiny of Future Play Models raised concern amongst Members as to how safeguarding would be ensured. I'm encouraging Members to satisfy themselves that that the appropriate arrangements are in place and are working effectively through evidence, rather than relying on officer assurances. This is leading to a deeper level of scrutiny, which requires officers to demonstrate and evidence activity. This ensures that scrutiny is an</p>		
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							<p>messages to elected Members as to how the Council is performing. I am attempting to build good working relationships with these organisations to ensure that reporting is timely and that recommendations are focussed and consistent in presenting key messages and describing the journey ahead.</p> <p>Scrutiny Members Received considerable Scrutiny training through 2014's Scrutiny Member Development Programme and following successful training with members in January and also with officers is part of the rolling programme of development.</p>	<p>effective 'critical Friend' and is leading to more robust decisions being made as a consequence.</p> <p>I am assisting scrutiny Members to work more closely with regulators in identifying performance issues at an early stage. The Children and Young People's Select Committee in particular have requested that regulators meet with the Chair in advance of inspections and prior to reviews being published so that scrutiny can play a more active part in identifying areas of concern.</p> <p>I will continue to train Members in line with the rolling programme of training developed through 2014-15 and will also target Member who did not attend previous sessions.</p>		
							On Target	On Target	Not Started	Not Started
To enable effective scrutiny of the Budget Proposals: the Medium Term Financial Plan.	To continue the implementation of the redesigned "Budget Scrutiny Process 2014-15".	<p>Scrutiny of the Council's budget is transparent and democratic.</p> <p>Early consideration of budgetary decisions allows public debate to seek innovative financial solutions.</p>	Constitution	Ongoing	None	Hazel Ilett	I have developed a new budget scrutiny process which enabled robust scrutiny of budget proposals together with scrutiny of risk, to ensure alignment of budget and risk. This also provided an	I secured the opportunity for early scrutiny of budget mandates for 2015/16 during October/November 2015, which enabled scrutiny members to engage in decisions		

							opportunity for members of the public to engage with the council through the process. This process will commence in Autumn 2015.	early in the budget process. The early consideration of ideas enabled Members to shape the Council's budgetary direction and to make recommendations on those proposals.		
							On Target	On Target	Not Started	Not Started
<p>To perform the general functions of the Scrutiny Manager role:</p> <ul style="list-style-type: none"> • Drive the wider scrutiny agenda • Manage the scrutiny workload • Provide advice on scrutiny to Members and officers • Manage the operational aspects of the scrutiny function • Coordinate and deliver scrutiny training 	<p>To work with the Select Chairs to:</p> <ul style="list-style-type: none"> • Ensure proper implementation of the Scrutiny and Cabinet Protocol to support the interface between Scrutiny and Cabinet. • To review the Terms of Reference of the Select Committees to ensure they are relevant and take account of changes to scrutiny's responsibilities. • Produce a Scrutiny Handbook that compiles all relevant training material. • Produce a 'witness guide' for those attending scrutiny committees (both internal and external) • Continue to refine the Scrutiny Website to provide easy access to scrutiny information to Members and to the public. 	<p>To ensure an efficient well organised scrutiny function that supports elected Members in ensuring openness, transparency and accountability in decision-making.</p>	Constitution	Ongoing	None	Hazel Ilett	<p>The scrutiny arrangements were assessed during 2013 by the WAO national peer evaluation study. The study concluded that effective scrutiny arrangements are in place and that scrutiny is performing well in terms of the expectations of external regulators and against its peer local authorities. The report was tabled to the Council's Audit Committee who examined it in conjunction with this service plan to ensure the actions contained in the service plan address areas for improvement outlined in the WAO final self-evaluation report. Delivery of this Service Plan is monitored annually by the Council's Audit Committee.</p> <p>I have revised the 4 Select Committees'</p>	<p>In November 2015, I have produced a response to the WAO of my ongoing actions in implementing the recommendations made to all Welsh authorities on scrutiny as part of the WAO 2013 Review. My response to the WAO will then be reported to the Council's Audit Committee by January 2016.</p> <p>I will present the updated Scrutiny Service Plan (which is the Council's WAO Scrutiny Action Plan) to the Audit Committee by December 2015 to ensure they are satisfied with the arrangements in place.</p> <p>I will continue to work with the Scrutiny Chairs Liaison Group to reflect on the scrutiny functions' effectiveness and we will conduct a</p>		

							<p>terms of reference and with the Scrutiny Chairs Liaison Group, which were agreed by the Democratic Services Committee in Summer 2014. I have recently included the partnership work stream of the Single Integrated Plan. I will be working with the Scrutiny Chairs Group in Summer 2015 to establish a Public Service Board Scrutiny Panel to hold them to account for the delivery of partnership outcomes.</p> <p>The scrutiny webpages are in place and will be further developed to provide an online resource for elected Members, Officers.</p> <p>Following the Gwent Scrutiny Challenge, I have worked closely with the Centre for Public Scrutiny, officers of the other former Gwent Authorities and also the Council's Scrutiny Chairs Liaison Group to develop a programme for peer review that could be supported and facilitated by the CFPS with the outcome being an agreement of future training needs that</p>	<p>self-evaluation based on the "Characteristics of Good Scrutiny" in the Spring of 2016.</p> <p>The proposal to establish a Scrutiny Panel to hold the Local Service Board to account (planned for summer 2015) has been overtaken by the progress of the Future Generations Act through the Welsh Assembly. The draft guidance on implementing the Act has been published (November 2015) and this has direct implications for Monmouthshire's scrutiny function, in terms of the obligation to ensure the Council complies with the Act and the specific duty to scrutinise the work of the evolving Public Service Board. I'm preparing a report for Council decision (21st January) to establish the appropriate scrutiny arrangements, which will be in place by 1st March 2016 (as early adopters of the FG Act).</p> <p>Further work is being undertaken to improve the scrutiny website to</p>		
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							could be delivered individually or jointly where appropriate. The programme commenced with a workshop in March 2015, to be followed by peer observation activity and potential observation of other Councils in the UK.	provide an online resource of training material for elected Members with an expected completion by May 2016. The programme for peer review programme with Gwent Authorities has been delayed, primarily due to the completion of the Welsh Government's contract with the Centre for Public Scrutiny to provide the support for the programme. It is not yet clear whether this work will continue. The Scrutiny Manager will make further inquiries to determine the way forward.		
							On Target	Behind Target	Not Started	Not Started

A balanced scorecard to measure service performance / impact (Some standard measures of performance on staff, finance and customers have been included that all services must report)

Staff (Key infrastructure)										
Indicator	Actual 2012/13	Actual 2013/14	Actual 2014/15	Wales Av 2014/15	Target 2015/16	Actual 2015/16 Q1	Actual 2015/16 Q2	Actual 2015/16 Q3	Actual 2015/16 Q4	Context/ Comment
Sickness	17 days	Nil	Nil							2012-13: 1 instance of sickness
Budget (Key infrastructure)										
Indicator	Actual 2012/13	Actual 2013/14	Actual 2014/15	Wales Av 2014/15	Target 2015/16	Actual 2015/16 Q1	Actual 2015/16 Q2	Actual 2015/16 Q3	Actual 2015/16 Q4	Context/ Comment
N/A										N/A
Processes (How Much and How Well?)										
Indicator	Actual 2012	Actual 2013	Actual 2014	Wales Av 2014/15	Target 2015/16	Actual 2015/16 Q1	Actual 2015/16 Q2	Actual 2015/16 Q3	Actual 2015/16 Q4	Context/ Comment
Number of Scrutiny Meetings held in a year:	<u>39</u>	<u>51</u>	<u>52</u>							<p>The workload of scrutiny committees has increased significantly and additional meetings are being held to accommodate a greater workload.</p> <p>The number of call-ins per year has reduced during 2014 which may be due to more pre-decision scrutiny being undertaken.</p> <p>In line with the action plan, I am working to reduce the number of 'call-in meetings' by ensuring advance notice of decisions, which affords Members the opportunity to have early sight of reports.</p> <p>The workload of the 4 Select Committees is varied with some committees being more policy focussed, however it is clear that the Children and Young People's Select Committee has been largely performance driven, due to a greater emphasis on holding to account following the Estyn Inspection in November 2012. The Select Committee work programmes for 2014/15 show clear requests for new policy e.g. The need for an Events Strategy, an Enterprise Strategy and a People Strategy. This work has come to fruition, so the figures for 2015 will show an increase in pre-decision scrutiny and policy development.</p>
Ordinary Meetings:	<u>26</u>	<u>30</u>	<u>40</u>							
- Adults	6	7	7							
- Children and Young People's	6	7	11							
- Economy and Development	6	9	13							
- Strong Communities	8	7	9							
Special Meetings:	<u>9</u>	<u>17</u>	<u>10</u>							
- Adults	2	4	1							
- Children and Young People's	4	6	5							
- Economy and Development	3	4	2							
- Strong Communities	0	3	2							
Call-ins	<u>4</u>	<u>4</u>	<u>2</u>							
- Adults	0	1	0							
- Children and Young People's	1	1	0							
- Economy and Development	0	0	0							
- Strong Communities	3	2	2							
Number of policies presented for pre-decision scrutiny:										
- Adults	4	3	5							
- Children and Young People's	3	2	1							
- Economy and Development	4	2	3							
- Strong Communities	7	4	9							
Number of Crime and Disorder referrals via the Councillor Call for Action (CCfA) Process:	0	0	0							

Number of topics suggested for scrutiny by the public:	0	1	3							

Customers (Outcome / Is anyone better off?)

Indicator	Actual 2011/12	Actual 2012/13	Actual 2013/14	Wales Av 2013/14	Target 2014/15	Actual 2014/15 Q1	Actual 2014/15 Q2	Actual 2014/15 Q3	Actual 2014/15 Q4	Context/ Comment
Public involvement in scrutiny meetings.										We do not require members of the public to sign an attendance register or to provide us with their personal details. Observations of select committees indicates public attendance at scrutiny meetings is increasing, with members of the public wishing to speak formally at meetings upon issues that interest or concern them. In 2015, a Member of the public submitted a report to a Select Committee which required a meeting be arranged to consider the proposals there in.
% attendance at Select Committees	N/A	N/A	N/A							
% attendance at Scrutiny training	N/A	N/A	N/A							There is no concrete information to support these indicators to date; however, the new Modern.gov system should enable future collection of this data. This will assist in drawing assumptions as to whether Members are engaged in scrutiny, whether training is reaching all members and how interested the public are in the work of scrutiny.
Number of YouTube views	N/A	N/A	N/A							
Number of public open forum items	N/A	N/A	N/A							

Risk Register 2015-18

Risk	Strategic Operational	Reason why identified (evidence)	Risk Level (High, Medium or Low) Based on a score assessing both probability & impact		Respon - sible Officer	Actions proposed to mitigate the risk	Progress & impact of actions 2015/16 Q1	Progress & impact of actions 2015/16 Q2	Progress & impact of actions 2015/16 Q3	Progress & impact of actions 2015/16 Q4
			Year	Level						
Potential that the Scrutiny Function performs so ineffectively that it becomes a risk to the Council.	O	The Council's Scrutiny Function has previously been considered a high risk area due to its ineffectiveness.	2015/16 2016/17 2017/18	Low Low Low	Hazel Ilett, Scrutiny Manager	The Scrutiny Function has been reviewed by the Scrutiny Manger twice in 3 years and also by the Wales Audit office 3 times in 7 years. Recommendations made by both reviews were accepted by the Council and progress has been made to achieve these and ensure continuous improvement in terms of how the function operates and what 'added value' it can deliver.	The 2013 WAO peer review of MCC's Scrutiny Process concluded scrutiny was performing satisfactorily. It also highlighted key actions that will further improve performance and these are contained within the Scrutiny service plan. Performance monitoring of the delivery of the service plan will be undertaken by the Scrutiny Chairs.	As discussed within the plan, we have responded to each recommendations made by the Wales Audit Office and can evidence that we have actioned all of recommendations. The service strives to continuously improve and feedback from Members, officers, partners and inspectors informs whether it is progressing in the right direction. The function self-evaluates annually using the 'Characteristics of Good Scrutiny' as a benchmark.		
Potential that the Scrutiny Function fails in terms of its key responsibility to ensure the Council performs effectively, particularly in relation to the statutory roles to safeguard children and protect vulnerable adults.	O	It relates specifically to the responsibility of Scrutiny Members and is therefore volatile.	2015/16 2016/17 2017/18	Low Low Low	Hazel Ilett, Scrutiny Manager	The appropriate Select Committees review the performance within their remits on a quarterly basis to ensure any concerns are highlighted at an early stage. The Council's Annual Reporting Framework allows a joint presentation to Scrutiny upon the performance within Social Services as a whole, which seeks to prevent issues falling between the remit of the	Improvements to the way in which Select Committees monitor risk (quarterly as opposed to annually) should ensure that performance is monitored more frequently and robustly to ensure that actions are taken to mitigate key risks that fall within the remit of their committees.	Following the Estyn inspection, the Council has revised its Safeguarding Policy, which has been scrutinised several times over the last 2 years and the Children and Young People's Select Committee receive quarterly reports on safeguarding practice.		

						scrutiny committees.				
Potential that Members fail to challenge effectively and hold Cabinet Members, Officers and Partners to account for decision-making and performance.	O	It relates specifically to the responsibility of Scrutiny Members and is therefore volatile.	2015/16 2016/17 2017/18	Med Med Med	Hazel Ilett, Scrutiny Manager	The Scrutiny Manager has provided 2 training sessions during June/July 2014 with colleagues from the Performance and Improvement Team and the Finance Team to encourage greater challenge amongst Scrutiny Members. Attendance at training sessions was fairly low despite active encouragement from senior leadership.	The Scrutiny Manager has developed a Scrutiny Member Development Programme which consists of a rolling programme of training specifically designed for MCC's Scrutiny Members. Some of the training is to be provided in-house and some by external providers and Scrutiny Members will be encouraged to attend all sessions.	The Estyn Inspection has transformed the way in which we scrutinise performance and hold officers and the Executive to account. We no longer rely on reassurances, but seek evidence to collaborate statements made about our performance.		
That the increased role and responsibilities for the Scrutiny Function arising from the Local Government Measure will place significant burden upon the function in terms of allocating it wider responsibilities and specific duties for which it will not be directly funded or supported.	S	The legislation will enhance the Scrutiny role, but will place additional duties and responsibilities on Scrutiny Members to scrutinise the wider public sector. Due to time and capacity constraints this will undoubtedly influence the focus of scrutiny which has to date been 'in-house' to accommodate the duty to scrutinise externally and may pose future resource implications.	2015/16 2016/17 2017/18	High High High	Hazel Ilett, Scrutiny Manager	The Scrutiny Manager at the present time cannot speculate the ramifications of the legislation recently passed at this early stage. The Scrutiny Manager will keep a watching brief and advise as and when necessary.	The Scrutiny Manager through the National Scrutiny Officers Network has highlighted the need for the Welsh Government to define guidelines for the scrutiny of designated persons. This would assist in highlighting potential pitfalls and would prepare partners who will be subject to scrutiny on their role and responsibilities. The Scrutiny Manager will provide training for scrutiny members when the guidance has been produced.	The Future Generations Act has progressed through the Assembly's legislative process and the guidance has been published which confirms new duties for local government scrutiny to hold the Public Service Board to account. The new responsibilities will have significant implications for the scrutiny function, requiring a designated appropriate arrangement to be established. This will have implications for Members in terms of their capacity and for officers who support scrutiny: in terms of the requirement to service the new function (Democratic Services) and to		

								<p>ensure it is effective and operates in line with the expectations of the Auditor General for Wales (the Scrutiny Manager). The Scrutiny Manager is preparing a report for Council on 21st January 2nd to request their agreement to establish the necessary Public Service Board Scrutiny Arrangements.</p>	
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January to May 2014 ~ Improvements made to our governance/scrutiny arrangements:

- ✓ **Ensured all Forward work programmes are publicly accessible on MCC website.** Every ordinary select committee agenda tables the work programmes of Select Committees, Cabinet and Council, also considered at Coordinating Board. Cabinet Forward Planner now emailed regularly to all Members.
- ✓ **Reduced agenda size for Select Committees** - reduced number of items per scrutiny meeting to ensure there is sufficient opportunity for in-depth scrutiny, agendas comprising typically a policy review, a performance report, pre-decision scrutiny or statutory report.
- ✓ **Expanded the use of Special meetings** - to manage workload. These provide flexibility and ensure that scrutiny is undertaken at the optimum point - early enough to shape direction, not too late to make an impact.
- ✓ **Introduced Pre-meetings** for all Select Committees - these have proven highly effective in agreeing a focus and ensuring outcomes and has evidenced more constructive challenge across all the committees.
- ✓ **Improved the quality, timeliness, relevance of information** being brought to scrutiny to ensure a consistent picture of performance.
- ✓ **Introduced a more focussed scrutiny approach** - policy development work undertaken through task and finish group delivered high quality reports, but the timeliness of the activity meant scrutiny sometimes missed the boat in terms of impact. We now conduct shorter and sharper pieces of work as a full committee, which is proving effective as follows:
 - Scrutiny activity is aligned to delivering the corporate priorities in line with the Medium Term Financial plan
 - We have increased our levels of challenge and our ability to hold to account
 - We have a better balance of scrutiny activity - testing decisions through pre-decision scrutiny and holding cabinet and officers to account for performance.
 - Additional Select Committee meetings enable public attendance and participation in scrutiny work.

April/May 2014 ~ submitted a "Good Scrutiny Award" to the Centre for Public Scrutiny based on the work of the Economy and Development Select Committee's impact on the Council's final budget.

May 2014 ~ delivered a "Scrutiny Handbook" to provide a useful reference guide for Members, officers and the public on the role and value of scrutiny.

June 2014 ~ delivered the "Gwent Scrutiny Challenge Conference" which brought key regulators together to agree to develop a set of Scrutiny Characteristics to form a framework upon which to evaluate scrutiny across Wales.

July 2014 ~ delivered a comprehensive half day scrutiny training session for Members (repeated)

- The Scrutiny Challenge - Raising the Bar
- Performance Management - The Jigsaw - the strategic alignment of priorities
- Financial Scrutiny and Performance Management

September 2014 ~ delivered a training session for CYP Members on "Financial Scrutiny of Education"

October 2014 ~ agreed a strategic approach for the scrutiny of partnerships ~ the priorities to be divided amongst the 4 Select Committees and the future establishment of an LSB Scrutiny Panel to hold the LSB/evolving Public Service Board to account for its performance.

October 2014 ~ established an EAS Joint Audit Committee ~ to hold the company to account for governance, delivery of objectives and financial management. The CYP Select Committee holds officers and the EAS to account for performance on the delivery of local outcomes.

October 2014 ~ delivered 2 separate half day Member training sessions through an external trainer on Questioning and Listening and Chairing Scrutiny meetings

October/November 2014 ~ introduced Live Streaming via YouTube for Cabinet, Council, Select Committees, Planning and Licensing Committees

January 2015 ~ Scrutiny Chairs Liaison Group ensured corporate consideration of 'safeguarding' by recommending amendments to the Council's report template (subsequently agreed by Council).

January 2015 ~ launched the Scrutiny Webpages ~ www.monmouthshire.gov.uk/scrutiny

January 2015 ~ undertook scrutiny training took place with senior management on how best to support scrutiny activity (Members agreed).

January 2015 ~ delivered training through an external trainer to Members on "Presentation and Challenge in a modern Council Environment"

January 2015 ~ Scrutiny Members added value to the Council's self-evaluation, performance management and improvement arrangements, making recommendations in relation to the Strategic Risk Assessment process, re-drafting and re-prioritising key risks.

March 2015 ~ delivered a "Toolkit for practitioners on Collaborative Scrutiny" in conjunction with Caerphilly and Blaenau Gwent Councils and launched the guide at a scrutiny conference attended by all Welsh Authorities, regulators and partners.

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National Studies

WAO National Study	Good Scrutiny? Good Question! – May 2014
WAO Proposal for improvement	R1 Clarify the role of executive members and senior officers in contributing to scrutiny.
WAO Proposal for improvement	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.
WAO Proposal for improvement	R3 Further develop scrutiny forward work programming to: <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.
WAO Proposal for improvement	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.
WAO Proposal for improvement	R5 Ensure that external review bodies take account of scrutiny work programmes and the outputs of scrutiny activity, where appropriate, in planning and delivering their work.
WAO Proposal for improvement	R6 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.
WAO Proposal for improvement	R7 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.
WAO Proposal for improvement	R8 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement
WAO Proposal for improvement	R9 Adopt Participation Cymru’s 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.
Current position in October 2015	The Scrutiny function in Monmouthshire strives to continuously improve its' service offer: Feedback from Members, officers, partners and inspectors informs how effective the service is and whether it is progressing in the right direction. The service self-evaluates annually using the 'Characteristics of Good Scrutiny' as a benchmark (R7) and the Scrutiny Chairs Liaison Group is the forum where robust self-reflection takes place. The most recent self-evaluation preceded the Council's recent Corporate Assessment, through which, it was clear that the function had implemented the recommendations of the WAO Scrutiny Study (as above).

The Scrutiny Chairs undertake pre-meetings and sum-up actions, making recommendations to the Cabinet via Chairs Letters (R6). The scrutiny function has a 'Scrutiny and Executive Protocol' in place (R1) which ensures absolute clarity in terms of roles and responsibilities for Cabinet Members and Senior Officers in relation to scrutiny. The Scrutiny Manager delivers a comprehensive rolling Scrutiny Development Programme for Members, including Performance Management, Schools Financial Management, Financial Scrutiny, Scrutiny Challenge and Raising the Bar in Scrutiny (R2). The Council applies Participation Cymru's Principles for Public Engagement corporately and the Select Committees engage frequently with the public through their work, enabling public speaking at Select Committee meetings (R9). The Scrutiny Handbook is a guide for Members, officers and the public on the role and value of scrutiny and the website www.monmouthshire.gov/scrutiny displays the Scrutiny Forward Work Programme and invites public submissions.

Members lead and own the scrutiny process and the Cabinet and Council planner is emailed weekly to Members to ensure maximum opportunity for early engagement with scrutiny (R3). Select Committees liaise directly with regulators to programme inspection work into the Scrutiny Forward Work Programme (R4). Any relevant scrutiny reports are emailed to external bodies, who are requested to respond to Scrutiny's recommendations and attend Scrutiny Meetings if appropriate ~ effective working relationships with external bodies such as Aneurin Bevan Health Board have developed through direct engagement via the scrutiny process (R5).

The scrutiny function has a 'Scrutiny Service Improvement Plan' which is the 'Monmouthshire Scrutiny Action Plan' produced in response to the WAO Scrutiny Study's recommendations. The plan is built into the Council's improvement framework and is updated quarterly, being challenged by the Council's improvement team and the Head of Democratic Services. The plan is also scrutinised by the Council's Audit Committee annually to ensure they are satisfied that the Council has appropriate and effective scrutiny arrangements in place (R8).

	New or Existing	Action	Action Holders	Timescales
Mitigating Actions	Existing	Self-evaluation of Scrutiny applying the 'Characteristics of Good Scrutiny'.	Scrutiny Manager and the Scrutiny Chairs Liaison Group	April 2016
	Existing	Table the Quarter 2 Service Improvement Plan (WAO Action Plan) to the Council's Audit Committee	Scrutiny Manager	December 2015/January 2016

WAO Annual Improvement Report 2014-2015 (Corporate Assessment)

Conclusions on MCC's Scrutiny Process

Extracts from the WAO Annual Improvement Report 2014-2015 (Corporate Assessment)	
Paragraph	Commentary
43	A range of guidance and training is made available to members. An area where this is clearly demonstrated is in relation to the scrutiny function. The Council's Scrutiny and Executive protocol is a guide for members and other parties which outlines the interface between Scrutiny and the Executive, and the procedural elements that underpin the relationship. The protocol sets out key responsibilities, processes and the overall scrutiny framework. There is also a scrutiny handbook available, providing a higher level and more simplified introduction and guide to the scrutiny process. This guidance supplements the procedures set out in the Constitution and provides practical support.
51	Scrutiny is improving and has come a long way from an earlier low base. In 2010 a Wales Audit Office review of Monmouthshire's scrutiny arrangements concluded that 'Scrutiny is beginning to provide a more robust challenge and is starting to have a positive impact on the business of the Council'.
52	Select Committee chairs now determine their programmes, with the support of the Scrutiny Manager, drawing from a wide range of sources, including: the Cabinet and Council Forward Planner; suggestions from members, officers and the public; and the Council's risk assessment. Work programmes are updated accordingly as new matters emerge. All scrutiny work programmes are publicly available online and meetings are webcast. Pre-scrutiny meetings are held to determine the line of questioning to improve the effectiveness of the sessions, and recommendations are logged and actions followed up. All of this contributes to better processes underpinning the scrutiny function.
53	Select Committee members say they are well supported by training opportunities but take-up is low. Extensive training is provided for scrutiny members, which is organised and co-ordinated by the Scrutiny Manager. Training has covered a broad range of areas, including raising the bar in scrutiny, challenge, performance management, financial management, and schools' finances. However, although training for Select Committee members on performance management information was provided in summer 2014, less than 40 per cent of members attended this training.
54	Despite an established scrutiny system and protocol being in place, the ability to proactively challenge is hindered by tensions relating to cabinet member attendance, participation at meetings and poor quality information. We understand that it is rare for Cabinet Members not to attend Select Committees but on the occasions when we observed recent Select Committees a number of decisions were being scrutinised but the relevant Cabinet Members were not present. The reports were presented by officers, who also responded to queries raised. For one decision, relating to a policy matter, the issue could not be resolved as the Cabinet Member was not present. An instance was also observed where, although the Cabinet Member was in attendance, the Member did not present the report nor respond to any queries, both of which were done by the officer.
55	Our observations also showed examples where: reports were not clear enough for members to understand important issues; members expressed concern about the perceived over-positivity of reports and the lack of objectivity; and a report was deferred because of the lack of information. Unless Select Committee members receive appropriate information in a timely manner, they will be unable to carry out the function effectively.
56	The lack of some clear targets sometimes makes it difficult for scrutiny members to assess performance and provide adequate challenge of cabinet members and officers, which hinders accountability.
78	Members and senior managers within the Council do not receive sufficient accurate data to help them manage the workforce strategically. The failure to collect and maintain accurate data on the profile of the workforce and statistics on a range of key workforce indicators and regularly report this to Senior Management and Leadership hinders effective management and scrutiny.

WAO Annual Improvement Report 2014-2015 (Corporate Assessment)

Conclusions on MCC's Scrutiny Process

94	The Council is proactive at working collaboratively with a range of stakeholders and partners and is improving accountability and scrutiny arrangements
98	Arrangements for holding partners to account and scrutinising their activities are improving but this remains challenging with the number of partners and delivery channels used. A lack of clarity about the aims and measurable anticipated improvements from collaborative projects also makes holding partners to account more difficult. We found the Council sometimes struggles to articulate what it is trying to achieve in clear terms, resulting in different understanding.
99	Stronger outcome reporting and regular liaison mean the Council is better placed to monitor how well the Shared Resource Service is delivering agreed outcomes, and there are member aspirations that the newly formed Education Achievement Service Audit Committee will further challenge the corporate governance aspects of the company's performance. (99)
101	A strategic review has been completed which is addressing the weaknesses identified in performance management, oversight and scrutiny. (101)
110	Some of the initial weaknesses in scrutiny and oversight of the SRS have been addressed but further work is needed. Sound budget management arrangements are in place, but more work is required by the SRS to demonstrate it is delivering value for money. (110)
117	In 2014, the Council improved performance management arrangements for members. The Council's Select Committees now receive quarterly updates on the improvement objectives 2014-17 and Welsh Government outcome agreements, and do request additional information if reports are not clear.
126	The regional school improvement commissioned services are providing better quality information to the local authority on standards and leadership in schools, which in turn enables the local authority to identify underperformance and to use its statutory powers where necessary. As a result, the local authority is intervening more appropriately in underperforming schools. Head teachers from underperforming schools have been invited to attend scrutiny meeting to account for the performance in their schools. School leaders now have a better appreciation of their lines of accountability, and this is beginning to impact well on the outcomes achieved by their pupils. There is also an increasing rigour and better clarity to the process of setting school attainment targets and this is helping to promote more appropriate expectations for improvement in the local authority's schools.
133	Performance information is available to the public via performance monitoring reports to Scrutiny, Cabinet and full Council meetings. These are available on the Council website. In 2014, the Council started to live stream Scrutiny, Cabinet and full Council meetings on YouTube, demonstrating openness and transparency in debate and decision making.

Governance and Accountability Summary (scrutiny specific comment)

A culture of mutual respect and trust exists between Councillors and officers, leading to productive working relationships, although there are examples of decision making that could have been more robust, informed and subject to effective challenge. The Council has well-defined roles and responsibilities, is developing a culture of accountability and is engaging with staff to better embed its expected values and behaviours. Well-managed risk taking and the quality of decision making are sometimes hindered by a lack of strategic direction, poor data quality, and limitations in legal monitoring. The Council has improved the transparency of its public reporting of Council business, but some weaknesses remain. The Council is taking steps to improve scrutiny but progress is sometimes hampered by poor quality of information and inconsistently robust challenge.

Collaboration and Partnership Summary (scrutiny specific comment)

The Council is proactive at working collaboratively with a range of stakeholders and partners and is improving accountability and scrutiny arrangements.

AUDIT WORK PLAN

14TH JANUARY 2016	
<i>Deadline for finalised reports to Cheryl – Monday 4th January 2016 -end of day</i>	
<i>Finalised reports to Committee Section –Tuesday 5th January - early morning</i>	
AIR/Corporate Assessment report	WAO
Performance Audit report and presentation	WAO
Q3 Progress report	Andrew Wathan
3RD MARCH 2016	
<i>Deadline for finalised reports to Cheryl – Monday 22nd February 2016 - 10am</i>	
<i>Finalised reports to Committee Section –Monday 22nd February 2016 - end of day</i>	
Internal Audit 2016/17 Plan	Andrew Wathan
Unsatisfactory Audit Opinions	Andrew Wathan
Audit Outline Plan 2016/17	WAO
Grants Audit report	WAO
Update on Special Investigations	Andrew Wathan
21ST APRIL 2016	
<i>Deadline for finalised reports to Cheryl – Monday 11th April - 10am</i>	
<i>Finalised reports to Committee Section –Monday 11th April - end of day</i>	
Annual Governance Statement	Andrew Wathan

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