



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2014-15

Ceredigion County Council

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Colin Davies and Tim Buckle under the direction of Jane Holownia.

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

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

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

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Summary report

Purpose of this report

- 1 Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils, fire and rescue authorities, and national park authorities, and to assess whether each authority will meet statutory continuous improvement duties¹. This work has been undertaken on behalf of the Auditor General by staff of the Wales Audit Office. **Appendix 1** provides more information about the Auditor General's powers and duties in local government.
- 2 In addition, the Auditor General undertakes an in-depth corporate assessment at each authority on a cyclical basis (currently at least once every four years). In the intervening years, in addition to audits of improvement planning and reporting, the Wales Audit Office, on behalf of the Auditor General, will keep track of developments and focus further assessment work on a number of key themes, developed in discussion with each authority.
- 3 This Annual Improvement Report (AIR) summarises the audit work undertaken at Ceredigion County Council (the Council) since the last such report was published in September 2014. This report also includes a summary of the key findings from reports issued by 'relevant regulators', namely: the Care and Social Services Inspectorate Wales (CSSIW); Her Majesty's Inspectorate for Education and Training in Wales (Estyn); and the Welsh Language Commissioner. Nonetheless, this report does not represent a comprehensive review of all the Council's arrangements or services. The conclusions in this report are based on the work carried out at the Council by relevant external review bodies and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 4 Taking into consideration the work carried out during 2014-15, the Auditor General has provided an 'Overall Conclusion' in this report and states whether he believes that the Council is likely to make arrangements to secure continuous improvement for 2015-16 (see **page 7**).
- 5 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.
- 6 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@audit.wales or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

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

2014-15 performance audit work

- 7 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, the Wales Audit Office undertook improvement assessment work under three themes: Performance, Use of Resources, and Governance. Individual projects undertaken by the Wales Audit Office and the other regulators during the year included:

Project name	Brief description	Dates when the work was undertaken
Wales Audit Office – Financial planning review	Assessment of the Council's financial position and how it is budgeting and delivering on required savings.	July 2014 to February 2015
Wales Audit Office – Audit of the Council's Improvement Plan	Assessment of the Council's adherence to Welsh Government guidelines for the publication of its Improvement Plan.	July 2014
Wales Audit Office – Audit of the Council's Performance Report	Assessment of the Council's adherence to Welsh Government guidelines for the publication of its Performance Report.	November 2014
Wales Audit Office – Review of the Council's progress in relation to its Improvement Objectives	Assessment of the Council's progress in delivering on its Improvement Objectives to 'Develop the economic prospects of Aberystwyth as a regional centre' and 'Improve our energy management to enable the Council to reduce carbon emissions and reduce costs'.	November 2014 to February 2015
Wales Audit Office – Audit of the Council's Performance Data	Validation of performance indicators previously qualified or amended and follow-up of previous proposals for improvement relating to data quality.	November 2014 to February 2015
Wales Audit Office – Review of the Council's arrangements for self-evaluation of its performance	Review of progress in addressing previously identified weaknesses in the Council's self-evaluation arrangements.	January to May 2015
Wales Audit Office – Review of the Council's arrangements to support the safeguarding of children	Assessment of the effectiveness of the Council's governance arrangements for the safeguarding of children.	March to October 2014

Project name	Brief description	Dates when the work was undertaken
Wales Audit Office – Delivering with less	Review of the impact of cuts in resources on the ability of the Council's environmental health services to deliver their statutory obligations.	October 2013 to October 2014
Wales Audit Office – Review of the Council's arrangements for distributing Discretionary Housing Payments	Assessment of the effectiveness of the Council's services for the allocation, distribution, administration and use of Discretionary Housing Payments.	November 2014 to April 2015
Estyn – Inspection of the Ceredigion Adult Community Learning Partnership	Assessment of the effectiveness of the Partnership in the provision of adult community learning services in the county.	February 2014
CSSIW – Review of the Social Services Department's performance in 2013-14	Assessment of the performance of the Council's Social Services Department.	April to October 2014
CSSIW – Inspection of safeguarding and care planning of looked-after children and care leavers who exhibit vulnerable or risky behaviour	Assessment of the effectiveness of the Council's services for looked-after children over 11 years of age and care leavers who were identified as being vulnerable and/or involved in risky behaviours.	April 2014
Welsh Language Commissioner – Review of the Council's Welsh Language Scheme	Assessment of the effectiveness of the Scheme in providing Council services to the public in Welsh.	October 2014 to January 2015

The Council continues to strengthen its management arrangements and is making progress in its priority areas, but it has yet to fully develop its vision for the future delivery of the Council's services

- 8 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Measure during 2015-16.
- 9 The Auditor General has reached this conclusion because:
 - The Council continues to make progress with its social services transformation and modernisation programme and recognises the key financial and collaborative challenges ahead. The Council is making progress against some of its key priorities, and corporate arrangements for self-evaluation of service performance are becoming embedded; however, arrangements do not yet consistently enable an ongoing evaluation of the impact of improvement activities across all services.
 - The Council has generally robust financial management arrangements that have served it well, however, strategic plans that set out a clear vision for the future delivery of its services within the financial constraints it faces over the medium term are yet to be fully developed.
- 10 A key challenge for the Council will be to ensure that its strategic arrangements for delivering its priorities and responsibilities are fit for purpose in the context of reducing resources and are capable of implementing change at the pace that will be required. Our work over 2015-16 will include a review of the governance arrangements that the Council has put in place to deliver transformation and efficiency, as well as a financial management review that will include looking forward to 2016-17 budget setting and savings proposals.

Headlines – a summary of key findings

- 11 The table below summarises the key findings of work undertaken by the Wales Audit Office, and the other regulators, in 2014-15.

Performance	
	<p>Estyn – The performance of the Ceredigion Adult Community Learning Partnership is good, and it has good prospects for improvement. (Paragraphs 16 to 20)</p> <p>CSSIW – The Council continues to make progress with its social services transformation and modernisation programme and recognises the key financial and collaborative challenges ahead. (Paragraphs 21 to 24)</p> <p>Wales Audit Office – The Council’s arrangements for self-evaluation of service performance are becoming embedded; however, arrangements do not yet consistently enable an ongoing evaluation of the impact of improvement activities across all services. (Paragraphs 25 to 27)</p> <p>Wales Audit Office – The Council has addressed weaknesses in the calculation of a selection of its performance measures although our previous proposals for strengthening data quality assurance arrangements have not been implemented. (Paragraphs 28 to 29)</p> <p>Wales Audit Office – The Council made good progress towards its objective to develop the economic prospects of Aberystwyth as a regional centre. (Paragraphs 30 to 31)</p> <p>Wales Audit Office – The Council has been successful in reducing its overall carbon emissions although there is scope to more clearly explain the extent of the Council’s ambition in relation to some performance measures. (Paragraphs 32 to 35)</p> <p>Wales Audit Office – The Council is delivering environmental health services at the minimum standard or above, although meeting new statutory duties to protect the public and the environment will present a significant challenge. (Paragraphs 36 to 37)</p> <p>Welsh Language Commissioner – The Council is making either good or satisfactory progress against its targets in its Welsh Language Scheme action plan. (Paragraphs 38 to 40)</p>

<p>Use of resources</p>	<p>Wales Audit Office – The Council has generally robust financial management arrangements that have served it well, however, strategic plans that set out a clear vision for the future delivery of its services within the financial constraints it faces over the medium term are yet to be fully developed. (Paragraphs 41 to 42)</p> <p>Wales Audit Office – The Council's performance in administering Discretionary Housing Payments is good but because of weaknesses in its performance information, it is not clear if those in the greatest need are receiving help. (Paragraphs 43 to 47)</p>
<p>Governance</p>	<p>Wales Audit Office – The Council's arrangements for ensuring that it meets its safeguarding responsibilities are adequate but some improvements could be made. (Paragraphs 48 to 52)</p> <p>Wales Audit Office – Overall whistleblowing arrangements are generally sound, but a number of weaknesses in policy, process and training need to be addressed. (Paragraph 53)</p> <p>Wales Audit Office – The Council has developed a streamlined and more strategically focused risk register following a review of its risk management arrangements. (Paragraphs 54 to 55)</p>
<p>Improvement planning and reporting audits</p>	<p>Wales Audit Office – The Auditor General issued audit certificates stating that the Council had discharged its duties under the Local Government (Wales) Measure 2009. (See Appendices 2 and 3)</p>
<p>Audit of accounts</p>	<p>Wales Audit Office – On 24 November 2014, the Auditor General issued an Annual Audit Letter to the Council. The letter summarises 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. It confirmed that, on 30 September 2014, he 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. (Appendix 4).</p>

Recommendations and proposal for improvement

- 12 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.
- 13 The Auditor General makes no formal recommendations to the Council in this AIR. He does, however, make recommendations that may be relevant to the Council in his Local Government National Reports. A list of recommendations contained in reports issued in 2014-15 can be found in [Appendix 5](#).
- 14 There is one proposal for improvement for the Council arising from the work undertaken by the Wales Audit Office during the year.

Proposal for improvement

The Council should:

- P1** Review its working practices against the recommendations in the Auditor General's 2014-15 Local Government National Reports and implement improvements where appropriate.

- 15 In addition, CSSIW, Estyn and the Welsh Language Commissioner included areas for improvement in their inspection reports and letters issued to the Council during 2014-15. These are available at www.cssiw.org.uk, www.estyn.gov.uk and www.comisiynyddygybraeg.org.

Detailed report



Performance

The performance of the Ceredigion Adult Community Learning Partnership is good, and it has good prospects for improvement

- 16 The Ceredigion Community Learning Partnership (the Partnership), in which the Council works with other providers to deliver adult community learning in the County, was inspected by Estyn in February 2014. Estyn published the report of its inspection in May 2014, this is available on its website: www.estyn.gov.uk.
- 17 The principal providers, funded by the Department for Education and Skills, are Ceredigion County Council (53 per cent), Workers Educational Association Cymru (21 per cent), Coleg Ceredigion (16 per cent) and YMCA Community College, Wales (10 per cent).
- 18 Estyn has judged the Partnership's current performance as good because:
- learners achieve good standards,
 - nearly all learners achieve well in their classes and develop good skills and understanding in their subject;
 - nearly all learners are enthusiastic about the subjects they study and are well motivated;
 - partners work well together and offer a wide range of programmes and clear progression routes that meet the needs of learners and the community well;
 - the opportunities for learners to use Welsh in class are good;
 - the Partnership responds well to national, regional and local priorities;
 - teaching is good across the Partnership; and
 - the Partnership works well with other Adult Community Learning (ACL) partnerships across South West Wales to plan regional approaches to staff development and curriculum planning.
- 19 The Partnership's prospects for improvement are also judged by Estyn as good because:
- The Partnership has improved its arrangements for quality assurance since the last inspection.
 - The Partnership carries out effective observations of teaching, which have improved the quality of teaching observation and self-assessment. It works well with ACL partnerships in Pembrokeshire and Carmarthenshire to implement a joint tutor observation process.
 - All partners are involved in the development of the Partnership delivery plan.
 - The Partnership has created a good level of communication and co-operation between its members.

- The Partnership’s self-assessment provides an accurate view of strengths and areas for improvement.
 - The Partnership uses its funding effectively, including external funding, to improve its provision for learners.
 - The Partnership has implemented most of the recommendations from the last inspection.
- 20 However, the Partnership’s plans do not use targets for improvement well enough for monitoring and reviewing progress against targets sufficiently; and the Partnership does not use information about course and learner outcomes well enough to plan for improvement.

The Council continues to make progress with its social services transformation and modernisation programme and recognises the key financial and collaborative challenges ahead

- 21 The CSSIW published its Annual Review and Evaluation of Performance 2013/2014 in October 2014. The full report, summarised below, highlights a number of areas of progress made by the Council as well as areas where it needs to improve and is available on CSSIW’s website: www.cssiw.org.uk.
- 22 The CSSIW reported that the Council continues to make progress with its transformation and modernisation programme. This, alongside significant corporate restructuring, the creation of an expanded directorate, and the work on regional collaboration, sets an ambitious agenda for Ceredigion. The Council faces what it considers to be a poorer than expected financial settlement and the forthcoming year will be challenging. The Council has identified a number of areas of risk, which indicates a realistic understanding of its position within the financial and collaborative challenges ahead. Ensuring sufficient capacity in its commissioning and contracting role in order to address a rising number of quality issues in the independent sector, together with securing political support for the changes deemed necessary in its own services, are seen as priorities.
- 23 The corporate reorganisation has prepared the way for some elements of the Social Services and Wellbeing (Wales) Act. Work has begun within the new directorate to develop an overarching operating model consistent with this, which will continue into 2014-15.
- 24 The Council has produced an action plan to meet the Welsh Government strategy to improve services for people who need, or choose to receive their care in Welsh, ‘More than Just Words’ (Mwy Na Geiriau). The requirements of the strategy will now feed into the commissioning and contracting arrangements with service providers.

The Council's arrangements for self-evaluation of service performance are becoming embedded; however, arrangements do not yet consistently enable an ongoing evaluation of the impact of activities across all services

- 25 The Council's corporate self-evaluation arrangements are becoming embedded with clear and regular arrangements in place to challenge service performance on a quarterly basis, and to discuss significant corporate issues at Corporate Performance Management Panel meetings. There was also recognition amongst some Heads of Service that arrangements have improved in recent years with performance issues now more likely to be followed up and, where appropriate, resulting in a corporate response.
- 26 The Council's arrangements do not yet provide a consistent approach to identifying and reporting against the impact of activities on service users and citizens both to inform service self-evaluations and performance/progress reports. The Council has begun to address this through challenging Heads of Service in relation to the existence of service user/citizen feedback and details of the impact on citizens/service users. The quarterly performance reporting template has also been amended during 2014-15 to request Heads of Service to include details of the impact of service 'achievements' and budget savings on citizens/customers although the extent to which this information was provided was variable. Quarterly performance reporting templates completed by Heads of Service require a range of information to be provided, however, the range and quality of information provided in relation to service self-evaluations and quarterly performance reports are variable. The lack of a formal output following quarterly meetings of the Corporate Performance Management Panel also presents a risk that some issues may not be effectively captured and appropriately monitored or revisited.
- 27 The Council has improved its arrangements for evaluating and reporting annual progress against its Improvement Objectives, as the Council's Annual Performance Report for 2013-14 provides a clear evaluation of progress towards achieving the Council's Improvement Objectives. However, overall progress against individual Improvement Objectives is not summarised as part of the information presented to the Council's quarterly Performance Management Panel, which limits the extent to which progress can be monitored and challenged through this forum.

The Council has addressed weaknesses in the calculation of a selection of its performance measures although our previous proposals for strengthening data quality assurance arrangements have not been implemented

- 28 During 2014-15 we examined two performance indicators where we had previously identified weaknesses in the Council's data systems for calculating and reporting performance against the indicators that the Council needed to address. We found that the Council has addressed our previous concerns regarding the calculating and reporting of performance against these indicators. The performance indicators we examined were:
- the average number of working days between homeless presentation and discharge of duty for households found to be statutorily homeless; and
 - the average number of days that all homeless households spent in other forms of temporary accommodation.
- 29 In 2013-14 we made two proposals for improvement relating to the introduction of spot checks to confirm that data has been checked and verified for accuracy, and a further proposal to implement a risk-based approach to reviewing performance information for those areas with recurring data quality issues. The Council has not implemented our proposals for improvement and instead places reliance on the corporate performance team working closely with officers across the Council to address identified data quality issues and monitor data quality on a more informal basis. It will be important for the Council to monitor the effectiveness of this approach.

The Council made good progress towards its objective to develop the economic prospects of Aberystwyth as a regional centre

- 30 The Council made good progress towards achieving its objective to develop the economic prospects of Aberystwyth during 2013-14. A number of schemes designed to improve the appearance of the town including the completion of the market hall refurbishment were progressed. Pedestrian access to the town has also been improved and the Gateway project is also improving public transport. Although feedback from the Council's Citizens' Panel on the impact of work to enhance the appearance of the town was mixed. Work to deliver the Mill Street development, that includes retail units, apartments and car parking, also progressed during 2013-14 and work on the development has subsequently begun. Improved job opportunities are also expected as a result of attracting two major retailers to the Mill Street development, however, completion is not due until the end of 2016.

- 31 Improvements have been made to 156 properties to help improve standards of living accommodation and an inspection programme for private-rented properties in multiple occupation was also completed. The empty property grant scheme to increase the availability of affordable homes to rent has also been implemented, but take-up has been less than anticipated.

The Council has been successful in reducing its overall carbon emissions although there is scope to more clearly explain the extent of the Council's ambition in relation to some performance measures

- 32 The Council is successfully reducing its carbon emissions and has exceeded the Welsh Government's annual target to reduce carbon emissions by three per cent each year from the baseline year of 2011-12. The Council achieved a 7.4 per cent reduction in the first two years of the current five-year carbon management plan over 2012-13 and 2013-14. Improvements to street lighting such as low energy street lights and dimming equipment have successfully contributed to the reduction in carbon emissions. Older fleet vehicles have been replaced and GPS technology is supporting better route planning, resulting in lower carbon emissions from fleet vehicles. Improvements to civic buildings have contributed to the Council's progress, and, whilst libraries and other council owned buildings have increased their carbon emissions, the increase in carbon emissions in relation to libraries is because the former Town Hall in Aberystwyth was previously categorised as a 'civic building' in the 2011-12 baseline year, and for 2013-14 fell into the 'libraries and community buildings category' due to a change in the use of the building. Carbon emissions from the Council's business mileage have increased as the Council's business mileage had increased by five per cent since the 2011-12 baseline year.
- 33 The Council's focus on reducing carbon emissions has improved through revised structures and a more co-ordinated approach. The current Carbon Management Plan covers service areas such as schools, leisure centres, care homes and libraries, and includes partnerships with external organisations. An annual progress review is also reported to cabinet. The Carbon Management Group and Energy Task and Finish group support the more co-ordinated approach. These structures are providing a more comprehensive and strategic approach to carbon management.
- 34 The Council also recycled, re-used or composted 58.4 per cent of its municipal waste in 2013-14 and performed well in comparison with other Welsh authorities. While performance is good and improving, the Council could provide more clarity regarding the scope of its ambition through including in its Improvement Plan the reasons where future targets are lower than current performance or the Welsh average.

- 35 A range of projects has also been developed to encourage more people to walk and cycle to work and to encourage more children to walk to school, however, the impact of these initiatives is not yet clear.

The Council is delivering environmental health services at the minimum standard or above, although meeting new statutory duties to protect the public and the environment will present a significant challenge

- 36 Councils have many statutory environmental health duties but spending is not being protected during the current period of financial austerity, which is making it more difficult to deliver national strategic priorities. The Council is delivering most of its environmental health services at a minimum standard or above as judged against the Best Practice Standards.
- 37 Between 2011-12 and 2013-14 the Council increased expenditure on environmental health, although the number of staff delivering these services has marginally fallen, but at rates much lower than the average for all Welsh councils. Survey respondents are mostly positive about the current standard of environmental health service, although there is a low awareness of current performance or future plans amongst citizens. New environmental health statutory duties are being introduced which the Council will find challenging to deliver.

The Council is making either good or satisfactory progress against its targets in its Welsh Language Scheme action plan

- 38 The role of the Welsh Language Commissioner (the Commissioner) was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation on 31 March 2015. The Commissioner will continue to review Welsh-language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 39 The Commissioner works with all councils in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of councils to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every Council is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report, provides a formal response and collects further information as required.

40 The Commissioner reported that the Council is now making good or satisfactory progress in the context of the targets in its action plan. Language awareness training was held for social services staff and the Council is developing training for new staff as well. The length of Welsh language lessons provided for staff was extended from one hour to 90 minutes. Contract terms for adults' services and care homes for older people were strengthened, including clauses which require providers to work towards complying with the Council's Language Scheme. In 2015 the Council intends to offer a free Welsh language taster course to all local authority care homes and private care homes. The Council has established a Heads of Human Resources and Language Policy and Equality group in order to address bilingual workplace planning. The Leadership Group monitors all applications for empty posts, including reviewing the language skill levels. A new payroll system has been commissioned which will record the language skills of the entire workforce following an audit in 2015. The Council has drawn up a Welsh-language strategy for 2015-2020.

Use of resources

The Council has generally robust financial management arrangements that have served it well, however, strategic plans that set out a clear vision for the future delivery of its services within the financial constraints it faces over the medium term are yet to be fully developed

41 We came to this conclusion because we found that:

- The Council has a good track record in delivering identified savings within year against the planned actions that it approved, although it did not report against specific savings proposals.
- The Council's corporate framework for financial planning has served it well, although links between financial plans and improvement plans should be clearer.
- The Council is not yet extending its approach to provide a more strategic view better suited to the escalating financial challenges that it faces.
- The Council's financial management and control are fit for purpose and are being effectively managed.
- The Council's financial governance arrangements to review and challenge performance are adequate but links between financial and service performance are not clear.
- The Council's savings plans for 2014-15 are adequate and appropriately monitored but further work is required to ensure savings are fully delivered.
- The Council has efficiency savings plans in place for 2015-16 and 2016-17, but new funding cuts have placed additional pressure to identify further savings and some difficult decisions will need to be made.

42 We also proposed that the Council should have regard to the above findings and conclusions in addressing the Proposal for Improvement relating to the development of a Strategic Plan for the Council that arose from our Corporate Assessment of the Council that was undertaken in 2014. The Council has begun to address this proposal and we will continue to monitor progress in this area during 2015-16 as part of our planned financial management review, and planned review of the governance arrangements the Council has put in place to deliver transformation and efficiency.

The Council's performance in administering Discretionary Housing Payments is good but because of weaknesses in its performance information, it is not clear if those in the greatest need are receiving help

- 43 The Welfare Reform Act 2012 heralds a significant change to the administration and distribution of benefits and will have a major impact on many citizens. In April 2011, the UK Government embarked on a programme of reform, which will culminate in the phased introduction of Universal Credit between October 2013 and 2017. A major focus of the UK Government's plans are changes to Housing Benefit, which are aimed at reducing annual expenditure by around £2.3 billion. These changes mean that millions of households in Great Britain will receive less in benefits, creating hard choices for them about how they use their money and manage financially on a day-to-day basis.
- 44 In January 2015, the Auditor General published his report on how well councils are managing the impact of welfare reform changes on social-housing tenants in Wales. His report reviewed the management and use of Discretionary Housing Payments (DHP) by councils in Wales and concluded that the allocation, distribution, administration and use of these payments have significant inconsistencies and weaknesses. We followed up this work at individual councils.
- 45 Our review of Ceredigion found that the Council makes it easy for customers to apply for and gain access to DHP. The Council has a clear, well-structured and customer focussed website. The website includes a downloadable application form, a procedural document that explains the process for applying DHP and what DHP can be used to fund. The application is easy to complete and at only four pages in length, has been designed to encourage take-up from vulnerable people. The Council has further streamlined its administration of DHP by only requesting supporting evidence where it is absolutely necessary and this is applied on a case-by-case basis. The Council should be commended for this. Although there is a procedural document on the administration of DHP, which is available to the public, the Council has no strategy that explains how it uses DHP payments tactically to address its local priorities. The lack of a strategic policy reduces the positive impact of the Council's work.

- 46 The Council has systems in place to monitor the amount of DHP spent against the amount of money provided by the Department for Work and Pensions. The Council also monitors how many customers have been assisted and the amount of DHP budget available to assist applicants. However, the Council does not monitor the number of landlords assisted to ensure there is good coverage across all sectors and areas, nor does it monitor the impact of its DHP payments and how these resources have helped customers affected by the changes introduced under welfare reform and their impact on sustaining tenancies.
- 47 The Council had paid out £207,000 of its Department for Work and Pensions provision of £287,605, which represents 72 per cent of its allocation at the end of November 2014. This indicates that the Council is positively trying to use DHP to support those who need it, but because of weaknesses in its performance information it is not certain that it is paying DHP to those in the greatest need.

Governance

The governance, accountability and management arrangements for safeguarding responsibilities to children are mostly adequate but some improvements could be made

- 48 The Council has a Lead Cabinet Member and Local Authority Designated Officer for Child Protection whose responsibilities are reflected in the Council's scheme of delegation within the Council's constitution. Our findings indicate that officers and members are aware of, and understand the governance and scrutiny arrangements that are in place. A survey of elected members, senior managers, education, schools and leisure staff indicated that awareness of the Council's Designated Officer for Child Protection was high at 89 per cent, however, awareness of the Council's Lead Councillor for Child Protection was lower at 40 per cent, and lower than our survey average of 44 per cent. The Council has assured itself that policies and procedures are up to date to reflect its statutory obligations, with the majority being reviewed in November 2013, and the safeguarding for schools policy being last updated in April 2014.
- 49 Social Services and Education managers meet regularly throughout the year with their Head of Service to discuss ongoing performance. Service heads prepare quarterly reports of performance for discussion with the Leadership Group. In addition, safeguarding is discussed as a standing item at all Leadership Group and Heads of Service monthly meetings. Child protection is also identified in the Corporate Risk Register and the Council has developed the service risk register for learning services following recognition that improvements could be made. However, the regional Local Safeguarding Children Board (LCSB) is yet to be introduced and is still operating under shadow arrangements, resulting in some concerns over ensuring that all local requirements are addressed over a large geographical area and across a number of local authorities.
- 50 The Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children are mostly adequate but some improvements could be made. Strong arrangements are in place to identify what information it needs to monitor and evaluate whether its children's safeguarding arrangements are working effectively. The Council utilises a number of performance indicators to measure performance across the Council that are reported through the Council's quarterly performance management arrangements. The Council has also revised and updated its safe recruitment policy to take account of the introduction of Disclosure and Barring Service (DBS) checks. DBS checks are required for all posts within Social Services and Education as well as other posts where staff may be unsupervised around children, for example, leisure centre attendants. The Council currently maintains two DBS databases but is in the process of procuring a system to enable one database to be maintained.

- 51 The Council has a clear, documented framework for safeguarding children which covers individual, professional and organisational accountability. This framework was approved by Cabinet in April 2014 and provides clear information to ensure all staff are aware of their safeguarding responsibilities and how they should handle and report any concerns about a child's welfare. The Council has procedures in place to ensure staff are appropriately trained, and agency and staff from bodies the Council has service level arrangements with are also required to undertake and attend the Council's safeguarding training programme. No specific training sessions have been held for members, although the majority are school governors and as such would have covered safeguarding training as part of their annual governors' training sessions.
- 52 The Council's approach to identifying and acting on improvements in its safeguarding arrangements is adequate but again some improvements could be made. The Council has adequate arrangements in place to assure itself that it complies with all necessary data protection requirements in relation to children. A data sharing arrangement agreement is in place between Education and Social Services to ensure that departments are able to make informed decisions based on all available information, and a multi-agency agreement is also in place to share information using the Wales Accord for the Sharing of Personal Information. The Council has been proactive and taken action to address weaknesses and risks identified in response to the findings at Pembrokeshire County Council in 2011 with quarterly reports presented to the LCSB and the Council's overview and scrutiny committee. In addition, where weaknesses have been identified the Council has put in place procedures to ensure that they do not reoccur. The Council's arrangements are subject to review by Scrutiny and whilst Internal Audit undertake reviews in education and social services no specific internal audit work has been carried out on safeguarding children, however, due to complementary work in other areas and the review by the Designated Safeguarding Officer, children's safeguarding is not a priority for Internal Audit.

Overall whistleblowing arrangements are generally sound, but a number of weaknesses in policy, process and training need to be addressed

- 53 The Council's Whistleblowing Policy is up to date, concise and well-structured, but provides very limited details of external contacts and the model whistleblowing policy for schools is out of date. The Whistleblowing Policy demonstrates the Council's commitment to whistleblowing, but member challenge and scrutiny of performance on whistleblowing are limited. The Council planned Whistleblowing training for the summer of 2014 to address acknowledged weaknesses. The Council has made the Policy available on the intranet, although ensuring that staff without computer access are aware of and understand the Council's Whistleblowing arrangements remains a challenge.

The Council has developed a streamlined and more strategically focused risk register following a review of its risk management arrangements

- 54 The Council has reviewed and streamlined its risk register, and corporate arrangements for the ongoing management and monitoring of risks have been revised. Risks are considered through the business planning process, at Heads of Service and Leadership Group meetings and by the Audit Committee.
- 55 The risk management framework is accompanied by guidance that sets out roles and responsibilities. Key risks and actions taken to mitigate against them are reported in Head of Service quarterly performance reports that are submitted to the Council's quarterly Performance Management Panel meetings.

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 Ceredigion County Council’s 2014-15 Improvement Plan

Certificate

I certify that I have audited Ceredigion 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.

I make no recommendations under the Local Government (Wales) Measure 2009

Huw Vaughan Thomas
Auditor General for Wales

CC: Lesley Griffiths, Minister for Local Government and Government Business
Colin Davies, Manager
Jeremy Evans, Performance Audit Lead

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

Certificate

I certify that I have audited Ceredigion 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
Colin Davies, Manager
Tim Buckle, Performance Audit Lead

Appendix 4 – Annual Audit Letter

The Leader
Ceredigion County Council
Penmorfa
Aberaeron
Ceredigion
SA46 0PA

Dear Councillor Ellen ap Gwyn

Annual Audit Letter – Ceredigion 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 in my Audit of Financial Statements report on 17 September 2014, and to the Council on 25 September 2014.

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.

I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2014.

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.

A more 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 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

John Golding
For and on behalf of the Appointed Auditor

Appendix 5 – 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	<p>R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.</p> <p>R2 Clarify their strategic approach to reducing the proportion of 19 to 24 year olds who are NEET as well as their approach for 16 to 18 year olds.</p> <p>R3 Focus on young people with significant or multiple barriers to engaging with education, employment or training rather than those who are more likely to re-engage without significant additional support.</p> <p>R4 Develop their objectives and targets for reducing the number of young people NEET so that they can be held to account and their work aligns with the Welsh Government's targets and objectives.</p> <p>R5 Ensure that elected members and partners fully understand that councils have a clear responsibility for leading and co-ordinating youth services for 16 to 24 year olds.</p> <p>R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area that are intended to reduce the proportion of young people who are NEET.</p>

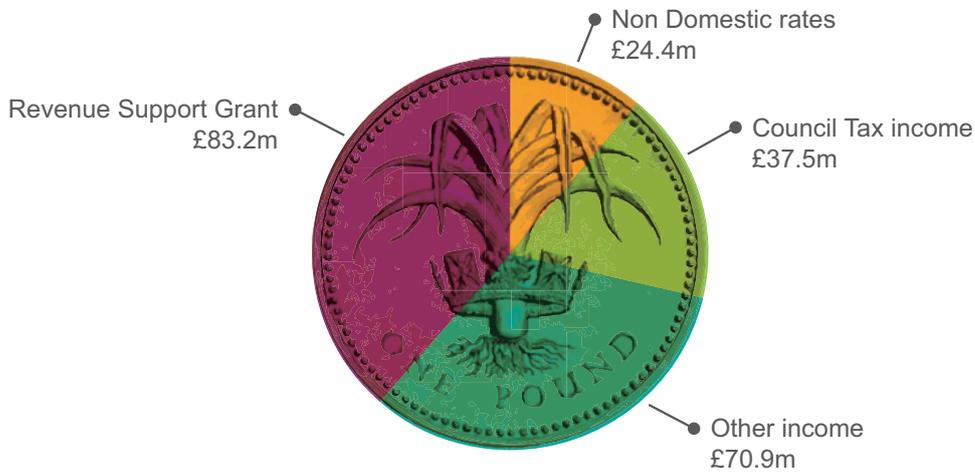
Date of report	Title of review	Recommendation
October 2014	Delivering with less – the impact on environmental health services and citizens	<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"> • align the work of environmental health with national strategic priorities; • 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.

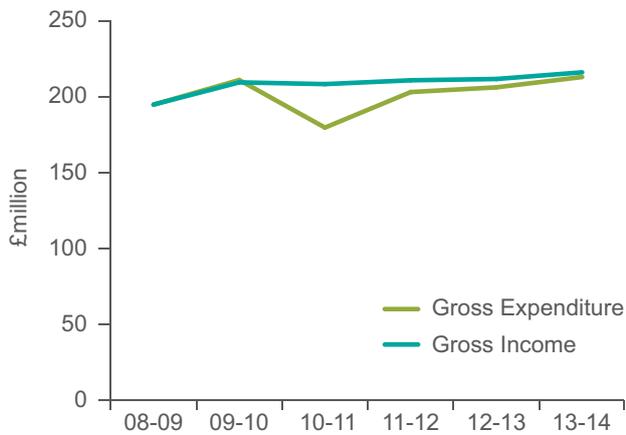
Date of report	Title of review	Recommendation
January 2015	<p>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</p>	<p>R7 Improve management, access to and use of Discretionary Housing Payments by:</p> <ul style="list-style-type: none"> • establishing a clear policy or 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 6 – Useful information about Ceredigion County Council’s resources

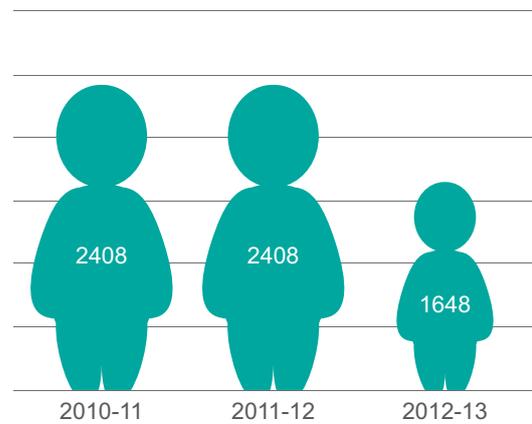
Total Gross Income 2013-14



Total Income and Expenditure



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



Total Gross Expenditure by service area



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