

# CYNGOR SIR POWYS COUNTY COUNCIL

## Audit Committee

Date: 5<sup>th</sup> April 2017

**REPORT AUTHOR:** Peter Jones, Professional Lead – Corporate Insight

**SUBJECT:** WAO Report: Good governance when determining significant service changes

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**REPORT FOR:** Approval

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### 1. Summary

- 1.1 Further to the work of the Wales Audit Office (WAO) in determining assurance that the Council is capable of delivering its priorities and improved outcomes for citizens, the WAO undertook a number of national thematic studies during 2016 including a governance review.
- 1.2 The studies were conducted alongside an additional risk based assessment to ensure the broad criteria of a formal corporate assessment were considered. In addition to the consideration of material off-site, the on-site work was conducted over the first week of November 2016.
- 1.3 Following receipt of an earlier draft, the formal report titled ‘Good governance when determining significant service changes’ was received on 22<sup>nd</sup> March 2017 (appendix 1) together with the requirement to complete a ‘WAO Management Response Form’. There were no statutory recommendations but the WAO has indicated 6 proposals for improvement for how the Council’s governance arrangements could be strengthened.
- 1.4 The WAO’s Management Response Form (MRF) has been completed (appendix 2), largely clarifying activity that has previously been agreed and is being implemented. Management Team is reasonably assured that the actions address the proposals for improvement identified in the report and recommend that Audit Committee approve the actions detailed in the MRF.

### 2. Background

- 2.1 As part of the work in determining assurance that the Council is capable of delivering its priorities and improved outcomes for citizens, The WAO undertook a number of national thematic studies, including a governance review.

- 2.2 The studies were conducted alongside an additional risk based assessment to ensure the broad criteria of a formal corporate assessment were considered. In addition to consideration of material off-site, the on-site work was conducted over the first week of November 2016.
- 2.3 Following initial feedback to the Leader, Chief Executive and Strategic Director – Resources, Management Team prepared an action plan to co-ordinate a measured response to some of the key areas for improvement identified.
- 2.4 The initial action plan was considered by Joint Chairs and Vice Chairs Steering Committee on the 17<sup>th</sup> January 2017. A further meeting of Scrutiny Chairs, Members of Cabinet and Management Team was held on the 14<sup>th</sup> February 2017 to consider the actions required to improve the scrutiny function.
- 2.5 The formal report titled “Good governance when determining significant service changes’ was received on 22<sup>nd</sup> March 2017 together with the requirement to complete a ‘WAO Management Response Form (MRF)’. There were no statutory recommendations but the WAO have indicated six proposals for improvement for how the Council’s governance arrangements could be strengthened by: -
  - P1 Reviewing the current remit and role of the Cabinet to enable it to focus on the Council’s key priorities and significant service changes
  - P2 Clarifying and strengthening the role of scrutiny committees in considering service change
  - P3 Aligning Cabinet and Scrutiny work programmes to include details of forthcoming service change proposals and making them easily accessible on the Council’s website
  - P4 Improving the quality of information and options appraisals provided to Members to enable them to consider the strategic implications of the proposed service changes
  - P5 Clarify delegated authorities, particularly for significant service changes so that decisions are transparent and accountability for them is clear
  - P6 Strengthening arrangements for monitoring the impact of service changes including explicitly setting out at the point of decision what will be monitored, where this will be monitored and who will be responsible for doing so.
- 2.6 Under the guidance of the Solicitor to the Council, the original action plan has been transposed onto the MRF (see Appendix 1 attached) and actions added to address gaps where applicable.
- 2.7 Management Team is reasonably assured that the actions address the proposals for improvement identified in the report and recommend that Audit Committee approve the actions detailed in the MRF.

### 3. **Monitoring**

3.1 Monitoring progress of the agreed actions will be ensured via the Council's regulatory tracker. The tracker as considered by both the Strategic Overview Board and Audit Committee on a quarterly basis.

#### 4.0 Statutory Officers

4.1 The Strategic Director, Resources (S151 Officer) has made the following comment:

“The Strategic Director Resources (S151 officer) notes the report and welcomes the contribution it makes to improving governance arrangements.”

4.2 The Solicitor to the Council (Monitoring Officer) has commented as follows:

“The recommendations can be supported from a legal point of view.”

#### 7.0 Future Status of the Report

7.1 Not applicable

Recommendation:	Reason for Recommendation:
1. Audit Committee receive the governance report for information and approve the MRF; 2. The Strategic Director – Resources is tasked to monitor progress on delivering the MRF and to provide an update report by 31 <sup>st</sup> December 2017.	To acknowledge the content of the WAO report and ensure stronger governance arrangements through an effective response

<b>Relevant Policy (ies):</b>			
<b>Within Policy:</b>	Y	<b>Within Budget:</b>	Y

<b>Relevant Local Member(s):</b>	<b>Not Applicable</b>
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<b>Person(s) To Implement Decision:</b>	<b>David Powell, Strategic Director – Resources</b>
<b>Date By When Decision To Be Implemented:</b>	<b>Immediately</b>

<b>Contact Officer Name:</b>	<b>Tel:</b>	<b>Fax:</b>	<b>Email:</b>
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