



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Corporate Assessment

Project brief

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Project Brief

Introduction

1. The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General for Wales to carry out an improvement assessment for each improvement authority every year, to determine whether the authority is likely to comply with requirements to make arrangements to secure continuous improvement. The Auditor General must also carry out audits of whether the authority has discharged its duties under the Measure.
2. The requirement for the Auditor General to assess the likelihood that an authority will make arrangements to improve changed the way performance audit work had previously been carried out. The emphasis on risk that was apparent in the previous regulatory regime is replaced by a focus on improvement that is broader and more forward looking. The Measure also places a greater emphasis on accounting for performance in terms of the outcomes experienced by citizens.
3. In the first year of the Measure, 2010-11, we carried out an overview assessment of key aspects of local authorities' improvement arrangements to highlight strengths and areas where improvements could be made. This work was reported in Preliminary Corporate Assessment reports that were issued to authorities between July and September 2010. These reports were welcomed by many as painting a useful picture of capacity and capability and they formed a general overview in relation to the key aspects that support improvement in authorities. The Auditor General further published an Annual Improvement Report for each authority in January 2011 summarising his work and those of relevant regulators¹. These reports provided a commentary on improvement authorities' performance as well as a commentary on the arrangements that underpin improvement.
4. In subsequent years we have built on this overview to gain a deeper understanding of some key aspects highlighted at each authority and to evaluate progress on improvements to arrangements, and on delivering improvement objectives.
5. The Auditor General has decided that, having conducted three cycles of work since the introduction of the Measure, continued annual assessment of corporate improvement arrangements is, in most cases, likely to be excessive. Therefore from 2013-14 the Wales Audit Office will deliver a rolling programme of corporate assessments, based on a four-year cycle. This means that, in addition to an annual programme of improvement studies and audits of authorities' approach to improvement planning and reporting, each authority will receive an in-depth corporate assessment once during a four year period. In the intervening years the Wales Audit Office will keep track of developments through progress updates. Although the norm will be for each authority to receive a corporate assessment once in every four years, the Auditor General reserves the flexibility to undertake work on matters of priority or concern as they arise which may, in exceptional circumstances, result in an authority receiving a corporate assessment more frequently under his Special Inspection powers.

¹ Section 16 of the Measure sets out relevant regulators to be The Care and Social Services Inspectorate Wales (CSSIW), Estyn, the Welsh Language Commissioner, and Auditors appointed by the Auditor General.

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6. This project brief sets out our approach to corporate assessment.

Purpose of the Corporate Assessment

7. The purpose of the corporate assessment is to provide a position statement of an improvement authority's capacity and capability to deliver continuous improvement. It will, by its nature, examine an authority's track record of performance and outcomes as well as examining the key arrangements that are necessary to underpin improvements in services and functions.
8. The Auditor General will issue a report that states whether he believes that the authority is likely to comply with the requirements of the Measure². This judgement of 'likelihood' will be based on work carried out and previous accumulated knowledge, and therefore reflects performance at a particular point in time. It should not be seen as a four-year clean bill of health or as a definitive prediction of future success. Rather, it should be viewed as providing assurance as to whether the arrangements currently in place are reasonably sound insofar as can be ascertained from our work and the work of relevant regulators.

Focus of the Corporate Assessment

9. Our work will focus on the extent to which arrangements are contributing to delivering improved service performance and outcomes for citizens. It will therefore not be sufficient that arrangements are merely in place, as those arrangements must be effective in enabling improvement in services and functions.
10. An authority's track record of improvement is an important consideration in the Auditor General's judgement of whether an authority is likely to meet the requirements of the Measure. Our work in relation to this will focus on an authority's priorities and its performance in meeting its improvement objectives, with a particular emphasis on the impact that an authority's improvement programme is making on outcomes for citizens. As well as our own work we will consider the findings from any work undertaken by relevant regulators; principally Estyn, the Care and Social Services Inspectorate Wales (CSSIW), the Welsh Language Commissioner and auditors appointed by the Auditor General.
11. The corporate assessment is seeking to answer the following question:
"Is the authority capable of delivering its priorities and improved outcomes for citizens?"
12. Our assessment will cover the following:
- Performance and outcomes;
"Is the authority making progress on achieving its planned improvements in performance and outcomes?"

² A general duty to make arrangements to secure continuous improvement, and specific duties to set improvement objectives and to publish improvement plans and assessments of performance.

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- Vision and strategic direction;
“Does the authority’s vision and strategic direction support improvement?”
 - Governance and accountability;
“Do the authority’s governance and accountability arrangements support robust and effective decision making?”
 - Use of resources;
“Is the authority managing its resources effectively to deliver its planned improvements in performance and outcomes?”
 - Collaboration and partnerships;
“Are the authority’s collaboration and partnership arrangements working effectively to deliver improved performance and outcomes?”
 - Managing improvement.
“Is the authority effectively managing its improvement programme?”
13. As well as being informed by the work of regulators and inspectors the assessment will also be informed by other available sources including the authority’s own mechanisms for review and evaluation. Such mechanisms may include, but are not limited to:
- the Annual Governance Statement and its review of effectiveness;
 - the activities and outputs of scrutiny committees;
 - the work of the Audit Committee;
 - the work of internal audit;
 - the authority’s own assessment of performance as required by the Local Government (Wales) Measure 2009;
 - the Director of Social Services Annual Report;
 - self-evaluations prior to Estyn inspections;
 - management information and reports;
 - complaints, correspondence, Ombudsman reviews, whistleblowing etc;
 - the authority’s assessment of progress in meeting equalities duties and objectives (from 2012); and
 - the authority’s Welsh Language Scheme self-evaluation report.
14. Over time our work, and that of the relevant regulators, will allow the Auditor General to take a view as to whether he can place reliance upon these self-evaluations.

Methodology

15. A series of question hierarchies will underpin the key lines of enquiry for each of the aspects of the corporate assessment that are set out in Appendix 1. The first phase of the assessment will involve detailed local scoping as, whilst the coverage of the corporate assessment is as described in paragraph 12, the specific and relative focus on individual aspects will vary from authority to authority, based on:
- Breadth of work undertaken to date;

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- Significance and priority of previous findings;
 - Progress on recommendations or proposals for improvement;
 - Planned or actual changes to arrangements.
16. An initial desktop review of documentation and previous audit work will focus in on the specific enquiries required for the fieldwork phase. Documents likely to be required at this stage are set out in Appendix 2. This is not an exhaustive list, and we will make refinements and submit a document request to the authority seven weeks prior to on-site fieldwork asking for documents to be supplied to us within two weeks. At this stage we will also notify the authority of the proposed interview schedule for the on-site phase. An example interview schedule is set out in Appendix 3. Again this is indicative and we will liaise with the authority regarding specific interviews or focus groups.
 17. During the third week prior to fieldwork we will brief the authority on the specific focus of the on-site work with a view to also finalising the interview schedule.
 18. Typically the fieldwork phase will involve us being on-site at the authority for between 5-10 days in total. It is likely that this will be broken up into two stages to allow for pause and review.
 19. We will share outline conclusions with the authority prior to drafting our report. This is likely to be two weeks after the conclusion of fieldwork. We will share our report for factual accuracy before issuing the report as final. The total elapsed time from local scoping to publication of the final full corporate assessment report is approximately 19 weeks. An example timeline with key milestones is set out below:

Week	Activity
1	Local scoping – assessment team
2	Document request and draft interview schedule sent to authority
4	Receive documents from authority
6	Brief authority and finalise interview schedule
9-11	Fieldwork (including pause and review stage)
13	Share outline conclusions with authority
15	Issue draft report to authority
17	Receive comments from authority
19	Publish final report

Appendix 1

Question Hierarchy

Level 1	Level 2	
Is the authority capable of delivering its priorities and improved outcomes for citizens?	Is the authority making progress on achieving its planned improvements in performance and outcomes?	How much? How well? Is anyone better off?
	Does the authority's vision and strategic direction support improvement?	Clarity, sense of purpose, needs based priorities, leadership, culture, ownership.
	Do the authority's governance and accountability arrangements support robust and effective decision making?	Roles and responsibilities, values and behaviours, scrutiny, engagement, transparency, openness.
	Is the authority managing its resources effectively to deliver its planned improvements in performance and outcomes?	Financial, human, buildings, ICT.
	Are the authority's collaboration and partnership arrangements working effectively to deliver improved performance and outcomes?	Business cases, governance, resources, management, results and outcomes.
	Is the authority effectively managing its improvement programme?	Improvement planning, performance management, risk management, reporting.

Appendix 2

Sample document request

Organisation chart
Details of member affiliations, portfolio etc.
Constitution
Standing orders and scheme of delegation
Delegated decision register
Annual Governance Statement
Corporate Plan
Improvement Plan
Community Strategy / Single Integrated plan
Medium Term Financial Plan
Budget monitoring reports
Specific plans related to Improvement objectives, e.g. Community Safety; CYPP
Service Business Plans
Corporate engagement/consultation strategy and guidance
Asset Management Plan
ICT strategy
Workforce plan
Appraisal process
Training and Development strategy
Risk Register
Executive and Scrutiny work programmes
Any guidance documentation for council staff on business or service improvement plans
Performance Management Reports
Committee reports and papers (Council, Cabinet, Overview and Scrutiny, Audit, Standards, Democratic Services Committee reports) and any related sub-groups
Resident and/or stakeholder survey results
Staff survey results
Other self-evaluations and/or annual reports

Appendix 3

Sample interview schedule

Interviews

Chief Executive
Head of Policy and Performance (or equivalent)
Director/Head of Finance
Head of HR
Head of Risk Management
Monitoring Officer
Head of Democratic Services / Democratic Services Manager
LSB Lead officer
Head of ICT
Head of Asset Management
Lead Officer – specific service(s)/project(s)
Leader of the Council
Leader of the Opposition and leaders of other political groups
Chair of Audit Committee
Executive/Cabinet members – (e.g. Finance, performance, ICT, HR)
Chairs of key partnership forums
Key partners (including Police, Health, Voluntary sector, other Councils)
Chair of Standards Committee
Cabinet support officers
Scrutiny support officers

Focus groups

Corporate Management Team
Heads of Service Overview and Scrutiny Chairs
Service delivery teams (as appropriate)
Stakeholders (as appropriate)



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