



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Follow-up Review of Proposals for Improvement – **Isle of Anglesey County Council**

Audit year: 2018-19

Date issued: July 2018

Document reference: 665A2018-19



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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

The team who delivered the work comprised Charlotte Owen, Alan Hughes, Gwilym Bury and Andy Bruce under the direction of Huw Rees.

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# Summary report

## Summary

- 1 The purpose of this review is to gain assurance that the Isle of Anglesey County Council (the Council) has effective arrangements for addressing proposals for improvement and recommendations made by the Wales Audit Office, and is evaluating the extent to which its actions are contributing to delivering improved service performance and outcomes for citizens.
- 2 In December 2015, the Auditor General published his Annual Improvement Report (AIR) for the Council. The report, which included findings from the 2015 Corporate Assessment (CA), concluded that the Council's self-awareness and its track record of improving governance and management were likely to support it in making arrangements to secure continuous improvement in 2015-16.
- 3 We came to this conclusion because:
  - members, officers and partners co-operated well within an improving governance framework, addressing local priorities and arrangements that the Council recognised were not working well;
  - the Council had taken steps to address weaknesses in its strategic use of resources but more work lay ahead in the face of financial challenges; and
  - the Council had made good progress against its key improvement priorities.The report made six proposals for improvement (PFIs), which are included in the detailed report below.
- 4 To gain assurance that the Council has effective arrangements for addressing the proposals for improvement, in June 2018, we reviewed the progress that the Council had made in implementing these proposals for improvement and the effectiveness of its arrangements for doing so.
- 5 We found that the Council has satisfactory processes for addressing proposals for improvement and recommendations from the Wales Audit Office, but arrangements could be strengthened to provide greater assurance on progress to elected members. We came to this conclusion because:
  - the Council has satisfactory arrangements for responding to proposals for improvement and recommendations from the Wales Audit Office, but elected members are not consistently informed of progress; and
  - the Council has addressed the proposals for improvement issued in the selected reports.

## Proposals for improvement

- 6 The table below contains our proposals for ways in which the Council could improve its arrangements for responding to proposals for improvement and recommendations.

### Exhibit 1: proposals for improvement

Proposals for improvement	
P1	<p>Keep elected members informed of Wales Audit Office proposals for improvement and recommendations, and the Council's progress against them by:</p> <ul style="list-style-type: none"><li>• circulating all Wales Audit Office reports to Audit and Governance Committee members for information; and</li><li>• reporting annually to the Audit and Governance Committee on progress made against outstanding Wales Audit Office proposals for improvement and recommendations.</li></ul>

The Council has satisfactory processes for addressing proposals for improvement and recommendations from the Wales Audit Office but arrangements could be strengthened to provide greater assurance on progress to elected members

The Council has satisfactory arrangements for responding to proposals for improvement and recommendations from the Wales Audit Office, but elected members are not consistently informed of progress

- 7 The Council has clear processes in place to feed findings and recommendations from external reviews to the Strategic Leadership Team (SLT) who prioritise the recommendations according to risk and their alignment with corporate priorities. Heads of Service advise SLT on the relevance of recommendations in national reports, where not all findings may apply to the Council.
- 8 Heads of Service develop actions to respond to the recommendations and these are incorporated into services' annual delivery plans. Services track progress against the plans on a quarterly basis and a panel of senior officers and elected members review and challenge progress at annual service performance reviews. When the Council requires additional assurance it establishes boards to oversee and monitor the implementation of high priority recommendations, such as those issued by Care Inspectorate Wales (CIW) in 2017.
- 9 The SLT determines which external reports go to Council committees. Reports that SLT considers priority or high risk are routinely reported at either Scrutiny or Audit and Governance committee, with follow-up reports on progress as necessary. Currently not all Wales Audit Office external reports are circulated to the Audit and Governance Committee even as an information item, and it is unclear if all members have had the opportunity to read all available reports. Doing so would promote greater transparency by ensuring that Committee members are well informed and able to follow up on any issues of interest or concern. The Council does not currently provide the Audit and Governance Committee with an annual report on progress against all Wales Audit Office recommendations and proposals for improvement.

## The Council has addressed the proposals for improvement issued in the selected reports

### Exhibit 2: proposal for improvement 1

#### **Proposal for improvement 1: the 2015 Wales Audit Office AIR and Corporate Assessment**

The Council should review its improvement priorities to ensure that the scale of its ambitions is clear and that it reflects realistically the capacity and resources at the Council's disposal.

- 10 The Council's Corporate Plan 2017-2022 includes clear and ambitious improvement priorities which are aligned to the Wellbeing and Future Generations Act, and take into account the views of local people. The Plan is supported by annual delivery plans which demonstrate the scale of its ambition, providing quantifiable targets for the year.
- 11 The draft 2018-19 delivery plan was developed alongside the Council's Medium Term Financial Plan (MTFP) to ensure that initiatives take account of available funding. For example, all planned activities in the 2018-19 delivery plan will be delivered from the Council's revenue budget and capital programme for the year. The MTFP also takes into account funding requirements for future years of the Corporate Plan. The Council regularly reviews its MTFP in light of new financial information. These arrangements will ensure that future delivery plans are based on up-to-date projections of available funds.

### Exhibit 3: proposal for improvement 2

#### **Proposal for improvement 2: the 2015 Wales Audit Office AIR and Corporate Assessment**

The Council should ensure that its strategies for People, ICT and Asset Management are clearly linked to the Council's Corporate Plan and the associated financial strategy.

- 12 There are reasonable links between the Council's latest Corporate Plan and its supporting strategies. For example, in detailing how it will meet its objectives, the Corporate Plan makes reference to the acquisition or construction of council housing, extra care housing and new school buildings. Further details on all these projects are included in the Council's Asset Management Plan, which itself makes reference to the underlying service strategies. The Plan includes a summary of the Council's Capital Plan budget, but has not been updated with the current year's budget.

- 13 The Corporate Plan makes reference to using IT to transform the way Council services are delivered. The Council is currently updating its Digital Strategy to align it to the current Corporate Plan, but the existing strategy demonstrates some of the ways the Council is, or is planning to, use ICT to transform the way staff work and the way the public interacts with the Council.
- 14 The Council's People Strategy demonstrates how it links the Corporate Plan to underlying HR strategies and projects. All strategies have underlying action plans which are aligned to corporate priorities. Also the Council's MTFP takes into account the funding requirements of the Corporate Plan's improvement priorities and annual delivery plans reflect the resources available.

#### Exhibit 4: proposal for improvement 3

##### **Proposal for improvement 3: the 2015 Wales Audit Office AIR and Corporate Assessment**

The Council should further embed a culture of consistent corporate working among staff at all levels and ensure that staff at all levels are held to account for complying with Council policies and the implementation of decisions.

- 15 Council officers we spoke to commented that the corporate culture at the Council has improved in recent years. There are co-operative working relationships amongst senior officers and this is filtering down through the organisation. Cross-departmental projects, such as the Wylfa Newydd project, are also helping to reduce silos and embed a more consistent culture of corporate working. Bi-annual service review meetings also encourage Heads of Service to consider how they are contributing to a consistent corporate approach to working.
- 16 The Council implemented an electronic policy management system in April 2017 to address concerns regarding its record keeping in relation to staff compliance with policies. The Policy Portal provides an electronic library of over 100 Council policies and enables staff to electronically verify that they have read and understood policies. Heads of Service and the Senior Leadership Team (SLT) prioritised key corporate policies for staff to review and accept. Six were made available for acceptance in 2017-18 and a further nine have been selected for 2018-19. Compliance reports submitted to Heads of Service and SLT show average compliance rates of around 75%. However, as the system uses the Council's email address book as its staff database, compliance reports only take into account staff with a Council email account. The Council is currently exploring ways to make the system accessible to all staff.



#### Exhibit 5: proposal for improvement 4

##### **Proposal for improvement 4: the 2015 Wales Audit Office AIR and Corporate Assessment**

In implementing its new procurement strategy, the Council should ensure that it develops and applies the skills necessary to better manage and monitor contracts with external suppliers of goods and services.

- 17 Following the Welsh Government's national programme of procurement fitness checks in 2013, the Council established a procurement improvement project to address the recommendations of the review. The Council adopted a new procurement strategy in May 2015 and increased the staffing of the procurement team to improve its capacity. The Council also developed a Contracts Management Strategy, which centralises the management of some main contracts.
- 18 Contract managers can access a range of training and support. For example, a Procurement Handbook provides information on the procurement process and Procurement Champions are available to provide support. The Corporate Procurement Team is currently updating its procurement and contract procedure rules training and will run a programme of training sessions once completed. The Team also ran contract management training in February 2018 and is scheduling a further session for officers responsible for managing large contracts over the tender threshold.
- 19 An internal self-assessment of the procurement function, based on the initial fitness check, concluded that the Council's maturity was improving and developing towards conforming. The Council's Internal Audit department continues to regularly review the procurement function, taking into account the improvement plan. Its February 2018 follow-up report found that the Council had made good progress in implementing actions but, as several key actions were not yet due to be completed, only limited assurance could be provided at this time. Internal Audit will review progress against the outstanding actions during July 2018.

#### Exhibit 6: proposal for improvement 5

##### **Proposal for Improvement 5: the 2015 Wales Audit Office AIR and Corporate Assessment**

The Council should ensure a consistent approach to workforce planning and use the results to inform future reductions in staff.

- 20 The Council has developed a risk-based approach to workforce planning supported by a Workforce Planning Operational Strategy. During 2017, HR officers worked with all Heads of Services to identify and rank workforce risks within each service and to develop actions to reduce the identified risks. HR officers meet with Heads of Service on a quarterly basis to review and update the risks and assess the impact of mitigating actions. The Council's Children and Family Service recently

developed its own workforce strategy document based on the information that came out of the above workforce planning process. The document has been shared with other services who wish to develop their own strategy, although there is currently no expectation that all services will do so.

- 21 Recognising the Council's historic difficulties to recruit staff to senior positions, Heads of Service were also asked to identify potential successors for the Head of Service role and the management level below. An in-house leadership programme supports officers identified as 'star performers' to develop their potential. Recent cohorts provided positive feedback on the programme and the Council hopes it will help improve staff retention and succession planning. The Council is also identifying opportunities to attract new talent into its workforce. One recently launched scheme will provide young adults with a 12-week paid work experience placement at the Council.
- 22 The Council has also reviewed spans of control within the organisation, ie the number of staff a manager or supervisor directly controls. Guidelines suggest managers should not manage fewer than three or more than eight staff. The exercise has identified potential savings and will inform future restructuring proposals.

#### Exhibit 7: proposal for improvement

##### **Proposal for Improvement 6: the 2015 Wales Audit Office AIR and Corporate Assessment**

The Council should address systematically and, where appropriate, corporately, the recommendations and proposals for improvement included in the:

- Wales Audit Office reviews of the Council's arrangements to support the safeguarding of children and of the Anglesey and Gwynedd Joint Local Service Board;
- Review of the ICT service commissioned by the Council;
- Enforcement Notice issued by the Information Commissioner's Office;
- Performance Evaluation Report 2013-14 issued by CSSIW; and
- Reports produced by Internal Audit.

- 23 The Council developed an action plan to respond to relevant safeguarding recommendations, and actions relating to all but one recommendation on safeguarding training were completed by the end of 2016-17. Internal Audit now regularly review safeguarding arrangements. Their July 2017 report provides reasonable assurance over progress made to improve current arrangements and confirms that the Council completed the outstanding actions related to safeguarding training.

- 24 The Council was making good progress against the recommendations in the Joint Local Service Board report during 2016-17 but work ceased following the Welsh Government's decision to replace Local Service Boards with Public Service Boards.
- 25 Following an external review of its ICT Service, the Council incorporated the report's recommendations into the ICT division's 2016 service action plan. All but one action has been completed. The outstanding recommendation relates to the application of corporate project management arrangements to technology based projects. The action plan notes that the Council is deciding on its approach to project management. One of the recommendations related to the Council's ICT Disaster Recovery arrangements, which has been subject to a number of Internal Audit reviews. Following a slow start, the Council made good progress during 2016-17 and Internal Audit provided a substantial assurance rating in its last report of June 2017.
- 26 The Council established a Corporate Information Governance Board in November 2014 to address information risk. It is chaired by the Senior Information Risk Owner (SIRO) who reports annually to the Audit Committee. The Board produced an action plan to address the Information Commissioner's Enforcement Notice and nine recommendations. The plan contained 41 actions to address the nine recommendations and was implemented by a sub-group of the Board. Actions were prioritised according to risk. The action plan was signed off as completed in February 2018, although two outstanding actions relating to physical rights access and an electronic training database remained. These are being addressed as part of the current Northgate ICT Project.
- 27 Earlier work by the Council to respond to recommendations in CIW's 2013-14 and 2014-15 reports was superseded by CIW's report of March 2017 which contained 14 recommendations. The Council responded proactively, developing an action plan which was incorporated into the Children's Service's improvement plan. The Council has established appropriate governance arrangements to scrutinise progress against the plan: a Children's Service Improvement Panel meets monthly and regular monitoring reports go to Corporate Scrutiny and Executive Committees. The latest report shows progress has been made against all areas on the plan, with six recorded as developed, ten almost complete, and five ongoing pieces of work.
- 28 The Council has strengthened its arrangements for following up Internal Audit recommendations. Services take ownership of identified risks and issues and develop the actions needed to address them. Service review meetings then hold senior officers to account for progress against recommendations. Internal Audit routinely follow up recommendations from audit reports with limited and minimal assurance shortly after planned actions are scheduled for completion. This provides assurance that the actions have been completed and that they have addressed the issues. Furthermore, services can no longer amend the target completion date for actions without approval from Internal Audit. As a result of these strengthened arrangements, the percentage of recommendations implemented has risen to approximately 90% and the backlog of non-implemented

recommendations has reduced. The Audit and Governance Committee provides effective oversight, receiving regular update reports and calling in services to account for lack of progress when required.



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