



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report

Rhondda Cynon Taf County Borough Council

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About the Auditor General for Wales

The Auditor General is independent of government and is appointed by Her Majesty the Queen. He leads the Wales Audit Office and is held accountable by the Public Accounts Committee of the National Assembly for the Wales Audit Office's work.

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. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. The Auditor General's appointed auditors are responsible for the annual audit of nearly £5.5 billion of funding that is passed by the Welsh Government to local government in the form of general and specific grants. Local government, in turn, raises a further £2.1 billion through council tax and business rates.

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The Wales Audit Office aims to make public money count, by promoting improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across the Welsh public sector.

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

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Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the relevant Welsh inspectorates, as well as work undertaken on his behalf by the Wales Audit Office, this report presents a picture of improvement over the last year. The report covers Rhondda Cynon Taf County Borough Council's (the Council) delivery and evaluation of services in relation to 2011-12, and its planning of improvement for 2012-13.
 - the Council is helping to increase opportunities for young people to enter employment, education and training; and
 - the Council ensures housing benefit payments to its citizens are timely and accurate.
- 2 Overall, the Auditor General has concluded that the Council is managing its improvement programme well and provides its citizens with a comprehensive and increasingly outcome-focused assessment of performance but it could more clearly evaluate the progress being made towards achieving its improvement priorities.
- 3 We found that the performance of the Council's key services is mixed but it has established plans designed to deliver improvements in priority areas:
 - the Council continues to face high and increasing demand for its social services, and has established clear priorities and new initiatives designed to drive the pace of improvement and modernisation required;
 - the Council's education services for children and young people are adequate and it has adequate prospects for improvement;
- 4 The Council has a well-established performance management framework, and current arrangements provide citizens with a fair and balanced picture of the Council's performance:
 - the Council has discharged its improvement reporting duties under the Local Government (Wales) Measure 2009 (the Measure) and has acted in accordance with Welsh Government guidance;
 - the Council's *Annual Delivery Report 2011/12* (the Report) is comprehensive, fair and balanced with an improved focus on outcomes for citizens but it could more clearly evaluate the Council's overall progress in achieving its improvement priorities;
 - the Council complied with its responsibilities relating to financial reporting and use of resources; and
 - the Council continues to work to ensure that the Welsh language is mainstreamed into its business.

5 Finally, the report sets out our views on how well the Council is planning for, and making arrangements to support, improvement. We concluded that the Council's planning for improvement and its arrangements to support improvement are sound:

- the Council has discharged its improvement planning duties under the Measure and has acted in accordance with Welsh Government guidance;
- the Council continues to make good progress in addressing the areas for improvement identified in our previous assessments;
- the Council has a robust approach to achieving efficiency and resourcing planned improvements in services;
- the Council continues to develop and refine its governance arrangements; and
- the Council has complied with its requirement to make arrangements to secure continuous improvement during this financial year.

Recommendations

- 6 There are no new recommendations this year, and this report sets out the progress the Council is making to address the proposals for improvement made previously. Those proposals for improvement are set out in our improvement assessment letters issued to the Council during the course of the year. These letters are available on our website www.wao.gov.uk.

Detailed report

Introduction

- 7 Under the Measure, the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. **Appendix 1** provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education) and the Care and Social Services Inspectorate for Wales (the CSSIW), we have brought together a picture of what each council or authority in Wales is trying to achieve and how it is going about it. This report also sets out the progress the Council has made since the Auditor General published his last annual improvement report, drawing on the Council's own self-assessment.
- 8 We do not undertake a comprehensive annual review of all Council arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge, and the findings of prioritised work undertaken this year.
- 9 Given the wide range of services provided and the challenges facing the Council, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- recommend to Ministers of the Welsh Government that they intervene in some way;
 - conduct a special inspection and publish the report with detailed recommendations;
 - make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
 - make proposals for improvement – if we make proposals to the Council, we would expect it to do something about them and we will follow up what happens.
- 10 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@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

The Council is managing its improvement programme well and provides its citizens with a comprehensive and increasingly outcome-focused assessment of performance but it could more clearly evaluate the progress being made towards achieving its improvement priorities

The performance of the Council's key services is mixed but it has established plans designed to deliver improvements in priority areas

The Council continues to face high and increasing demand for its social services, and has established clear priorities and new initiatives designed to drive the pace of improvement and modernisation required

- 11 Rhondda Cynon Taf faces very high demands for social services, particularly with regard to services for children. This results in continuing pressure on all aspects of the service, and the Council reports that this has impacted on the level and pace of improvement that it had aimed to achieve. Social services benefit from good corporate support, and the Council has recognised the challenges faced and has made an additional £1 million funding available for children's services. This has been used to invest in staff and services to support the pressures faced particularly in relation to looked-after children.
- 12 In children's services, safeguarding children remains the overall priority as well as planning for permanence and developing preventative services. The number of children on the child protection register has risen sharply and at the end of the year stood at 420, the highest figure in Wales. Similarly the number of children who are looked after rose to 594, again the highest number in Wales.

- 13 In adult services, reablement is the main area for development and the Council is working closely with the local health board, Cwm Taf, in implementing the Welsh Government's primary and community services strategy.
- 14 The Council has a number of new initiatives and plans for the future. Business plans for each of the service areas for 2012-13 comprehensively set out the key priorities for action with timescales. The Council promotes collaborative working on a national, regional and sub-regional level. Structures which support partnership and the potential for integrated working arrangements have been put in place across both adult and children's services.
- 15 The CSSIW published its *Annual Review and Evaluation of Performance 2011-2012* in October 2012. The CSSIW confirmed that the Council's Director's report provides a concise and high-level account of performance in the year 2011-12, although it was not always possible to make direct connections between the high-level statements in the report and the evidence made available to the CSSIW. The Director's report and supporting heads of service reports submitted as evidence were also limited to information available up until the end of December 2011.
- 16 The CSSIW notes that progress in relation to some key local performance targets is reported to members on a quarterly basis during the calendar year. Statutory performance indicators are reported on by financial year. The CSSIW considers that some realignment is needed in order to accurately evaluate the performance of the Council on an all-Wales basis.

17 The CSSIW identified the following potential risks and areas of good practice:

- Risks:
 - the high numbers of children on the child protection register and looked after by the Council and the impact of this on the Council's capacity to deliver sustainable, reliable services;
 - pace of modernisation in adult services; and
 - the Council needs to assure itself that information and data allows for effective scrutiny.
- Areas of good practice:
 - *Butterfly Project* at Clydach Court dementia care project;
 - the work of the Staff Development and Training Team with the University of Glamorgan;
 - Rhondda Cynon Taf domiciliary care internal provision;
 - the role of Y Fframwaith in pioneering the work linked to the child poverty strategy; and
 - the development of child practice reviews in children's safeguarding in which the Council made a very significant and positive contribution.

The Council's education services for children and young people are adequate, and it has adequate prospects for improvement

18 The Council's education services for children and young people were inspected by Estyn in March 2012. Estyn published its inspection report in July 2012 and this is available on its website www.estyn.gov.uk. The following summary is an extract from the full inspection report.

- 19 'Current performance is adequate because:
- the Council is improving its knowledge and understanding of its schools through the better use of data;
 - support for learners with additional learning needs is improving and impacting well on learners;
 - elected members have taken difficult decisions recently regarding school closures;
 - the Council has a long history of partnership working and mature relationships, which helps to deliver joint working effectively; and
 - the Council's leadership is beginning to focus more sharply on raising standards for learners.

However:

- standards are average in key stages 1, 2 and 3 and too low in key stage 4;
- the Council's use of data is improving but it does not evaluate and analyse outcomes effectively enough to benefit individual and groups of learners;
- attendance is below average in secondary schools and well below average in primary schools compared to levels in similar schools across Wales;
- the number of surplus places is too high, although there are firm plans in place to address this;
- the quality of the leadership and management of schools is too inconsistent; and
- levels of challenge and scrutiny are not robust enough across services and partnerships.

20 Prospects for improvement are adequate because:

- leaders and managers have a strong commitment to deliver the necessary changes to improve standards for learners; and
- the Council is committed to collaborative and partnership working.

However:

- performance in 2011, taking into account the proportion of pupils entitled to free school meals, has declined since previous years;
- improvements are too recent to demonstrate a successful track record;
- previous recommendations to improve attendance and reduce surplus places were not addressed fully; and
- management changes in the Council are too new to demonstrate their impact on learners.'

21 In order to continue to improve, the Council has produced an action plan to address the issues raised by Estyn, which are to:

- raise standards in schools particularly in key stage 4;
- improve attendance rates in all schools;
- improve the evaluation and analyses of data across service areas and partnerships to drive improvements in outcomes for learners;
- use the full powers available to the authority to improve leadership and management in schools;
- reduce surplus places; and
- improve the rigour and the level of scrutiny and challenge across all services and partnerships.

The Council is helping to increase opportunities for young people to enter employment, education and training

- 22 The Council recognises that it has a role in supporting the social regeneration of its communities and this has been a key priority to improve over the last two years. Its planned improvement activities focus on income-maximisation initiatives, help with employability, skills development and tackling labour market disadvantage.
- 23 A particular strand of the Council's activity is directed towards increasing opportunities for young people to enter employment, education and training (NEETs). The Council has developed a NEETs strategy and an action plan. The Council reports that by using newly developed early identification procedures and enhanced monitoring, along with more targeted early intervention and preventive support approaches developed through the *Building the Future Together* programme, it has helped reduce the percentage of people aged 16 to 18 who are NEET from 6.4 per cent in 2009-10 to 5.1 per cent in 2010-11 (latest data available). The percentage of NEETs across Wales at that time was reported to be 4.2 per cent.
- 24 The Council has agreed to participate in one of our studies this year which aims to provide insight into the extent to which local government is adequately supporting local action to ensure better outcomes for young people who are, or are at risk of becoming, NEET. We will report the outcomes of the study in due course.

The Council ensures housing benefit payments to its citizens are timely and accurate

- 25 The Council's arrangements for administering housing benefit are supporting improvement; processes should ensure that timely and accurate payments are made to the right people and there is appropriate access to the benefit service.
- 26 Processing times for new claims have reduced and are now better than the Welsh average. The time taken to process changes of circumstances has been maintained and is slightly longer than the Welsh average. More new claims are decided within 14 days than in previous years, and improvements to processes have been implemented to minimise errors and ensure accurate calculations are made.
- 27 It is positive that the number of fraud investigations and successful sanctions has increased, and applications for reconsideration and revision are dealt with effectively. However, the percentage of overpayments identified and recovered has fallen.

The Council has a well-established performance management framework, and current arrangements provide citizens with a fair and balanced picture of the Council's performance

The Council has discharged its improvement reporting duties under the Measure and has acted in accordance with Welsh Government guidance

- 28 By publishing its Report by the deadline of 31 October 2012, the Council has complied with the statutory requirements outlined within the Welsh Government's guidance for the Measure, under section 15 (7).
- 29 The Report sets out a comprehensive range of evidence to demonstrate the progress it is making against its eight improvement priorities together with other aspects of wider improvement, and appropriate information on its collaboration activity. The Report is well structured and logically set out, helping the citizen to understand the legal framework and community responsibilities that guide the Council's actions.
- 30 The Report provides evidence to demonstrate what the Council has done, why and what it plans to do differently in future. It also helps explain how the Council has gone about improvement, including the role of cabinet and scrutiny in monitoring progress. The contribution of cross-cutting issues which help support delivery of the Council's improvement objectives – such as medium-term financial planning and better customer contact – are well integrated.
- 31 The Report is available on the Council's website, and in customer access points such as libraries and one-for-all centres.

The Council's *Annual Delivery Report 2011/12* is comprehensive, fair and balanced with an improved focus on outcomes for citizens but it could more clearly evaluate the Council's overall progress in achieving its improvement priorities

- 32 This is the second year the Council has been required to publish a backward-looking performance report. In our *Annual Improvement Report* in January 2012, we emphasised that councils need to be more self-critical and evaluative around how they deliver their services and they need to focus much more clearly on the impact of services upon citizens and the outcomes for citizens.
- 33 The Council has a well-established framework for monitoring performance based on quarterly reporting. The performance information that is fed into this system is both comprehensive and accurate. Relevant performance information is considered and discussed on a quarterly basis throughout the year, by service and corporate management, and by cabinet and scrutiny. As is to be expected, these arrangements lead to questions being raised at appropriate levels where performance is not in line with expectations, and to decisions being taken which are intended to address identified underperformance. The Council is engaging fully in this year's *Scrutiny Improvement Study* which will inform its self-assessment of the effectiveness of its scrutiny arrangements through the use of peer review and shared learning with other Welsh councils.

34 Reporting, both in the Council's Report and its summary, is factual and balanced and the Report includes all the measures the Council is using to monitor progress. The assessments made in respect of each improvement priority are thorough and detailed, including details of improvement actions completed and relevant statistical analysis (eg, percentage of targets met). The Council is continuing to improve its focus on outcomes and the difference the Council's actions are making to citizens and service users. In some improvement priority areas, the Council's assessment could more clearly explain the benefits of key achievements, and identify the impacts of any underperformance describing the approach to be taken to address them.

35 Given the length of the Report and the level of detail it contains, it can be difficult for a reader to absorb the information presented and maintain a coherent overview. A clear and concise overall summary of key achievements and outstanding challenges would provide the reader, and in particular a citizen or service user, with a more meaningful evaluation of the Council's progress in relation to its improvement priorities.

The Council complied with its responsibilities relating to financial reporting and use of resources

36 The appointed auditor recently gave his opinion on the Council's accounts, and gave the view that the Council complied with its responsibilities relating to financial reporting and use of resources. [Appendix 3](#) gives more detail.

The Council continues to work to ensure that the Welsh language is mainstreamed into its business

37 The role of the Welsh Language Commissioner (the Commissioner) was created by the Welsh Language (Wales) Measure 2011. Over time, new powers to impose standards on organisations will come into force through legislation. Until that time, the Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.

38 The Commissioner works with all local authorities in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of local authorities to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every local authority 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.

- 39 The Council continues to work to ensure that the Welsh language is mainstreamed into the Council's business. This is implemented by the Welsh Language Working Group, which has recently expanded to include other departments that weren't previously part of the group. In addition, a programme is in place to ensure that those responsible for the Council's business plans meet with the Welsh Language Officer to discuss the inclusion of the Welsh language within departmental business plans. Social care remains an area that has been identified for improvement and this is being led by a working group of officers chaired by the departmental director.
- 40 The Council's priorities for the next period will be to ensure that a suitable action plan is in place to bridge the period from the end of the Council's *Welsh Language Scheme* until the new system of standards is operational; and to ensure the implementation of the Council's linguistic skills strategy.

The Council's planning for improvement and its arrangements to support improvement are sound

The Council has discharged its improvement planning duties under the Measure and has acted in accordance with Welsh Government guidance

- 41 The Council continues to build on its robust arrangements for delivering improvement, and its improvement plan is well considered and defines the outcomes the Council wants to achieve and why it needs to take action to achieve them.
- 42 The Council's *Corporate Plan 2012/13* (the Plan) sets out its eight priorities for improvement that it plans to deliver over the next three years. The Plan is set in the context of the longer-term vision for the area, with links to the community strategy and outcome agreements. The Plan is available on the Council's website, and in libraries and other local centres.
- 43 A number of refinements have been made to the Plan since last year, for example, to explain more clearly the rationale for selecting improvement priorities, including how these have been shaped by consulting citizens, businesses and other stakeholders. The Plan incorporates the results of consultation carried out in drawing up the *Strategic Equality Plan*.
- 44 Improvement priorities and associated actions are set in the context of a critical self-assessment of current performance trends, and explain how the Council's performance compares with that of other councils in Wales and England. Areas of weakness and comparative underperformance are acknowledged and acted upon. Importantly, the Plan now spells out the outcomes the Council wants to

achieve for each priority and why it needs to take action to achieve them. Key milestones and targets are in place.

- 45 Overall, the Council's methods for collecting and reporting performance indicators are reliable, although we have reported some issues relating to a small number where arrangements need to be improved.

The Council continues to make good progress in addressing the areas for improvement identified in our previous assessments

- 46 The Council has further improved its plans so that they aid public understanding about what outcomes the Council is working to achieve. The Council is also working to improve its evaluation of whether prioritised service activities are leading to improved outcomes for its citizens.
- 47 The Council's Integrated Family Support Team has an innovative yet systematic approach to assessing the impact of supporting vulnerable people. A tool has been developed that identifies the holistic cost of providing support services. It does this by mapping the need and cost of support; evaluating the impact of the support; and identifying whether the support is achieving its intended outcomes. The approach is encouraging transparency of costs across health and social care, and has been a demonstration study with the Social Services Improvement Agency highlighting the financial benefits of integrated approaches. This 'citizen-focused' approach to identifying and evaluating whether services are making a difference to people's lives has the potential to extend the use of the free tool to other public services.

48 The Council is continuing to develop its understanding and assessment of the value for money of its services, and has commissioned projects designed to further enhance service planning and financial management through considered and targeted use of 'zero-basing' of budgets and unit cost indicators. It is creating a model to bring together a range of information sources with the aim of comparing and contrasting measurements of value for money which the Council gets from its services. It is also developing a suite of tools which it can use to further examine and challenge the value for money of specific services. We have noted the positive progress being made and consider that this project will further reinforce the Council's medium-term service planning arrangements, and provide valuable data to facilitate constructive internal challenge and robust self-evaluation of performance.

49 We need to carry out further work in order to assess the Council's progress on improving performance in core areas of social services, and in further developing its ICT governance arrangements. We will report further in due course.

The Council has a robust approach to achieving efficiency and resourcing planned improvements in services

50 The Council is clear as to the impact of reduced public funding and has used appropriate and wide-ranging information, financial and otherwise, to inform its plans. The Council's medium-term financial planning arrangements assess proposed investment requirements and efficiency target setting, having regard to improvement priority areas. As part of this process, any proposed service changes are challenged and impact assessed against improvement priorities.

51 The Council continues to focus on stability and sustainability in terms of its finances through an effective financial management framework. It has maintained robust in-year and medium-term financial management arrangements which have supported delivery of its revenue budget for 2012-13 and retained a prudent level of general reserve balances.

52 The Council has recently approved its revenue budget for the 2013-14 financial year within the context of a challenging financial settlement from the Welsh Government. The Council aims, through the budget, to secure investment in priority areas and protect council jobs without imposing an unreasonable increase in taxes paid by local residents. Faced with an initial budget gap of £9.6 million for 2013-14, the Council has set a balanced budget by:

- securing further service and corporate efficiency savings (£4.0 million);
- reducing service provision and increasing fees and charges (£3.14 million); and
- releasing useable earmarked reserves (£2.4 million).

53 However, given that the Council estimates a likely three-year funding gap in the order of £28 million, it anticipates that further service cuts and changes will be required over the course of the next financial year.

54 The Council has a track record of good engagement with citizens, and it has done so extensively in relation to the budget and priorities. Members, the public and key stakeholders have all had the opportunity to contribute and comment.

55 The Council has reviewed and updated its financial and contract procedure rules, and delivered a series of training sessions to enhance the financial and performance management skills of its managers. These actions are intended to help ensure that the Council's financial framework remains fit for purpose.

The Council continues to develop and refine its governance arrangements

56 The Council's risk management arrangements are supported through its well-established performance management framework and robust approach to achieving efficiency and resourcing planned improvements. Further work is required to complete the review of the current Risk Management Strategy and refresh the Council's approach in this area and thereafter, for this to be communicated to elected members and officers to enhance existing governance arrangements.

57 As part of concluding this work, the Council should formalise a Strategic Risk Register, so that all significant risks to the achievement of its improvement priorities are incorporated into one document, and set out how the Strategic Risk Register is to be monitored and updated.

58 This year, we have carried out an all-Wales improvement study which focused on identifying learning points for councils to consider during their reviews of governance that will lead up to the 2012-13 *Annual Governance Statement*. Through more comprehensive examination and self-evaluation of governance arrangements in place, councils would be better able to provide stakeholders with assurance as to their effectiveness.

- 59 The Council has responded positively to the learning opportunities identified from the study and intends to:
- increase awareness and ownership of the arrangements set out in its *Annual Governance Statement*;
 - gather appropriate evidence to enable a robust self-evaluation of the effectiveness and impact of governance arrangements, and the identification of areas for improvement;
 - develop Audit Committee members' understanding of the part governance arrangements play in relation to helping them discharge the terms of reference of the committee; and
 - enable public scrutiny of what the Council is doing to further improve its governance arrangements and the progress it is making.

We will continue to work alongside Council officers in order to provide support and challenge in relation to these proposed developments.

The Council has complied with its requirement to make arrangements to secure continuous improvement during this financial year

- 60 We have concluded that the Council complied with its requirement to make arrangements to secure continuous improvement during this financial year because it:
- has discharged its statutory improvement planning and reporting duties, and has acted in accordance with Welsh Government guidance;
 - complied with its responsibilities relating to financial reporting and use of resources;
 - has a robust approach to achieving efficiency and resourcing planned improvements in services;
 - continues to develop and refine its governance arrangements;
 - has published a self-assessment of its performance that is comprehensive, fair and balanced with an improved focus on outcomes for citizens; and
 - continues to make good progress in addressing the areas for improvement identified in previous assessments.

Appendices

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 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 informed by 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. This report also summarises the Auditor General's conclusions on the authority's self-assessment of its performance.

The Auditor General may also in some circumstances carry out special inspections (under section 21), which will be reported to the relevant authorities and Ministers, and which he may publish (under section 22). This published Annual Improvement Report summarises audit and assessment reports including any special inspections (under section 24).

An important ancillary activity for the Wales Audit Office 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

Useful information about Rhondda Cynon Taf and Rhondda Cynon Taf County Borough Council

The Council

The Council has budgeted to spend £436.9 million in 2012-13. This equates to about £1,864 per resident. In the same year, Rhondda Cynon Taf is expected to spend £81 million on capital items.

The average band D council tax in 2011-12 for Rhondda Cynon Taf was £1,121 per year. This has increased by 2.49 per cent to £1,149 per year for 2012-13. Ninety per cent of the dwellings within Rhondda Cynon Taf are in council tax bands A to D, and 67 per cent of all dwellings are in council tax bands A and B.

The Council is made up of 75 elected members who represent the community and make decisions about priorities and use of resources. The political make-up of the Council is as follows:

- 60 Labour
- 9 Plaid Cymru
- 4 Independent
- 1 Conservative
- 1 Welsh Liberal Democrats

The Council's Chief Executive is Mr Keith Griffiths. He is supported by:

- Group Director of Community & Children's Services (Mr Ellis Williams)
- Group Director of Corporate Services (Mr Steve Merritt)
- Director of Education & Lifelong Learning (Mr Christopher Bradshaw)
- Group Director of Environmental Services (Mr George Jones)
- Director of Legal & Democratic Services and also the Council's Monitoring Officer (Mr Paul Lucas)
- Director of Human Resources (Mr Anthony Wilkins)

Other information

The Assembly Members for Rhondda Cynon Taf are:

- Christine Chapman (Labour – Cynon Valley)
- Leighton Andrews (Labour – Rhondda)
- Leanne Wood (Plaid Cymru – South Wales Central)
- Mick Antoniw (Labour – Pontypridd)

The Members of Parliament for Rhondda Cynon Taf are:

- Ann Clwyd (Labour – Cynon Valley)
- Christopher Bryant (Labour – Rhondda)
- Owen Smith (Labour – Pontypridd)

For more information see the Council's own website at www.rhondda-cynon-taf.gov.uk or contact the Council at Rhondda Cynon Taf County Borough Council, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

Appendix 3

Appointed Auditor's Annual Audit Letter

The auditor appointed by the Auditor General issued the following auditor's report on 26 November 2012:

Keith Griffiths, Chief Executive
Cllr Anthony Christopher, Leader
Rhondda Cynon Taf County Borough Council
The Pavilions
Clydach Vale
Tonypany
CF40 2XX

Dear Anthony and Keith

Annual Audit Letter

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 27 September 2012 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's and the Pension Fund'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 full Council in my Audit of Financial Statements reports on 26 September 2012, and a more detailed report was discussed with officers as part of a joint post project learning meeting to improve arrangements for next year's audit.

There were only three issues I brought to your attention in my Audit of Financial Statements reports:

- I have obtained legal advice that equal pay payments and provisions should contain a liability for pension contribution. However, on the basis of its own legal advice, the Council has not provided for pension contributions on equal pay settlements. The Council therefore needs to monitor future legal cases and judgements to ensure that its position remains defensible.
- In the draft accounts, following comments we made last year, management had included an analysis of earmarked reserves on the face of the balance sheet and the notes in an attempt to enhance the understanding by the reader. During the course of the audit we agreed a revised classification and some revised descriptions with management to further achieve the desired outcome.
- We encountered difficulties in obtaining sufficient assurance over the value of assets held by CBRE Global Investors on behalf of the Pension Fund. This was because a particular controls assurance statement was unavailable for the financial year 2011-12. We were eventually able to undertake additional and alternative audit work and procedures to achieve the level of assurance required to issue the audit opinion.

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. Overall, I am satisfied that the Council has appropriate arrangements in place and there are no specific areas that I need to bring to your attention at this stage. 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 27 September 2012.

The financial audit fee for 2011-12 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

John Herniman
For and on behalf of the Appointed Auditor

Local electors and others have a right to look at the Council's accounts. When the Council has finalised its accounts for the previous financial year, usually around July or August, it must advertise that they are available for people to look at. You can get copies of the accounts from the Council; you can also inspect all books, deeds, contracts, bills, vouchers and receipts relating to them for 20 working days after they are made available. You can ask the auditor questions about the accounts for the year that they are auditing. For example, you can simply tell the auditor if you think that something is wrong with the accounts or about waste and inefficiency in the way the Council runs its services. For more information see the Wales Audit Office leaflet, *Council accounts: your rights*, on our website at www.wao.gov.uk or by writing to us at the address on the back of this report.

Appendix 4

Rhondda Cynon Taf County Borough Council's improvement objectives and self-assessment

The Council's improvement objectives

The Council is required by the Welsh Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Council intends to do to improve. The Council must do this as soon as possible after 1 April each year.

The Council published its improvement objectives for 2012-13 in its Plan which can be found on the Council's website at www.rhondda-cynon-taf.gov.uk. They are:

Explaining our improvement priorities for 2011-12	Explaining our improvement priorities for 2012-13
Medium-term service planning – a financially sound and efficient council	Medium Term Service Planning
A top-quality education for all	Education
A cleaner, greener county borough	Street Care
Keeping all children and young people safe and improving the life chances of vulnerable children	Children's Services
Supporting adults and older people to live independently	Maintaining Independence
Managing the late-night economy and tackling antisocial behaviour	Enforcement and Regulation
Regenerating our communities	Regeneration of all our Communities
Focusing on the customer	Better Customer Contact

The Council's self-assessment of performance

The Council's self-assessment of its performance during 2011-12 can be found in its *Annual Delivery Report 2011/12* which is available from the Council and from its website at: www.rhondda-cynon-taf.gov.uk.

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