



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU



# Annual Improvement Report

## Carmarthenshire County Council

Issued: March 2013

Document reference: 124A2013



# 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 Colin Davies and Jeremy Evans under the direction of Jane Holownia.

# Contents

<b>Summary report and recommendations</b>	<b>4</b>
<b>Detailed report</b>	
Introduction	6
The Council is managing its improvement programme well and continues to develop public reporting which provides a fair and balanced assessment of progress as well as the impact this is having upon citizens and service users	7
The Council is making good progress in delivering improvement in all of its priority areas	7
The Council's governance and management arrangements have delivered a mature and embedded approach to self-evaluation	13
The Council's planning for improvement and its arrangements to support improvement are sound	15
<b>Appendices</b>	
Appendix 1 Status of this report	19
Appendix 2 Useful information about Carmarthenshire and Carmarthenshire County Council	20
Appendix 3 Annual Audit Letter	22
Appendix 4 Carmarthenshire County Council's improvement objectives and self-assessment	25

# 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 is in three main sections, which cover Carmarthenshire County Council's (the Council) delivery and evaluation of services in relation to 2011-12, and its planning of improvement for 2012-13.
  - show real achievements in understanding its energy needs and also in engaging with partners and with its local communities;
  - the Council has maintained its strong focus on meeting national targets on waste reduction; and
  - the Council is committed to supporting the economy in difficult times.
- 2 Overall the Auditor General has concluded that: the Council is managing its improvement programme well and continues to develop public reporting which provides a fair and balanced assessment of progress as well as the impact this is having upon citizens and service users.
- 3 We found that the Council is making good progress in delivering improvement in all of its priority areas:
  - housing services have made excellent progress in delivering the *Carmarthenshire Homes Standard*;
  - the Council continues to support its vulnerable citizens well;
  - the Council has made good progress in relation to its *Modernising Education Programme*;
  - the Council's education services for children and young people are good and it has good prospects for improvement;
  - the Council's approach to improving the environment is progressing and it can
- 4 We also found that the Council's governance and management arrangements have delivered a mature and embedded approach to self-evaluation.
- 5 Finally, this 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. In particular:
  - the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year;
  - the Council continues to make steady progress in addressing the proposals for improvement identified in our previous assessments;
  - the Council has clear and robust financial plans although the links to strategic and improvement objectives could be strengthened; and
  - the Council continues to make progress with its *Welsh Language Scheme* by training staff but needs to further develop the Welsh language website.

# Recommendations

## Recommendations – None

# Detailed report

## Introduction

- 6 Under the Local Government (Wales) Measure 2009 (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 the Council 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.
- 7 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.
- 8 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 them to do something about them and we will follow up what happens.
- 9 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](mailto:info@wao.gov.uk) or writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.



## The Council is managing its improvement programme well and continues to develop public reporting which provides a fair and balanced assessment of progress as well as the impact this is having upon citizens and service users

### The Council is making good progress in delivering improvement in all of its priority areas

#### Housing services are making excellent progress in delivering the *Carmarthenshire Homes Standard*

- 10 The Council expects its *Carmarthenshire Homes Standard* to be achieved by 2015 and this will result in the Council's homes meeting the Welsh Housing Quality Standard. Although the Welsh Government set a deadline of 2012 to achieve these standards, no council in Wales has met this target. Nevertheless, it is clear that Carmarthenshire is making excellent progress, and this is reflected in a very upbeat and positive improvement plan document. The Council has taken the step of broadening its improvement objective for next year, to include a much wider commitment to improving access to suitable housing for all citizens. This is to be welcomed, as the previous focus was only of direct benefit to council house tenants and of limited relevance to the wider community.
- 11 The Council's health impact assessment provides a strong evidence base that the achievement of *Carmarthenshire Homes Standard* objectives has resulted in positive outcomes for the physical and mental health of the tenant population. This is obviously positive for tenants, but also demonstrates how investment in good housing can significantly reduce demands on health and social care services. The decision to commission the health impact assessment can be identified as an example of good practice.

### The Council continues to support its vulnerable citizens well

- 12 The Council's improvement plan and review documents present a very positive picture of ongoing progress and a strong commitment to continuous improvement and support for the well-being of the county's citizens. Staff underline their sense of achievement, based on excellent partnership working, particularly with the Hywel Dda Local Health Board. There are also good internal partnerships with housing and education, overseen by effective senior management structures. The CSSIW has recognised that the Council demonstrates an inherent willingness to improve and is welcoming of constructive criticism.
- 13 The CSSIW published its review and evaluation of performance 2011-12 in October 2012. This describes positive change and improvement. The following is the summary extracted from the full report.
- 14 People benefit from a well-integrated health and social care service. There is a strong corporate vision and innovation is evident across a number of service areas for both adults and children. The Council has sustained its sound performance in children's services and continues to make improvements. The organisational structure supports good leadership and management across social services. The Council has benefited from a stable workforce and well-developed relationships with other agencies. A number of key posts are joint posts with health and the specific delegation of authority for particular service areas maintains the profile for specialist services.

- 15 There is an overarching commissioning framework and evidence of good engagement with partners and users of services. Safeguarding arrangements for vulnerable adults benefit from the underpinning of a robust commissioning and contracting mechanism which is managed within the same department enhancing communication and monitoring capacity.
- 16 The Council has reported good progress in both children's and adult services and has met most identified areas for improvement. There has been a year-on-year improvement in tackling the backlog of reviews in adult services, particularly in learning disabilities.
- 17 The CSSIW also identified the following good practice:
- The Council's contract, commissioning and safeguarding service has good joint working with partner agencies. It clearly monitors the performance of commissioned services to ensure that care services which are not meeting the needs of people are monitored by all partner agencies and corrective plans put in place.
  - People benefit from an effective response when accessing social care services because integration between health and social care is well-embedded. People are able to access and have their support needs met by an integrated service and a response to their requests for support from the community resource teams.
- People due for discharge from hospital benefit from an integrated and proactive social work service. The Council offers a convalescent service to people who whilst fit for discharge from hospital need additional support before returning home, people who need short-term support following a period of illness, or people requiring further assessment in a care home setting before making any long-term care decisions. This service is proving to be popular and successful in its goals.
  - The development of an innovative service to assist women who have more than one child removed and placed for adoption is showing positive outcomes. If the positive impact is sustained it would be the first indication that this small but very crucial area of practice can be managed successfully.
- 18 The CSSIW has identified the following potential risk:
- Information available for adult services indicates that the rate of service provision to carers is low. This could reduce the resilience of carers and the potential for people to remain at home.



### The Council has made good progress in relation to its *Modernising Education Programme*

- 19 Good progress has been made in relation to the Council's *Modernising Education Programme*, but some delays have occurred, such as gaining suitable funding, which is largely outside the control of the Council. The statement in the annual report that 'we delivered 18 out of our 19 key improvement objective priorities commitments last year' is not strictly accurate. Seven were only partially delivered, for example the commitment to refurbish two schools resulted in the completion of one but the other was not completed as funding was delayed.
- 20 The Council measures progress by monitoring actions and selected performance indicators against which specific targets have been set. However, measuring progress in relation to the Council's *Modernising Education Programme* objective may be overly reliant on actions, with the only numerical target (percentage of schools that are fit for purpose) being one almost certain to be achieved. Alternative measures with associated targets such as the percentage of schools fit for purpose, or the total number of surplus places, which are included in the report in other places, could be used in a meaningful way to support this improvement area. A majority of the improvement objective actions are ones spread over more than one year and would benefit from having clear targets as to what is expected to be achieved within one year.

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

- 21 Estyn published its report following an inspection of the Council's education services for children and young people in March 2012 and this is available on its website at [www.estyn.gov.uk](http://www.estyn.gov.uk). The following summary is an extract from the full inspection report.
- 22 Current performance is good because:
- performance at all key stages has improved in recent years;
  - the percentage of learners leaving school without a qualification and the number of young people not in education, employment or training (NEET) is amongst the lowest in Wales;
  - for three years the Council has met most of the Welsh Government's key stage 4 benchmarks for performance based on free-school-meal entitlement;
  - support for additional learning needs and social inclusion is good;
  - the Council has made good progress in delivering its *Modernising Education Programme*; and
  - senior leaders understand clearly the impact of wider regeneration and social care on educational outcomes.

However:

- the proportion of schools requiring follow-up activity after an inspection is high in comparison with other authorities;
- when compared to similar schools on the free-school-meals benchmarks, attendance is below average in primary and well below average in secondary; and
- some of the authority's key stage 4 provision outside of schools has not been appropriately registered with the Welsh Government as a Pupil Referral Unit.

23 Prospects for improvement are good because:

- key plans align well at all levels and senior leaders work in a sophisticated way with a range of strategic partners across public services to set high-level priorities together;
- the Council and its partners have a clear commitment to learners and developing a learning culture in the county;
- the arrangements for the joint governance of the 14 to 19 networks are sector leading;
- the Council has a track record of identifying and intervening where hurdles to effective working hinder progress;
- senior leaders have taken difficult decisions which are responded to proactively;

- the Council analyses data and first-hand evidence well to make accurate evaluations of the quality and impact of services;
- the Council has addressed all of the recommendations from previous Estyn inspections of education and youth support services well;
- the Council has a good record of effectively managing its education budget and improving efficiency; and
- scrutiny has examined difficult aspects of the Council's work successfully, and has informed decision making by the executive well.

However:

- the Council has not analysed systematically enough the benefits arising from its investment in improving the condition, suitability and efficiency of its schools.

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

- ensure that the proportion of schools requiring follow-up activity as a result of inspection is reduced;
- improve attendance in primary and secondary schools;
- work more effectively with SNAP Cymru to help parents understand and access services that may help their children; and
- ensure that any provision for pupils who are not attending school is appropriately registered as a Pupil Referral Unit.

**The Council's approach to improving the environment is progressing and it can show real achievements in understanding its energy needs and also in engaging with partners and with its local communities**

- 25 The Council's annual report provides a clear description and story behind the need for the Council to reduce its consumption of energy. The Council faces increasing penalties in terms of its Carbon Dioxide (CO<sub>2</sub>) emissions and this is providing the key incentive to reduce emissions. The message in the annual report about its performance is totally positive, with the exception of the action to increase the use of photovoltaic panels, but this is due to uncertainty brought about by Central Government's changes to 'feed in' tariff rates for photovoltaic panel installations and the consequent need to re-evaluate the business cases. As part of its activity, the Council has also made savings through the use of biomass boilers. Overall, the Council has reduced its CO<sub>2</sub> emissions by three per cent.
- 26 The Council is very active with its Local Service Board (LSB) partners and it has reported on its progress during 2011-12 in an annual performance report: *Making Carmarthenshire a Sustainable County*. The LSB has signed partnership agreements with Carbon Trust Wales and Environwise to measure baselines and establish reduction targets.

**The Council has maintained its strong focus on meeting national targets on waste reduction**

- 27 The Council is making good progress towards meeting its national waste targets on waste reduction. Improvement has been made in relatively small steps, but it has been made consistently and over a number of years. The Council is expecting to meet the 2012-13 target to recycle 52 per cent of municipal waste collected and the service has a very strong awareness of national waste minimisation targets, and the implications of not achieving them. This has led to a very focused approach, which is a strength.
- 28 The Council recognises that effective citizen engagement is vital if it is to continue to improve recycling rates. Whilst the Council has created new community recycling adviser posts in order to improve engagement with citizens, the post holders will need to develop further cross-cutting initiatives on issues such as equalities and crime and disorder. The Council could also make better use of the information it has relating to engagement, in particular from the centralised compliments and complaints team. The Council is of the view that maintaining citizen engagement will be especially problematic if it is required to follow the Welsh Government's interpretation on kerbside collection methods.

## The Council is committed to supporting the economy in difficult times

- 29 Despite the Council's own warning that the economy is still in recession, the detail in the annual report is very positive. The Council has made economic development one of its highest priorities and there have been notable successes with the town centre schemes in Carmarthen, Ammanford and Llanelli, and in securing £13 million funding for the Cross Hands East Business Park and in providing grants to several hundred local businesses. However, there is not enough reflection or evaluation in the document and most comments relate solely to completed actions rather than outcomes achieved.
- 30 The Council includes the key risks it has identified but these are sometimes 'hidden' by the success stories. The annual report identifies that, in Carmarthenshire, unemployment has risen and that 725 businesses failed in 2010 compared to 425 new registrations, the Council reports that Carmarthenshire is attracting the highest number of manufacturing, retail, transport and storage business registrations in Wales. In addition, the report notes that debt and advice projects are increasing. Such indicators could be more clearly explained and better related to actions the Council plans to take to address them.
- 31 The Council has taken over the 'Technium Centre' in Dafen and has rebranded it 'The Beacon', and while it describes what it does, there is no clear evaluation of its actual success. In November 2012, all six industrial units were let and only two of the 18 offices remained available.

## The Council's governance and management arrangements have delivered a mature and embedded approach to self-evaluation

- 32 The Council has effectively discharged both its planning and reporting duties under the Measure and has also acted in accordance with Welsh Government guidance.
- 33 The Council has developed a model for improvement planning and monitoring that is well-embedded throughout the organisation. The Council's five-tiered 'wedding cake' model based on a plan-do-review approach illustrates the different levels of planning and monitoring, each of which draws information from a range of sources. These sources include citizens and regulators as well as the usual array of performance information stemming from the services themselves.
- 34 Performance is reported to scrutiny committees every six months. Members are presented not only with performance statistics but also with summary narrative. The Council's performance information management system is also available, to officers and members, providing online access to current performance and progress information as well as being the source for the statistical reports that are used at all levels within the Council.
- 35 Members are given the opportunity to question senior officers and to constructively challenge and debate performance. Meetings are effectively managed, and the range of questions and the quality of challenge is good, although more could always be done to improve the knowledge of members so that challenge could become even more robust.
- 36 There is strong evidence from within services and departments that performance is being actively monitored and managed at senior officer level and there are clear and transparent links between service business plans and the Council's overarching improvement plans.
- 37 The CSSIW states that the Social Services Director's letter gives a comprehensive and accurate account of the Council's performance and clearly reflects the evidence provided to them.
- 38 Following its inspection in March 2012, Estyn reported that the Council undertakes a wide range of self-evaluation activities that cover most aspects of the work of the children and young people's service. Overall, the Council analyses data and first-hand evidence well to make accurate evaluations of the quality and impact of services. Although some inconsistencies in the use of data led to overgenerous evaluations of the authority's progress in some areas of its work. The arrangements also identify clearly the areas for improvement and help ensure that progress against strategic and other plans is reviewed effectively.
- 39 The self-evaluation report produced for the Estyn inspection was well-structured and linked evaluations to supporting evidence well. However, a few evaluations were not included in the report. As a result, it did not accurately reflect the full range, scope and impact of the work of the Council's education services.

- 40 The Council was again successful in being awarded the full Welsh Government Outcome Agreement grant. All councils in Wales have their own agreement with Welsh Government which set out how the council is working towards improving outcomes for local people, within the context of the Welsh Government's national priorities. The Council gained full points and therefore the full grant following the submission of its progress report for 2011-12.
- 41 On 28 September 2012, the auditor appointed by the Auditor General gave an unqualified opinion on the Council's 2011-12 accounts. The appointed auditor also issued his *Annual Audit Letter* before the end of November 2012 – [Appendix 3](#) gives more detail.



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

### The Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year

- 42 The Council decided to delay publication of this year's improvement plan until October 2012 and to combine it with the annual report. This was to allow the new administration sufficient time to review, and where necessary, adapt the Council's current improvement objectives to better deliver their ambitions.
- 43 The Council published its combined improvement plan and annual report as planned by 31 October. Due to its integrated nature, the plan sections are brief; however, further detail is available in the technical annex, which is comprehensive.
- 44 The improvement plan sections are straightforward and clear, technical terminology is minimised and overall it is accessible and easy to read. The Council has further developed its key improvement objective priorities, refining their scope and reflecting on progress already made. The Council still has six key priorities, having amalgamated two pre-existing ones, it has created an additional key priority focused on making better use of resources and building a better council through the delivery of value for money services and directing resources to the top-priority front-line services. This objective is wholly appropriate in the current economic climate. Each key priority is presented in a consistent way, embedded within each community strategy theme, illustrating the broader range of activity that the Council is involved in.
- 45 The plan is easy to find on the Council's website, and is produced in both Welsh and English, meeting the Council's *Welsh Language Scheme* requirements.
- 46 There are clear links between the Council's improvement plan and the service plans that sit below it, and as noted above, the Council has mature and embedded processes in place to monitor and manage performance. This leads us to conclude that the arrangements the Council has in place are likely to secure continuous improvement during this financial year.
- 47 Whilst we qualified two performance indicators and corrected one other, overall the Council's methods for collecting and reporting performance indicators are generally reliable.

### The Council continues to make steady progress in addressing the proposals for improvement identified in our previous assessments

- 48 The Council has taken a more outcome-focused approach to performance assessment, and has tackled the difficult question 'is anyone better off' in its last two annual reports building on its report card concept. The Council also engages with citizens through a citizen survey and is promoting a more outcome-focused approach to its business plans.
- 49 The Council has strengthened its improvement plan to better describe what it has done and what it is doing differently as a result of its successes or failures. Delaying the publication of the improvement plan allowed for a robust level of interaction with

members and full and proper sign-off. The combined improvement plan and annual report worked to the Council's advantage and enabled a clearer narrative and timeline to be developed and relayed to the public to good effect.

50 A follow-up review of information management showed further progress by the Council in this important area, we found that progress has been made on all three proposals for improvement continuing the Council's sound and robust approach to information management. We came to this conclusion because:

- Off-site data storage has been moved further away, but still within the nine-mile recommended limit. The Council has undertaken a risk assessment, although this is not clearly documented.
- Whilst the Council has not increased its knowledge of its paper information asset, it has actively reduced the volume of this asset by encouraging the use of the electronic document management system.
- The Council is actively developing information-sharing protocols following the Wales Accord for the Sharing of Personal Information.

### The Council has clear and robust financial plans although the links to strategic and improvement objectives could be strengthened

51 In the current financial year the Council is forecasting as at 31 August 2012, an overspend for the year of £2.331 million. As in previous years, pressures within the Social Care and Housing department contribute the majority of this with a forecast year-end overspend of £2.211 million. The Education and Technical Services departments are also predicting year-end overspend of £245,000 and £185,000 respectively with a forecast underspend of £314,000 on the Chief Executive's department largely offsetting this.

52 At the end of 2011-12, the Council held some £99 million in useable reserves, some £4 million less than in the previous year. The Council plans to utilise some of these reserves over the coming years.

Exhibit 1 – The Council's useable reserves 2012-2016

	Actual 31.3.11	Actual 31.3.12	Planned 31.3.13	Planned 31.3.14	Planned 31.3.15	Planned 31.3.16
General County Fund reserve	£9.7 million	£8.6 million	£6.5 million	£6.5 million	£6.7 million	£6.7 million
Housing Revenue Account earmarked reserve	£17.7 million	£15.6 million	£10.7 million	£8.5 million	£6.8 million	£6.7 million
Schools earmarked reserves	£5.8 million	£6.0 million	£2.9 million	£2.9 million	£2.9 million	£2.9 million
Earmarked capital reserves	£15.8 million	£15.8 million	£5.6 million	£3.6 million	£3.6 million	£3.6 million
Other earmarked revenue reserves	£54.9 million	£53.2 million	£42.0 million	£36.0 million	£33.0 million	£31.3 million
<b>Total useable reserves</b>	<b>£103.9 million</b>	<b>£99.2 million</b>	<b>£67.5 million</b>	<b>£57.5 million</b>	<b>£53 million</b>	<b>£51.2 million</b>

Source: Carmarthenshire County Council

53 Whilst the Council's medium and longer-term financial plans are clear, they are not well-linked to strategic and improvement objectives. This makes it more difficult to assess how the projected savings and efficiencies will be delivered whilst the Council drives improvement in its priority areas.

54 The Council has a track record of good engagement and 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's financial plan is based on a range of sound and appropriate information although it could use a greater range of information and make this more widely available to those subjecting the plans to challenge and scrutiny. The Council's overall plan is being delivered, with demonstrable improvements in priority services areas and broadly within budget. The Council is regularly monitoring elements of its plans, but does not specifically monitor efficiency savings, and weak linkages between plans reduce the effectiveness of monitoring processes.

56 The Council's arrangements for administering housing benefit are partly supporting improvement, and in the main timely and accurate payments are made to the right people. However, in a number of key areas performance is below the Welsh average. Processing times for new claims and changes of circumstances are longer than the Welsh average, processing times for new claims deteriorated from 2010-11 to 2011-12, and fewer new housing benefit claims were decided within 14 days. Accuracy levels are slightly below the Welsh average. A higher percentage of overpayments were identified and recovered in 2011-12 than in the previous year. Fraud referrals have increased and fewer applications for reconsideration or revision have been received during 2011-12 than in the previous year, with the service processing these more quickly than the average for all Welsh councils.

**The Council continues to make progress with its *Welsh Language Scheme* by training staff but needs to further develop the Welsh language website**

57 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.

58 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.

59 The Council reviews and verifies the standard of its services in Welsh and there is a scrutiny and management structure in place through the *Welsh Language Scheme* Corporate Working Group. As external recruitment is limited at present, the main method of increasing the Welsh language skills of the workforce is through training, and so it is important that the Council invests and plans its training in order to get the best possible impact. The Council provided comprehensive data on the language skills of its workforce in 2012 and the information will be important in order to allow the Council to analyse the ability of different departments to provide high-quality services in Welsh. Increasing and improving the Welsh language content on the Council's website continues to be a priority. The Council commissioned an external company to undertake a review of the website's Welsh language content during the year and it will need to act on the findings in order to continue to improve the provision.

# 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 Carmarthenshire and Carmarthenshire County Council

#### The Council

The Council spends approximately £410 million per year (2011-12). This equates to about £2,250 per resident. In the same year, the Council also spent £81 million on capital items.

The average band D council tax in 2011-12 for Carmarthenshire was £1,187.59 per year. This has increased by 2.38 per cent to £1,215.88 per year for 2012-13. 76 per cent of Carmarthenshire's housing is in council tax bands A to D.

The Council is made up of 74 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:

- 22 Labour, 22 Independent: Coalition
- 28 Plaid Cymru
- 1 People First
- 1 not affiliated

The Council's Chief Executive is Mr Mark James CBE. He is supported by:

- Education and Children's Services: Robert Sully
- Social Care, Health and Housing: Bruce McLernon
- Technical Services: Richard Workman
- Regeneration and Leisure: David Gilbert
- Resources: Roger Jones



## Other information

The Assembly Members for Carmarthenshire are:

- Rhodri Glyn Thomas, Carmarthen East and Dinefwr, Plaid Cymru
- Angela Burns, Carmarthen West and South Pembrokeshire, Conservative Party
- Keith Davies, Llanelli, Labour Party
- Rebecca Evans, Mid and West Wales Region, Labour Party
- Simon Thomas, Mid and West Wales Region, Plaid Cymru
- Joyce Watson, Mid and West Wales Region, Labour Party
- William Powell, Mid and West Wales Region, Welsh Liberal Democrats

The Members of Parliament for Carmarthenshire are:

- Jonathan Edwards, Carmarthen East and Dinefwr, Plaid Cymru
- Simon Hart, Carmarthen West and South Pembrokeshire, Conservative Party
- Nia Griffith, Llanelli, Labour Party

For more information see the Council's own website at [www.carmarthenshire.gov.uk](http://www.carmarthenshire.gov.uk) or contact the Council at Carmarthenshire County Council, County Hall, Carmarthen, SA31 1JP. Tel: 01267 234567 or e-mail: [direct@carmarthenshire.gov.uk](mailto:direct@carmarthenshire.gov.uk).

## Appendix 3

### Annual Audit Letter

Cllr. Kevin Madge  
Leader  
Carmarthenshire County Council,  
County Hall, Carmarthen,  
SA31 1JP

Dear Cllr. Madge

### 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 Statement of Accounts 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 28 September 2012 I issued an unqualified audit opinion on the Statement of Accounts 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 audit were reported to the Audit Committee in my Audit of Financial Statements report on the 28 September 2012.

We reported to the Audit Committee that we made a number of amendments to the draft Statement of Accounts but did not identify any material weaknesses in your internal controls. As reported in previous years, we have however concluded that controls within the capital accounting fixed assets system *remain unsatisfactory and need to be improved*.

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the Statement of 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. 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.

Of particular concern at this stage is the fact that as in previous years we have reported weaknesses in the Council's grant management arrangements. Our work in this area is ongoing but our initial findings are that the Council's grant management arrangements still need to be improved. The results of our work will be reported to the Council's Audit Committee early in 2013; the Committee will have a key role to play in ensuring that the issues are addressed and progress is made in this area.

I issued a certificate confirming that the audit of the Statement of Accounts has been completed on 30 September 2012.

The financial audit fee for 2011-12 is currently expected to be £4,000 above the agreed fee of £149,746 set out in the Annual Audit Outline. This additional fee arose as a result of additional audit work arising from the capital accounting fixed assets system identified above.

Yours sincerely

**Richard Harries, Engagement Lead**  
**For and on behalf of the Appointed Auditor**

cc Mr Mark James, Chief Executive  
Mr Roger Jones, Director of Resources

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](http://www.wao.gov.uk) or by writing to us at the address on the back of this report.

## Appendix 4

### Carmarthenshire County 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 *Annual Report 11/12 & Improvement Plan 12/13* which can be found on the Council's website at [www.carmarthenshire.gov.uk](http://www.carmarthenshire.gov.uk). They are:

Key improvement objective priorities 2011-12	Key improvement objective priorities 2012-13
We will provide support so that people can live independent lives.	Support the growing numbers of older people to maintain dignity and independence in their later years.
We will continue to invest in the health and well-being of the Council's tenants by bringing their homes up to the <i>Carmarthenshire Homes Standard</i> (CHS).	Improve the Council housing stock and assist local people to gain access to rented and affordable homes.
We will modernise school provision and tackle surplus school places by implementing the <i>21st Century Schools Programme</i> .	Continue with the biggest investment in education ever undertaken in this county.
We will reduce energy use by the Council.	Protect and enhance the environment and make a major contribution to sustainable energy and climate change policies.
We will minimise the amount of waste sent to landfill.	
We will support businesses and the local economy in the current financial climate.	Create jobs and training opportunities for local people.
	Deliver value for money in providing Council services and directing our resources to the top-priority front-line services on which many local people depend.

#### The Council's self-assessment of performance

The Council's self-assessment of its performance during 2011-12 can be found in the same document again on the Council's website at [www.carmarthenshire.gov.uk](http://www.carmarthenshire.gov.uk).

Wales Audit Office  
24 Cathedral Road  
Cardiff CF11 9LJ

Tel: 029 2032 0500  
Fax: 029 2032 0600  
Textphone: 029 2032 0660

E-mail: [info@wao.gov.uk](mailto:info@wao.gov.uk)  
Website: [www.wao.gov.uk](http://www.wao.gov.uk)

Swyddfa Archwilio Cymru  
24 Heol y Gadeirlan  
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500  
Ffacs: 029 2032 0600  
Ffôn Testun: 029 2032 0660

E-bost: [info@wao.gov.uk](mailto:info@wao.gov.uk)  
Gwefan: [www.wao.gov.uk](http://www.wao.gov.uk)