

Cyngor Sir CEREDIGION County Council

REPORT TO:	Governance and Audit Committee
DATE:	9th March 2023
LOCATION:	Remotely by Video Conference
TITLE:	Regulator & Inspectorate Reports & Updates
PURPOSE OF REPORT:	To provide the Governance and Audit Committee with updates on the progress with studies Audit Wales have undertaken or are undertaking
For:	Decision

Introduction

This Report sets out Regulator and Inspectorate Reports and updates and has 3 parts:

- a) Audit Wales quarterly update to Governance and Audit Committee*
- b) Any local risk work issued/published since the last Governance and Audit Committee meeting*
- c) Audit Wales National Reports*

Current Position

a) Audit Wales quarterly update to Governance and Audit Committee

- Audit Wales – Ceredigion Q3 Work Programme Update – Final (**Appendix 1**)
- Audit Wales – Ceredigion Annual Audit Summary 2022 (**Appendix 2**)

b) Any local risk work issued/published since the last Governance and Audit Committee meeting

- Audit Wales - Audit Risk Assessment Update – Carbon Reduction (**Appendix 3**)
- Audit Wales - Project Brief – the Setting of Well-being Objectives at Ceredigion County Council (**Appendix 4**)
- Audit Wales - Key questions and what we're looking for – Setting of well-being objectives (**Appendix 5**)

c) Audit Wales National Reports

Recommendations: To consider the Regulator and Inspectorate reports and updates.

Reason for Recommendation: To keep the Governance and Audit Committee informed of reports, proposals and work being undertaken.

Appendices:	Appendix 1 - Audit Wales – Ceredigion Q3 Work Programme Update
	Appendix 2 - Audit Wales – Ceredigion Annual Audit Summary 2022
	Appendix 3 - Audit Wales - Audit Risk Assessment Update – Carbon Reduction
	Appendix 4 - Audit Wales - Project Brief – the Setting of Well-being Objectives at Ceredigion County Council
	Appendix 5 - Audit Wales - Key questions and what we're looking for – Setting of well-being objectives
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Date of Report:	28/02/2023

Audit Wales Work Programme and Timetable – Ceredigion County Council

Quarterly Update: 31 December 2022

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in February 2022.	February 2022	Complete Ceredigion County Council – Annual Audit Summary 2021

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2020-21 Grants and Returns	Audit of claims as required by the terms and conditions of the grants	In line with the individual deadlines for each grant claim	Audit work complete – finalised April 2022.
Audit of the Council's 2021-22 statement of accounts	To confirm whether the statement of accounts provides a true and fair view	Audit Opinion by 30 November 2022	Audit work complete – to be certified by the end of January 2023.

Description	Scope	Timetable	Status
Audit of the 2021-22 Return for Ceredigion Harbour	To confirm that the returns have been completed correctly	Audit Opinion by 30 November 2022	Audit work complete – to be approved by the Council end of January 2023.
Audit of the Council's 2021-22 Grants and Returns	Audit of claims as required by the terms and conditions of the grants	In line with the individual deadlines for each grant claim	Ongoing – audit work to be performed November 2022 to February 2023.

Performance Audit work

2021-22 Performance Audit Work	Scope	Timetable	Status
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	We will seek to integrate the delivery of our WFG examinations of steps to deliver wellbeing objectives with our other audit work. We will discuss this with the Council as we scope and deliver the audit projects listed in this plan.	Ongoing	Ongoing
Improvement reporting audit	Audit of discharge of duty to publish an assessment of performance.	November 2021	Complete

2021-22 Performance Audit Work	Scope	Timetable	Status
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At Ceredigion Council the project is likely to focus on:</p> <ul style="list-style-type: none"> • Financial position • Self-assessment arrangements • Recovery planning • Implications of the Local Government and Elections (Wales) Act • Carbon reduction plans • Performance Management 	Completed	<p>Implications of the Local Government and Elections (Wales) Act, Self-assessment arrangements, Performance Management and Recovery Planning work already published in this Letter (May 2022)</p> <p>Published Carbon Reduction Plans summary</p> <p>Published Financial Position Report</p>

2021-22 Performance Audit Work	Scope	Timetable	Status
Springing Forward – Examining the building blocks for a sustainable future	<p>As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.</p>	<p>Completed</p>	<p>Reports completed and published (July 2022):</p> <p><u>Strategic Asset Management</u></p> <p><u>Strategic Workforce Management</u></p>

2022-23 Performance audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <p>The project is likely to focus in particular on:</p> <ul style="list-style-type: none"> • Financial position • Capital programme management • Governance • Use of performance information – with a focus on service user feedback and outcomes • Setting of well-being objectives 	Ongoing	Ongoing

2022-23 Performance audit work	Scope	Timetable	Status
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – February 2023	Fieldwork
Thematic review – Digital	This project is being scoped with further details of the specific focus of the review to be confirmed.	To be confirmed.	Scoping
Local risk work: Planning review follow up	To follow up the Council's progress in relation to addressing the recommendations in our Planning review published in November 2021. <u>Review of the Planning Service – Ceredigion County Council</u>	Ongoing	Fieldwork

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion Council
Building Social Resilience and Self reliance	Review of how local authorities can build greater resilience in communities	Autumn 2021 – Autumn 2022	Clearance – publish January 2023	Yes – interview with nominated officer at the Council.
Building safety	Review of how well local authorities are delivering their responsibilities for building safety	September 2022 – August 2023	Evidence Gathering – fieldwork planned for January – March 2023	Yes – interview with nominated officer at the Council and survey.
Planning for sustainable development – Brownfield regeneration	Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites	October 2022 – September 2023	Evidence gathering – fieldwork being set up for January – March 2023	Yes – interview with nominated officer at the Council and survey.
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Planning	No

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion Council
Corporate Joint Committees	Assessing CJsCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.	September 2022 – January 2023	Fieldwork complete	Yes – We are exploring the Council's perspective via our routine liaison meetings. Fieldwork includes interviews with the chief executive, director of finance and chair of each of the four CJsCs.

Estyn

Estyn planned work 2022-23	Scope	Timetable	Status
Local Government Education Services Inspections	Estyn carried out a post-inspection improvement conference in Torfaen in September as part of our follow-up process for an authority causing significant concern. Pembrokeshire was removed from our follow-up category following our monitoring visit in early October. Wrexham local authority is still in a causing concern category, and we convened a progress conference in December to look specifically at the school improvement recommendation. We are proposing to re-visit Wrexham in the summer term. We inspected Blaenau Gwent in December and we will be inspecting Rhondda Cynon Taf in early spring.	RCT inspection week beginning 23 January	N/A
Education Other than at School (EOTAS) thematic review	Field work being carried out in late autumn/early spring term across all local authorities.	Report published on 30 June	N/A

Care Inspectorate Wales (CIW)

CIW planned work 2022-23	Scope	Timetable	Status
Programme 2022-23	Following our testing phase, we are making the final amendments to our approach and code of practice. This will result in a revised code of practice. We will consult on this early 2023 with implementation from 01 April 2023.	April 2022 – March 2023	In progress
Joint work	<p>We continue to work with partners, sharing information and intelligence including completing joint reviews.</p> <p>We currently are working in collaboration with HIW for a national review of the stroke pathway and CMHT inspections.</p>	Current	In progress
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2021-22	Following the publication of the 2020-21 report planning is underway for the next report: publication date to be confirmed.	Publication to be confirmed	Pre-publication
Annual meeting with Statutory Directors of Social Services	CIW will meet with all Directors of Social Services.	December 2022 and January 2023	Delivery

CIW planned work 2022-23	Scope	Timetable	Status
National review of Care Planning for children and young people subject to the Public Law Outline pre- proceedings	<p>Purpose of the review</p> <p>To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre-proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p>	September 2022 – Spring 2023	Delivery
Joint Inspection Child Protection Arrangements (JICPA)	<p>Cross-inspectorate approach. Areas to be determined. We will complete a further four multi-agency joint inspections.</p> <p>We will publish a national report in late 2023.</p>	Autumn 2022 – Spring 2023	Planning

Audit Wales national reports and other outputs published since January 2022

Report title	Publication date and link to report
A Picture of Flood Risk Management	December 2022
'A missed opportunity' – Social Enterprises	December 2022
Poverty Data Tool	November 2022
'Time for change' – Poverty in Wales	November 2022
Learning from cyber-attacks	October 2022 (distributed privately to audited bodies)
National Fraud Initiative 2020-21	October 2022
COVID-19 business support in 2020-21 – Memorandum for the Public Accounts and Public Administration Committee	October 2022
Payment to the Welsh Government's Former Permanent Secretary on Termination of Employment	September 2022
Equality Impact Assessments: More than a Tick Box Exercise?	September 2022
Welsh Government – setting of well-being objectives	September 2022

Report title	Publication date and link to report
Welsh Government workforce planning and management	<u>September 2022</u>
NHS Wales Finances Data Tool – up to March 2022	<u>August 2022</u>
Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report	<u>August 2022</u>
Public Sector Readiness for Net Zero Carbon by 2030	<u>July 2022</u>
Sustainable Tourism in Wales' National Parks	<u>July 2022</u>
Third Sector COVID-19 Response Fund – Memorandum for the Public Accounts and Public Administration Committee	<u>July 2022</u>
The Welsh Community Care Information System – update	<u>July 2022</u>
Tackling the Planned Care Backlog in Wales – and waiting times data tool	<u>May 2022</u>
The new Curriculum for Wales	<u>May 2022</u>
Unscheduled care – data tool and commentary	<u>April 2022</u>
Direct Payments for Adult Social Care	<u>April 2022</u>

Report title	Publication date and link to report
Local Government Financial Sustainability data tool	February 2022
Joint Working Between Emergency Services (including data tool)	January 2022

Audit Wales national reports and other outputs (work in progress/planned)¹

Title	Anticipated publication date
The Welsh Government's purchase of Gilestone Farm – letter to the Public Accounts and Public Administration Committee	January 2023
Quality governance in the NHS	February 2023
Orthopaedic services	February 2023
Digital inclusion	February 2023
NHS workforce planning data briefing	March 2023
Maximising EU funding	May 2023

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Since the previous update we have progressed planning work on several new topics although the scope and timetable for some of these pieces of work are still to be confirmed.

Title	Anticipated publication date
Covering teachers' absence – follow-up	July 2023
Affordable housing	To be confirmed
Ukrainian refugee response	To be confirmed
Active travel	To be confirmed
Cancer services	To be confirmed

Good Practice Exchange events and resources

Title	Link to resource
Tackling poverty in Wales: responding to the challenge – this shared learning event brought people together from across public services to share ideas, learning and knowledge on how organisations can respond to the challenges caused by poverty. We shared examples of approaches being taken by organisations within Wales and across the UK.	<u>Tackling poverty resources</u>
Making Equality Impact Assessments more than a tick box exercise: This shared learning event aims to assist public bodies to improve use and application of EIAs beyond an exercise in compliance by bringing people together from across public services to share ideas, learning and knowledge.	<u>Making EIAs more than a tick box exercise: Online event registration</u>

Title	Link to resource
'A missed opportunity': Social Enterprises: Following on from our Tackling Poverty in Wales: responding to the challenge event held in October, we will be holding another shared learning event on our themed work looking at social enterprises in the new year. This event will bring people together from across public services to share ideas, learning and knowledge to lessen the challenges caused by poverty.	Further detail will be available on our event page shortly.

Recent Audit Wales blogs

Title	Publication date
A perfect storm – the cost of living crisis and domestic abuse	21 November 2022
Tackling poverty means tackling poverty data	11 November 2022
Cost of living and putting away the bayonet	21 September 2022
Heat is on to tackle Climate Change	18 August 2022
Direct Payments in Wales	15 June 2022
Unscheduled Care in Wales – a system under real pressure	21 April 2022
Skills Competition Wales	18 February 2022

Title	Publication date
<u>Cyber resilience – one year on</u>	9 February 2022
<u>Helping to tell the story through numbers</u> (Local government financial sustainability data tool)	3 February 2022
<u>Call for clearer information on climate change spending</u>	2 February 2022
<u>Actions speak louder than words</u> (Building social resilience and self-reliance in citizens and communities)	14 January 2022

Ceredigion County Council

Annual Audit Summary 2022

This is our audit summary for Ceredigion County Council. It shows the work completed since the last Annual Audit Summary, which was issued in February 2022. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Council

Some of the services the Council provides



Key facts

The Council is made up of 38 councillors who represent the following political parties:

- Plaid Cymru 20
- Independent 9
- Welsh Liberal Democrats 7
- Gwlad 1
- Un-grouped 1

The Council spent £157.3 million on providing services¹ during 2021-22².

¹ We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

² Source: 2021-22 Statement of Accounts

Key facts

As at 31 March 2022, the Council had £60.7 million of useable financial reserves³. This is equivalent to 38.6% of the Council's annual spending on services⁴.

Ceredigion has 2% of its 46 areas considered to be within the most-deprived 10% of areas in Wales, this is the 20th highest of the 22 unitary councils in Wales⁵.

The population of Ceredigion is projected to decrease by 4% between 2020 and 2040 from 71,900 to 69,000, including a 14% decrease in the number of children, a 12% decrease in the number of the working-age population and a 21% increase in the number of people aged 65 and over⁶.

The Auditor General's duties

We completed work during 2021-22 to meet the following duties

- **Continuous improvement**
During 2021-22, the Auditor General had to assess whether the Council had met its performance reporting requirements in relation to 2020-21.
- **Audit of Accounts**
Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.
- **Value for money**
The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.
- **Sustainable development principle**
Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

³ We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

⁴ Source: 2021-22 Statement of Accounts

⁵ An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

⁶ Source: Stats Wales

What we found

Audit of Ceredigion County Council's 2021-22 Accounts



To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

Each year we audit the Council's financial statements.

For 2021-22:

- the Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 30 January 2023, in line with the amended statutory deadline of 31 January 2023.
- the Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Council and with our knowledge of the Council.
- the quality of the draft statements presented for audit was generally good.
- a number of changes were made to the Council's financial statements arising from our audit work, which were reported to the Governance and Audit Committee in our Audit of Financial Statements Report in January 2023.
- in addition to the Auditor General's responsibilities for auditing the Council's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.
- the Auditor General issued the certificate confirming that the audit of accounts for 2021-22 has been completed.

Continuous improvement

The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2021-22, as saved by an order made under the Local Government and Elections (Wales) Act 2021.

Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. Our work focused on the following aspects of the Council's arrangements:

- Recovery planning
- The Local Government and Elections Act (Wales) 2021
 - Arrangements for Self-assessment and Panel Assessments
 - Arrangements for the Consultation Duty and Participation Strategy
 - Arrangements for the changes to Governance and Audit Committees
 - Arrangements for establishing Corporate Joint Committees
 - Use of the General Power of Competence
- Performance Management
- Carbon reduction plans
- Financial position

Our findings from this work are set out in our:

- [Audit and Risk Assessment Progress Update](#) (July 2022)
- [Assurance and Risk Assessment Update – Carbon Reduction](#) (November 2022)
- [Assurance and Risk Assessment Update – 2021-22 Financial Position](#) (January 2023)

Springing Forward Thematic Reviews – Asset Management (July 2022) and Workforce Management (July 2022)

During 2021-22, we examined how councils are strengthening their ability to transform, adapt and maintain the delivery of services. Our work focused on the Council's strategic management of its assets and workforce.

- in our [report](#) on asset management, we found the Council's strategic approach to managing its assets is improving and the pandemic has accelerated plans for how it will use its key assets to deliver its priorities. It recognises there are areas where its approach could be strengthened.
- in our [report](#) on workforce management, we found the Council has a clear understanding of how the workforce will need to evolve to deliver its priorities, accelerated in part by the pandemic, and it is aware of where it needs to strengthen its arrangements and is taking steps to manage the associated risks.

Other inspectorates

We also consider the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response. However, CIW and Estyn have not issued any reports relating to Ceredigion County Council since our last Annual Audit Summary in February 2022.

Local government studies

As well as local work at each council, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report, we have published the following reports:

Joint working between Emergency Services (January 2022)

This report examines whether emergency services in Wales are working more closely together to make better use of resources. Joint working across emergency services to make best use of resources is not a new concept. Emergency services have been working closely together to provide a better service to the public for many years. Innovative partnership initiatives have saved money, reduced local response times and have contributed to protecting the public. Despite this, there are growing expectations from government policy and legislation that collaboration needs to happen more deeply and quickly to ensure front line services can meet the challenges facing 21st century Wales. Overall, we concluded that blue light emergency service collaboration is slowly growing but requires a step change in activity to maximise impact and make the best use of resources.

Direct Payments (April 2022)

Direct Payments are an alternative to local-authority-arranged care or support and can help meet an individual's or a carer's need. They aim to give people more choice, greater flexibility and more control over the support they get. Our report looked at how Direct Payments help sustain people's wellbeing and whether they are improving quality of life. We also looked at how local authorities manage and encourage take up of Direct Payments and whether these services present value for money. We found that Direct Payments are highly valued, with the people we surveyed acknowledging that they help them remain independent. But we also found that managing and supporting people to use Direct Payments varies widely resulting in service users and carers receiving different standards of service.

'Time for Change' – Poverty in Wales (November 2022)

Poverty in Wales is not a new phenomenon and tackling poverty, particularly child poverty, has been a priority for both the Welsh Government and councils in Wales. The current cost-of-living crisis means that more people are being affected and families who have been living comfortably are moving into poverty for the first time. Many of the levers that could be used to alleviate poverty are outside of Wales's control. The Welsh Government adopted a Child Poverty Strategy in 2011, but this is out of date and the target to eliminate child poverty by 2020 was dropped. Councils and partners are prioritising work on poverty, but the mix of approaches and a complicated partnership landscape mean that ambitions, focus, actions, and prioritisation vary widely. The Welsh Government makes significant revenue funding

available but, due to the complexity and nature of the issues, the total level of spend is unknown, and no council knows the full extent of its spending on alleviating and tackling poverty. The short-term nature of grant programmes, overly complex administration, weaknesses in guidance and grant restrictions, and difficulties spending monies means that funding is not making the impact it could. Councils find it hard to deliver preventative work because of the sheer scale of demand from people in crisis.

‘A missed Opportunity’ – Social Enterprises (December 2022)

Social Enterprises sit between the public and private sectors. They apply commercial strategies to maximise improvements in financial, social and environmental well-being, often for individual groups in society, defined communities or geographical areas. Social enterprise work in every sector of the Welsh economy and in all parts of the country and are increasingly prominent in Welsh Parliament legislation. While local authorities claim they value Social Enterprises, few have mapped their activity and most authorities do not know the scale of provision within their area. Less than a third of local authorities consider themselves to have a proactive and supportive relationship with Social Enterprises and none have a dedicated strategy or policy that charts how they intend to promote and grow the sector. As a result, local authorities are missing out on the potential for Social Enterprises to help deliver services that can improve people’s quality of life. Current procurement and commissioning arrangements often unintentionally discourage Social Enterprises to engage because they are overly bureaucratic. Social value – the added value that commissioning processes can deliver – does not feature as a key driver for many local authorities. Most local authorities are not delivering their responsibilities under the Social Services and Wellbeing (Wales) Act 2014 and effectively promoting Social Enterprises.

‘Together we can’ – Community resilience and self-reliance (January 2023)

At a time when there is likely to be further reductions in public spending, local authorities are showing an increasing interest in encouraging and growing community resilience; equipping people to do more for themselves and be less reliant on the state. While 19 of the 22 local authorities are prioritising community resilience, too often the work is poorly defined and the actions that underpin plans are narrowly focussed. Given the societal, financial and demographic challenges facing Wales there is a need to scale and speed up activity. Capacity, resources and skills are scarce, people are facing tougher choices and struggling to cope with the cost-of-living crisis. Communities and local authorities themselves also have different abilities and are starting from different places with their own unique challenges to overcome. We highlight positive practice and examples of how others are seeking to address the challenge of enabling people to be less reliant on local authority services and how they are supporting and enabling this transition.

Ongoing work for 2022-23

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council’s ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

Our ongoing work for 2022-23 includes:

- Assurance and risk assessment including a focus on:
 - Financial position
 - Capital programme management
 - Use of performance information – with a focus on service user feedback and outcomes
 - Setting of well-being objectives
- Thematic review – unscheduled care. This review covers the health and local government sectors
- Thematic review – digital
- Planning Review Follow-up

The Auditor General is independent of government and was appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

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Dear Eifion

Assurance and Risk Assessment Progress Update – Carbon Reduction

Following on from our meetings earlier this year, we said that we would more formally feed back on some specific aspects of our assurance and risk assessment work that we have undertaken. This letter provides a progress update on the Council's arrangements for carbon reduction.

This work was undertaken as part of our 2021-22 Assurance and Risk Assessment (ARA) project to help discharge the Auditor General's duties¹.

¹ These duties include under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act). It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations (Wales) Act 2015.

This feedback provides a point in time assurance and risk progress update on the Council's arrangements in this area. Overall, we found that:

- the Council has a long track record of prioritising the carbon management agenda and has strong member and officer support for this agenda, but its action plan for reducing carbon emissions is not costed and does not identify the funding required to deliver all the activity within it.

Context

In July 2022, the Auditor General published Public Sector readiness for Net Zero Carbon by 2030, which looked at decarbonisation actions in 48 public bodies, including all councils. This report found uncertainty that the collective ambition for a net zero public sector by 2030 will be met. Our work identified significant, common barriers to progress that public bodies must collectively address to meet the collective ambition. We found that while public bodies are demonstrating commitment to carbon reduction, they must now significantly ramp up their activities, increase collaboration and place decarbonisation at the heart of their day-to-day operations and decisions.

In the report, the Auditor General makes the following five calls for action from public bodies:

- strengthen your leadership and demonstrate your collective responsibility through effective collaboration;
- clarify your strategic direction and increase your pace of implementation;
- get to grips with the finances you need;
- know your skills gaps and increase your capacity; and
- improve data quality and monitoring to support your decision making.

The following paragraphs set out the findings of our local audit work on the Council's decarbonisation action plan. These findings sit within the wider context of the Auditor General's July 2022 report that calls for increased pace and stronger leadership across Wales in reducing carbon emissions.

What we looked at

We undertook an assessment of the Council's arrangements to develop and deliver their Climate Emergency and Action Plan between May and August 2022. We gathered evidence through interview, document reviews and the Council's returned Call for Evidence for the Decarbonisation Baseline Review.

What we found

The Council has a long track record of prioritising the carbon management agenda. The Council's draft 2022-2027 Corporate Strategy will be the third iteration of this document that includes carbon reduction as a prominent part of the Council's priorities.

'Achieving Net Zero Carbon by 2030' is the Council's Action Plan for reducing carbon emissions and provides a comprehensive narrative for strategic activity across all service areas along with a performance management and reporting process. Currently the Council has not costed this plan. Without a costed action plan that clearly defines the activity and funding required to reach net zero, and is aligned to the Medium Term Financial Plan, there is a significant risk that the Council will not meet the Welsh Government target of net zero emissions by 2030.

The Council has a range of strategic and operational plans that bring together its ambitions to reduce carbon emissions in a coordinated way. The Council's 2017-2022 Corporate Strategy contains a corporate priority of 'Promoting Environmental and Community Resilience' that includes a number of actions around reducing carbon emissions that have been achieved. The Council's 2021-22 to 2029-30 Net Zero Action Plan contains a detailed baseline assessment of annual operational emissions and an outline approach to achieving net zero by 2030. The Action Plan shows three clear phases of activity – Response, Transition and Activity – and a list of actions arranged by service areas.

At Cabinet level, there is strong Councillor support for this agenda and there is also a clear reporting and scrutiny process for it. Cabinet responsibility sits within the Highways, Environmental Services and Carbon Management portfolio. The Cabinet lead for this agenda chairs the cross-party Carbon Management and Climate Control group. This group meets bi-monthly and reports back to the Thriving Communities Overview and Scrutiny Committee and to full Council.

Responsibility for the agenda at a corporate officer level is being moved from the Corporate Lead Officer level up to Director and Chief Executive level. This reflects the increased status the Council is giving to this agenda, and recognition of its cross-cutting nature.

As part of its Net Zero Action Plan, the Council reports annually on its progress. This reporting includes an update of emissions data and a review of spend and activity across a range of council services. The last progress report presented to the Thriving Communities Overview and Scrutiny Committee was in November 2021.

The Council's Carbon Management Plan includes a number of targets and Key Performance Indicators, against which progress is reported on an annual basis to the Corporate Management Team.

The Council has officers who are knowledgeable and engaged with the agenda and there is a strong corporate appetite to develop more projects that will reduce emissions. This includes the post of an Energy and Carbon Reduction Programme Manager, but otherwise there is limited internal capacity to coordinate and manage this work.

The Council recognises the significant risks around climate change and carbon emissions, and that it has a part to play in reducing this risk. This is reflected in its Corporate Risk Register, where it acknowledges that additional capacity and resources are required to deliver against its net zero targets.

Recommendations

Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
R1	In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure that it is aligned with its Medium Term Financial Plan.

Yours sincerely,

Audit Wales

Project Brief – the Setting of Well-being Objectives at Ceredigion County Council

Audit year: 2022-23

Date issued: February 2023

Document reference: 3336A2023

This document has been prepared for the internal use of Ceredigion County Council as part of work performed/to be performed in accordance with statutory functions.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

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Project brief

Background

- 1 Under the Well-being of Future Generations (Wales) Act 2015 (the Act) the Auditor General has a duty to examine the extent to which the public bodies covered by the Act have acted in accordance with the sustainable development principle when setting their well-being objectives and taking steps to meet them. The Auditor General must undertake an examination in each body at least once over each five-year reporting period, the current reporting period is May 2020 to May 2025.

Legislative basis for the examination

- 2 This project is being undertaken to help discharge the Auditor General's duties under section 15 of the Well-being of Future Generations Act (Wales) 2015. A copy of our privacy notice is attached in **Appendix 1**.

Focus of the examination

- 3 We are carrying out this examination to assess the extent to which Ceredigion County Council (the Council) has acted in accordance with the sustainable development principle in setting its well-being objectives.
- 4 The examination will focus on the approach the Council is taking to set its new well-being objectives in 2022-23.
- 5 The examination is designed to help:
 - provide assurance on the extent that the Council has applied the sustainable development principle in setting its well-being objectives following publication; and
 - identify opportunities to further embed the sustainable development principle in the setting of well-being objectives in future.

Method

- 6 In carrying out this work, we will seek to answer the following question:
 - To what extent has the Council applied the sustainable development principle when setting its new well-being objectives?

In considering this we will also explore whether the Council has and is continuing to learn from and improve how it applies the sustainable development principle when setting its well-being objectives.
- 7 We have discussed the method for this examination with the Council. While we will use a consistent assessment framework across public bodies, the timing and the way we deliver this work will be tailored to reflect circumstances at the Council.

- 8 The Council established a process to set its refreshed well-being objectives which commenced in mid 2022 and concluded in November 2022, with its new Corporate Strategy 2022-27, which contains its refreshed Well-being objectives. Our work will therefore consider the setting of the Council's well-being objectives in retrospect.
- 9 We will undertake a reflective workshop with key Council staff/potentially Members, and review key documents. We may also carry out a selection of interviews and observe any key events and meetings. We will continue to discuss and confirm specific arrangements for the workshop, who we would like to interview, the meetings and events we would like to observe and the documents we would like to review with our key contact as the examination progresses.
- 10 Our two organisations will work in the following ways to help ensure the above approach is effective:
- we will be mindful of the resource and time implications the examination may have on key Council staff, given the likely demands on their time while it is being carried out;
 - we will take a flexible approach to planning any observations, interviews and workshops; and
 - the Council will share information that is relevant to help us plan and deliver the examination, as and when necessary.
- 11 While this examination will be carried out over 2022-23, it will not be an extensive and resource intensive piece of work. It is one element of work being undertaken up to 2025 that will be carried out to discharge the Auditor General's statutory duties under the Act.

Output

- 12 When we have completed our fieldwork, we will offer to run a workshop with the Council to share and discuss our overall findings.
- 13 Following this, we will report our findings through a written output. The final version of that output will be published on our website.

Timetable

Exhibit 1: examination timetable

The table below sets out the key stages of the examination at the Council along with indicative timescales.

Stage	Timing
Fieldwork	January 2023 – March 2023
Phase 1a: Document review (to include Revised well-being objectives and wellbeing statement). Phase 1b: Virtual reflective workshop with key Council staff.	January 2023 – February 2023 February 2023
Phase 2: If required, final interviews and potential observations.	February 2023
Phase 3: Possible feedback workshop (to be discussed with the Council).	March 2023
Reporting Phase 4: draft report or letter.	April/May 2023

Audit Wales contacts

Exhibit 2: Audit Wales contacts

The table below sets out the Audit Wales key contact for this examination. Other team members may also support elements of the examination.

Name	Contact details
Non Jenkins – Audit Manager	non.jenkins@audit.wales
Nigel Griffiths – Performance Audit Lead	nigel.griffiths@audit.wales
Gareth Lewis – Senior Auditor	Gareth.Lewis2.@audit.wales
Jeff Brown – Senior Auditor	jeff.brown@audit.wales

Appendix 1

Auditor General for Wales – Privacy Notice

Date issued: August 2021

This privacy notice tells you about how the Auditor General for Wales and staff of the Wales Audit Office process personal information collected in connection with our work.

Who we are and what we do

The Auditor General for Wales' work includes examining how public bodies manage and spend public money, and the Wales Audit Office provides the staff and resources to enable him to carry out his work. 'Audit Wales' is a trademark of the Wales Audit Office, and is the umbrella identity of the Auditor General for Wales and the Wales Audit Office.

Data Protection Officer (DPO)

Our DPO can be contacted by telephone on 029 2032 0500 or by email at infoofficer@audit.wales.

The relevant laws

We process your personal data in accordance with data protection legislation, including the Data Protection Act 2018 (DPA) and the UK General Data Protection Regulation (GDPR). Our lawful bases for processing are the powers and duties set out in the Public Audit (Wales) Acts 2004 and 2013, the Government of Wales Acts 1998 and 2006, the Local Government (Wales) Measure 2009, the Local Government & Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015. Depending on the particular power or function, these statutory bases fall with Article 6(c) and (e) of the UK GDPR—processing necessary for compliance with a legal obligation, for the performance of a task carried out in the public interest or in the exercise of official authority.

Who will see the data?

The Auditor General and relevant Wales Audit Office staff, such as the study team, will have access to the information you provide. Our published report may include some of your information, but we will contact you before any publication of information that identifies you—see also 'your rights' below. We may share information with:

- a) senior management at the audited body(ies) as far as this is necessary for exercising our powers and duties; and
- b) certain other public bodies/public service review bodies such as the Office of the Future Generations Commissioner, Care Inspectorate Wales (Welsh Ministers), Estyn and the Public Services Ombudsman for Wales, where the law permits or requires this, such as under section 15 of the Well-being of Future Generations (Wales) Act 2015.

How long we keep the data

We will generally keep your data for six years, though this may increase to 25 years if it supports a published report—we will contact you before any publication of information that identifies you—see also ‘your rights’ below. After 25 years, the records are either transferred to the UK National Archive or securely destroyed. In practice, very little personal information is retained beyond six years.

Our rights

The Auditor General has rights to information, explanation and assistance under paragraph 17 of schedule 8 Government of Wales Act 2006, section 52 Public Audit (Wales) Act 2004, section 26 of the Local Government (Wales) Measure 2009 and section 98 of the Local Government and Elections (Wales) Act 2021. It may be a criminal offence, punishable by a fine, for a person to fail to provide information.

Your rights

You have rights to ask for a copy of the current personal information held about you and to object to data processing that causes unwarranted and substantial damage and distress. To obtain a copy of the personal information we hold about you or discuss any objections or concerns, please write to The Information Officer, Wales Audit Office, 24 Cathedral Road, Cardiff, CF11 9LJ or email infoofficer@audit.wales. You can also contact our Data Protection Officer at this address.

Information Commissioner’s Office

To obtain further information about data protection law or to complain to complain about how we are handling your personal data, you may contact the Information Commissioner at: Information Commissioner’s Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, or by email at casework@ico.gsi.gov.uk or by telephone 01625 54574



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Key questions and what we're looking for – Setting of well-being objectives

The table below sets out the question we are seeking to answer in carrying out this examination, along with some sub-questions that will help guide our evidence gathering. It also includes some 'positive indicators' that have been tailored to this examination, adapted from those we have previously used to inform our sustainable development principle examinations. This list is not designed to be used a checklist, but rather an illustrative set of characteristics that describe what good could look like.

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?	
Planning – Was the process the body put in place to set its well-being objectives underpinned by the sustainable development principle?	
Has the body used data and other intelligence to understand need, risks and opportunities and how they might change over time?	<div>Positive indicators</div> <ul style="list-style-type: none">• The body has a clear and balanced assessment of progress against previous well-being objectives that has been used to inform the body's understanding of the 'as is'/ short-term need.• The body has set well-being objectives based on a good understanding of current and future need, risk and opportunities, including analysis of future trends. This is likely to be drawn from a range of local and national sources, such as:<ul style="list-style-type: none">– Public Services Boards' well-being assessments– Regional Partnership Boards' population assessments– The results of local involvement/ consultation exercises– Service monitoring and complaints– Future Trends report– Natural Resources Wales' State of Natural Resources Report (SoNaRR) for Wales and Area Based Assessments• The body has sought to understand the root causes of problems so that it can address negative cycles and intergenerational challenges through its well-being objectives.

Has the body involved others in developing its well-being objectives?	<ul style="list-style-type: none"> • The body uses the results of involvement to help select its well-being objectives. That involvement – whether primary, secondary or a combination – reflects the full diversity of the population. • Involvement reflects good practice and advice from the Future Generations Commissioner.
Has the body considered how the objectives can improve well-being and have a broad impact?	<ul style="list-style-type: none"> • The well-being objectives have been designed to improve well-being in the broadest sense and make a contribution across the seven national well-being goals. • The well-being objectives have been designed to reflect and capitalise on the connections between different areas of work. • There is a well-developed understanding of how the well-being objectives impact on/ relate to what other public bodies are trying to achieve and opportunities to work together.
Has the body designed the objectives to deliver longer term benefits, balanced with meeting short-term needs?	<ul style="list-style-type: none"> • The body has set objectives that are sufficiently ambitious and have been designed to drive activity across the organisation. • The objectives are designed to meet short and longer-term need. Where objectives are set over a short to medium timeframe, they are set in the context of longer-term considerations or ambitions.
Resourcing and delivery - Has the body considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?	
Has the body considered how it can resource the well-being objectives?	<ul style="list-style-type: none"> • Resources have been allocated to ensure the objectives can be delivered over the short and medium-term, but the body has also considered longer-term resources risks and/or how it can resource longer-term objectives. • The body has allocated resources to deliver preventative benefits, where these are described in its well-being objectives.
Has the body considered how it can work with others to deliver their objectives?	<ul style="list-style-type: none"> • The body is drawing on its knowledge of partners' objectives/ activity, its relationships and collaborative arrangements to make sure it can deliver on cross-cutting ambitions.

Monitor and review: Has the body put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?	
Has the body developed appropriate measures and monitoring arrangements?	<ul style="list-style-type: none"> • Performance measures are designed to reflect the sustainable development principle, e.g. by focusing on outcomes that cut across departmental/ organisational boundaries and deliver multiple (including preventative) benefits over the longer term. • There is a 'golden thread' that will allow the body to clearly and transparently report on progress to meeting the objectives.
Is the body seeking to learn from and improve how it has applied the sustainable development principle to setting its well-being objectives?	<ul style="list-style-type: none"> • The body shows self-awareness and a commitment to improving how it applies the sustainable development principle so that it can do so in a meaningful and impactful way. • The body has learnt from setting previous well-being objectives and from applying the sustainable development principle more generally and has improved the process for setting its new well-being objectives. • The body has or plans to reflect on how it has applied the sustainable development principle in this round of setting well-being objectives.