



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

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Regulatory Programme for Performance
Audit April 2011 to March 2012

Powys County Council

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Performance audit work at Powys County Council

1. This section outlines work to be delivered by and on behalf of the Auditor General under the Local Government (Wales) Measure 2009 (the Measure), the remaining functions of the Local Government Act 1999 and Parts 2 and 3A of the Public Audit (Wales) 2004.
2. The range of performance audit work that the Auditor General and relevant regulators will carry out will be detailed in a Work Plan and Timetable (WP&T). The work will reflect Powys County Council's (the Council) improvement planning arrangements, be aligned to its improvement objectives and be tailored accordingly. The WP&T will provide more detailed information on the nature and scope of improvement assessment activities. Staff of the Wales Audit Office will liaise closely with the Council and relevant regulators in developing the WP&T. It will be reviewed at least every quarter. Appendix 1 sets out the planned activity for the year.
3. The roles and responsibilities of Wales Audit Office staff for the Council, together with contact arrangements are set out in Appendices 2 and 3.
4. Fees for the Auditor General's performance audit work at the Council are set out in Appendix 4.
5. Where the Auditor General identifies an issue of such importance that he considers a special inspection to be an appropriate response, he will charge an additional fee to conduct such an inspection.

The Improvement Assessment

6. The Local Government Measure requires the Auditor General to carry out an annual Improvement Assessment for each improvement authority to determine whether the Council is likely to comply with the requirements of Part 1 of the Measure.
7. Through his improvement assessment work, the Auditor General will be seeking to answer the question: Is the Council likely to comply with the statutory duty to make arrangements to secure continuous improvement? In order to answer this question, improvement assessment work will comprise:
 - corporate assessment work to review arrangements that the Council has put in place to secure continuous improvement; and
 - performance assessment work to review performance, and to track improvement over time.

Auditing the Council's Improvement Plan and assessment of performance

8. The Local Government Measure also requires the Auditor General to undertake an audit of whether the Council has discharged its duties in relation to improvement planning and the publication of improvement information, and has acted in accordance with Welsh Ministers' guidance.
9. The duty for improvement authorities to publish an Improvement Plan as soon as practicable after the start of the financial year came into force in April 2010. The Measure requires the Auditor General to carry out an audit of this plan under section 17. The Auditor General will audit the Council's Improvement Plan shortly after it is published and his findings will inform his Improvement Assessment.
10. The duty that the Measure places upon authorities to undertake an assessment of performance and to publish improvement information by the end of October comes into force in 2011. The Measure also requires the Auditor General to carry out an audit of the assessment and publication under section 17. This audit will also inform the Improvement Assessment.

Reporting

11. The Auditor General will write to the Council following his audit of the Improvement Plan to formally report the findings of the audit and the findings of corporate assessment work.
12. The Auditor General will also publish an Annual Improvement Report that sets out his findings from the audit of the Council's assessment of performance, a summary of any corporate or performance assessment work carried out by the WAO and a summary of work carried out by relevant regulators.

Local government studies

13. The Auditor General has a duty to undertake studies of local authorities under sections 41 and 42 of the Public Audit (Wales) Act 2004. Before undertaking such studies, he must consult associations of local authorities and associations of employees that appear to him to be concerned. The Auditor General's studies in local government will often, although not always, include all 22 local authorities and may form part of a wider cross-cutting or whole systems study. The Auditor General will consult on his study proposals.

Other work the Auditor General uses to inform his performance audit work at the Council

14. This part of the Regulatory Programme briefly summarises the other work the Auditor General draws on in reaching his conclusions in relation to the Council. This work includes:
- the financial audit work of the Appointed Auditor;
 - the work of relevant regulators, particularly the Care and Social Services Inspectorate Wales (CSSIW), Estyn, and the Welsh Language Board;
 - the Auditor General's other studies across the public sector.

The financial audit work of the Appointed Auditor

15. The Auditor General appoints auditors under the Public Audit (Wales) Act 2004 to audit and report on the accounts of local authorities. Audit reports include an opinion on:
- whether the financial statements give a true and fair view of, or present fairly, the state of affairs of the body;
 - whether the financial statements have been prepared properly in accordance with relevant legislation, directions and applicable accounting standards; and
 - the regularity of the transactions, at bodies where this is required.
16. Auditors will also examine the Council's governance statement or statement on internal control and report if it is not in accordance with relevant requirements or where it may be misleading or inconsistent with other information of which they are aware.
17. The Public Audit (Wales) Act 2004 also requires Appointed Auditors to satisfy themselves that an audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Auditors will apply criteria specified by the Auditor General and will place reliance on the improvement assessment and other work carried out by the Auditor General or relevant regulators.

The work of relevant regulators

18. Estyn and the CSSIW also undertake work in relation to councils in Wales. The nature of that work and the legislative functions supporting it are described in Appendix 2. Exhibit 3 sets out the planned regulatory activity of Estyn and CSSIW. This and other work that may arise will be included in updates of the WP&T.

Exhibit 3: Other planned regulatory activity

Estyn	
TBC	
CSSIW *Please note this is an outline as at May 2011 and may be subject to update	
Follow up to Protection of Vulnerable Adults review	Desk top analysis during April / May 2011
Review of the role and responsibilities of the Statutory Director of Social Services – all Wales review	Electronic survey March – June 2011
Service Modernisation in adult services	Timing tbc, joint with Wales Audit Office
Departmental, corporate and political leadership	Timing tbc, will include follow up of specific issues from the national review of the role & responsibilities of the Statutory Director
Provision of Adult Mental Health Services in adult services	Timing tbc
Inspections of services regulated under the Care Standards Act 2000	Throughout the year and most will be unannounced

19. The Welsh Language Board (the Board) monitors councils' progress in delivering services to the public in Welsh. The Board works with councils to help them develop their statutory Welsh Language Schemes that outline the way in which they provide services to the public in Welsh. The primary responsibility for the range and standard of services rests with the authorities which provide them, working in accordance with the statutory framework and guidelines of the Board. Every council is expected to provide the Board with an annual monitoring report that explains how its scheme has been implemented. This report allows the Board to offer advice as to how a council might improve its local arrangements. The Board also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.

Other Auditor General studies across the public sector

- 20.** The Auditor General undertakes other work which will sometimes inform his work in relation to councils.
- 21.** He has a substantial programme of work that relates to the Assembly Government and its related bodies, and to NHS bodies. Reports on such work are usually laid before the National Assembly for consideration by its Public Accounts Committee. As many of these studies cut across the boundaries between different parts of the Welsh public sector, they will often be relevant to his work in local government. The Auditor General's programme of activity for presentation to the National Assembly is set out in Appendix 5.
- 22.** As auditor of NHS bodies in Wales the Auditor General also has a programme of financial audit and performance work in relation to individual local health bodies. As collaboration in health and social care becomes more prevalent, this work will have increasing relevance to his Improvement Assessment work.
- 23.** The Auditor General also undertakes data matching exercises involving local authorities and other public bodies under Part 3A of the Public Audit (Wales) Act 2004. The main example of this is the National Fraud Initiative done jointly with the Audit Commission, Audit Scotland and the Comptroller & Auditor General of Northern Ireland.
- 24.** Under the Public Audit (Wales) Act 2004 and the Government of Wales Act 2006, the Council may commission work from the Auditor General. The Council should discuss this in the first instance with the Wales Audit Office Improvement Assessment Lead (IAL) or, in the case of financial audit work, with the Appointed Auditor.

Appendix 1

WAO performance work planned for 2011-12

Wales Audit Office performance work planned for 2011-12
Themed study – Information governance
Themed study – ICT Technology
Themed study – HR and workforce planning (inc. Follow-up to Capacity & Capability Report issued January 2010)
Themed study – Medium Term Financial Planning
Study on Adult Living Improvement objective (Builth Project) examining: <ul style="list-style-type: none"> • partnerships and collaboration; • scrutiny, governance and accountability; and • public engagement – (as part of the 2010-11 all-Wales study).
Local Government all-Wales study 2011-12 – (tbc)
Assessment of progress with improvement objectives, including testing and validation of authority's assessment of performance
Audit of assessment of performance publication
Performance Indicator audit
Housing and Council Tax benefit risk assessment
Outcome focussed workshops to support the revised Powys Change Plan
Service Delivery Outcomes around Adult Living Improvement Objective (Builth Project) – to be undertaken jointly with CSSiW
Progress check areas for improvement
Audit of Improvement Plan 2012

** Each year's work programme and fee covers one cycle of corporate and performance assessment work. However, this work may not fit neatly within a period starting on 1 April and ending on 31 March. The delivery of our annual work programme may therefore overlap financial years.*

Appendix 2

Roles and responsibilities

The Wales Audit Office comprises the Auditor General and his staff. The Auditor General's main functions are set out in Government of Wales Acts 1998 and 2006, the Local Government Act 1999, the Public Audit (Wales) Act 2004 and the Local Government (Wales) Measure 2009.

Performance Group Director

The Performance Group Director is accountable to the Auditor General for overseeing the delivery of all performance audit work at the Council.

Improvement Assessment Lead

The Improvement Assessment Lead (IAL) is the primary point of contact for the improvement assessment work at a senior officer and political level in local government bodies. The IAL represents the Auditor General and the Wales Audit Office and presents reports of the improvement assessment to the Council.

Improvement Assessment Co-ordinator

The Improvement Assessment Co-ordinator (IAC) manages and co-ordinates inputs to the improvement assessment at each council.

Appointed Auditors

The Auditor appointed by the Auditor General must carry out audits that discharge the statutory duties placed upon them by the 1999 and 2004 Acts. The Auditor General publishes a Code that prescribes the way in which auditors are to carry out their functions.

Relevant regulators

The principal functions of the CSSIW are contained in Chapter 6 of the Health and Social Care (Community Health and Standards) Act 2003.

Estyn conducts inspections of Local Authority Education Services for Children and Young People under Section 38 of the Education Act 1997. These inspections form part of a three-year cycle that began in 2010-11. Estyn will also conduct follow-up inspections as necessary.

Estyn also has powers under the Education Act 2005 and Section 86 of the Learning and Skills Act 2000. Other Estyn inspections that may involve council provision are carried out under the Teaching and Higher Education Act 1998 and an agreement between Estyn and Jobcentre Plus. The period of notice for all Estyn inspections has been established by agreement between Estyn and the service providers in each sector. As this period is often quite short (normally three months), it is not possible to publish at the beginning of the financial year details of any inspections for which the provider has not received notification. In these cases, as soon as the provider is notified of the inspection, the details will be made available to the Wales Audit Office, to update the WP&T.

The Welsh Language Board is a statutory body sponsored by the Welsh Assembly Government. It was established in December 1993 by the Welsh Language Act. Its main function is to promote and facilitate the use of the Welsh language.

The Welsh Language Act 1993 establishes the principle that, in the conduct of public business and administration of justice in Wales, the English and Welsh languages should be treated on a basis of equality. Public bodies, notified by the Board, have a duty to prepare a statutory Welsh language scheme to specify the measures they propose to take in order to realise the principle of equality in the Act. The Board has a statutory function to approve Welsh language schemes and to monitor their implementation using professional expertise and statutory powers. It also has relevant regulator status under the terms of the Local Government (Wales) Measure 2009.

Appendix 3

Wales Audit Office Performance Audit team

Name	Role	Phone	Email
Jane Holownia	Group Director	02920 320565	jane.holownia@wao.gov.uk
Colin Davies	Improvement Assessment Lead	02920 320666 07786 800258	colin.davies@wao.gov.uk
Justine Morgan	Improvement Assessment Co-ordinator	02920 320567 07799 476570	justine.morgan@wao.gov.uk

Appendix 4

Fees

The proposed fee for April 2011 to March 2012 is £145,535 (plus VAT) and will be charged in equal instalments between April 2011 and March 2012. Our fee is set out below.

The Wales Audit Office receives a grant from the Welsh Assembly Government for delivering the Wales Programme for Improvement. Part of this grant is used to subsidise fees for improvement assessment work. This year the subsidy has been allocated on an equal basis across the 22 unitary authorities.

The fee

	Fee April 2011 to March 2012* £
Total fee for Improvement Assessment and audits	181,620
Less WPI subsidy	36,085
Total	145,535

**The fee is for performance audit only and does not cover the financial audit work of the Appointed Auditor.*

Appendix 5

The Auditor General's programme of work for presentation to the National Assembly to commence in 2011-12

National Fraud Initiative
Welsh Housing Quality Standard
Nutrition in schools
Continuing healthcare
Picture of Public Services (2)
LHB disaster recovery / business continuity arrangements
Maternity services follow up
Procurement and use of consultants
Review of Care and Social Services Inspectorate Wales
Medicines Management
Young people not in education, employment or training
Assembly Government relocation strategy



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