

## **FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**               **TUESDAY, 17 JULY 2012**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **WAO REGULATORY PROGRAMME**

### **1.00 PURPOSE OF REPORT**

To report for acceptance the proposed Regulatory Programme for Performance Audit for the Wales Audit Office (WAO) for the period April 2012 to March 2013.

### **2.00 BACKGROUND**

- 2.01 The Auditor General is responsible for preparing a programme of work under the Local Government (Wales) Measure 2009 (the Measure), the remaining functions of the Local Government Act 1999 and the Public Audit (Wales) Act 2004. The programme sets out the work to be delivered by and on behalf of the Auditor General for Wales and by his appointed auditors. It also covers the work of the Care and Social Services Inspectorate for Wales (CSSIW) and Estyn.
- 2.02 The purposes of regulation are to provide assurance to the organisation, the public and government; to support the development of internal governance and assurance frameworks (e.g. risk management); to aid and support performance improvement (of governance and of public services). In addition the Local Government Act 1999 places a requirement on those inspectorates named specifically in the legislation (CSSIW and Estyn) alongside the WAO and its appointed auditor to work together to co-ordinate their activity within each authority.

### **3.00 CONSIDERATIONS**

- 3.01 The Regulatory Plan now appears as three separate documents. Two of them, the Financial Audit Outline for Flintshire County Council and the Financial Audit Outline for Clwyd Pension Fund were presented to the Audit Committee in March 2012.  
The Regulatory Programme for Performance Audit for 2012-13 is attached at Appendix 1.
- 3.02 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. This will reflect the council's improvement planning arrangements and be aligned to its improvement objectives. It will provide more detailed information on the nature and scope of improvement assessment activities. This will be reviewed at least every quarter and will be the subject of liaison between WAO, relevant regulators and council officers. We would wish to continue to ensure that each piece of regulatory work is clearly scoped (the type, purpose and value) provides timely and quality reports which balance minimising the fees and burden of regulation and appropriate regulation in the public interest.

- 3.03 In ongoing discussions with the regulators the council has stressed the need for value for money in regulation.
- 3.04 The Performance Audit in the main comprises the Improvement Assessment, which is separated into four parts.
- The Council's arrangements for continuous improvement. The WAO will not carry out a full assessment of the Council this year. They will follow up progress in implementing recommendations and proposals for improvement set out in previous assessments.
  - Improvement studies on the effectiveness of scrutiny; the preparation of the Annual Governance Statement; and key themes that have emerged from audits of authorities' improvement objectives and self assessment of performance.
  - Local work on the Council's self assessment of its arrangements and performance; and on collaboration with partners
  - Audits of the Improvement Plan and Assessment of Performance (the latter must be published by the Council by the end of October).
- 3.05 In addition the Auditor General has a duty to undertake studies across local authorities. In 2012-13 the study will relate to young people not in employment, education or training.
- 3.06 The planned work of Estyn includes a monitoring visit following the 2011 inspection of the Council's education services for children and young people.  
CSSIW have yet to identify any fieldwork for 2012-13.  
This and other work that may arise will be included in the Work Programme and Timetable.
- 3.07 The Welsh Language Board is also a "relevant regulator" monitoring the council's progress in delivering services to the public in Welsh. Every Council is expected to provide the Board with an annual monitoring report that explains how its Welsh Language Scheme has been implemented. (The Council will present this report to Cabinet in September.)

- 3.08 Following the audit of the Improvement Plan, the Auditor General will write to the Council to formally report the findings of the audit. In addition, an Annual Improvement Report will set out the findings of 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.
- 3.09 Final reports, their findings, recommendations and subsequent actions are to be brought to Cabinet from Directors within three months. The role of both the Corporate Management Team and Cabinet is one of accountability; being accountable for the activity, its findings and the improvement actions presented.
- 3.10 The Council's Internal Audit Plan has been closely influenced by and integrated with the council's own Strategic Assessment of Risks and Challenges. The regular reviews with WAO in developing their Work Programme and Timetable will take our own audit activity into account to reduce duplication, maximise resources and ensure appropriate accountability for regulation.
- 3.11 Other roles within the Council in relation to the Regulatory Plan activities include that of check and challenge by Overview and Scrutiny Committees and assurance by the Council's Audit Committee. The terms of reference and adopted protocols of these bodies reflect the tripartite roles of Corporate Management Team/Cabinet, Overview and Scrutiny and Audit Committee in relation to regulation.

#### **4.00 RECOMMENDATIONS**

- 4.01 The Audit Committee is requested to receive for acceptance the proposed Regulatory Programme for Performance Audit of the WAO for the period April 2012 to March 2013.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The proposed fee for this year's regulatory performance work is £139,985.

#### **6.00 ANTI POVERTY IMPACT**

- 6.01 There are no direct implications in relation to this report.

#### **7.00 ENVIRONMENTAL IMPACT**

- 7.01 There are no direct implications in relation to this report.

#### **8.00 EQUALITIES IMPACT**

8.01 There are no direct implications in relation to this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 There are no direct implications in relation to this report.

**10.00 CONSULTATION REQUIRED**

10.01 Consultation with relevant members and Audit or Overview and Scrutiny Committees will be undertaken as a result of the implementation of this programme.

**11.00 CONSULTATION UNDERTAKEN**

11.01 Ongoing consultation on the status of the programme and its implications is undertaken with the regulators on a quarterly basis.

**12.00 APPENDICES**

12.01 Appendix 1: Regulatory Programme for Performance Audit 2012-13.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

As Appendix 1

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