



WALES **AUDIT** OFFICE  
SWYDDFA **ARCHWILIO** CYMRU

# Regulatory Programme for Performance Audit 2012-13

## Flintshire County Council

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# Regulatory Programme

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## Performance audit work at Flintshire County Council

1. This programme outlines work to be delivered by and on behalf of the Auditor General under the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999 and Parts 2 and 3A of the Public Audit (Wales) Act 2004.
2. [Appendix 1](#) summarises the planned activity for the year. The range of performance audit work that the Auditor General and relevant regulators will carry out will be set out in more detail in a Work Plan and Timetable (WP&T) which will be reviewed every quarter.
3. [Appendices 2](#) and [3](#) set out the roles and responsibilities of relevant Wales Audit Office staff together with contact details.
4. Fees for the Auditor General's performance audit work 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 Auditor General must carry out an annual Improvement Assessment to determine whether Flintshire County Council (the Council) is likely to comply with the requirements of Part 1 of the Measure. This involves:
  - a review of the Council's arrangements to secure continuous improvement;
  - improvement studies of areas which may hinder improvement or transformation or give rise to inefficiencies;
  - bespoke pieces of work related to the Council's improvement objectives and arrangements; and
  - audits of the Council's published improvement plans and its self-assessment of performance.
- a) [The Council's arrangements to secure continuous improvement](#)
7. The Auditor General will carry out a full assessment of all councils' arrangements once every four years, unless he has significant concerns that suggest he should review those arrangements more frequently. This year we will not carry out a full assessment at the Council. However, we will follow up progress in implementing recommendations and proposals for improvement set out in our previous assessments. For ease of reference, these recommendations and proposals are set out in paragraphs 8 to 10 below.

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8. In our Annual Improvement Report, issued in January 2012, we recommended<sup>1</sup> that:
- the Council should report more fully and regularly to the Executive Board on progress in delivering the Human Resources (HR) strategy and Single Status Agreement and ensure capacity and capability are available to achieve intended outcomes and timetables; and
  - the Council needs to complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid 2012-13, to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings and/or redirect resources to priorities.\*
9. We also made four proposals for improvement, suggesting that the Council should:
- complete the work in progress to set clear success measures for all improvement objectives and ensure regular, clear reporting;<sup>2</sup>
  - develop and agree a detailed business plan for improving customer access showing how success measures will be achieved and offer value for money;
  - ensure its Annual Performance Report is published by 31 October in line with statutory requirements and more fully reflects Welsh Government guidance; and
  - improve quality assurance arrangements to ensure that data used to support performance management and monitoring is accurate and robust.
10. In our previous Corporate Assessment Update Letter in 2011 we also made the following proposals for improvement:
- by the end of 2011, the Council should complete the development of its medium-term financial plan so as to allow informed decisions on how funding pressures will be addressed and resources allocated to achieve improvement objectives;
  - by the end of October 2011, the Council should complete a review of overall progress with the People Strategy 2009-12, prioritise the outstanding actions and resources necessary to achieve them, and report on this to elected members; and
  - develop an improved corporate approach to engagement with communities and users of services including arrangements to enhance the contribution of elected members.

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<sup>1</sup> These two recommendations follow from proposals for improvement made in August 2010 and August 2011.

<sup>2</sup> This proposal for improvement was first made to the Council in January 2011.

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b) **Improvement studies**

11. In his letter of 13 March 2012, the Auditor General set out his proposals for this year's improvement studies. These are:
- key themes emerging from our audits of authorities' improvement objectives and their self-assessments of performance;
  - the effectiveness of scrutiny; and
  - authorities' reviews of governance and their preparation of Annual Governance Statements.

c) **Bespoke work**

12. Our proposals for this year's local work are set out in **Exhibit 1**.

**Exhibit 1**

<b>Study</b>	<b>Rationale</b>
Supporting and challenging the Council's self-assessment of its arrangements and its performance	The Council's ability to produce a robust, reliable self-assessment of its arrangements will provide valuable assurance as to its corporate health.
Collaboration with partners	Effective collaboration to secure resilience and improvement to services remains a challenge for all councils and their partners. Though focused across North Wales this year, the work will pave the way for an all-Wales improvement study in 2013-14.

d) **Audits of the 'Improvement Plan' and the 'Assessment of Performance'**

13. The Measure requires the Auditor General to undertake audits 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.
14. Improvement authorities are under a duty to publish an Improvement Plan as soon as practicable after the start of the financial year. The Measure requires the Auditor General to carry out an audit of this plan and to state whether he believes that the Council has discharged its duties and acted in accordance with statutory guidance.
15. Improvement authorities must also undertake an 'Assessment of Performance' and publish improvement information by the end of October each year. The Auditor General is required to carry out an audit of the assessment and publication, and state whether he believes that the Council has discharged its duties and acted in accordance with statutory guidance.

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## Reporting

16. We will write to the Council to report the findings of the audit of the Council's Improvement Plan and comment on the robustness of the plans that the Council has put in place.
17. We will issue the Council with a report on each Improvement Study. A national summary of each Improvement Study will also be published.
18. We will write to the Council following our audit of the Council's self-assessment of its performance in 2011-12 to formally report the findings of the audit, including a commentary on the robustness and validity of the Council's own assessment.
19. We shall formally report our findings following our assessment of the Council's arrangements to secure continuous improvement.
20. We will publish an Annual Improvement Report that summarises and reports all the work carried out by the Wales Audit Office as well as that carried out by relevant regulators. We will aim to publish the Council's Annual Improvement Report early in 2013.

## Local government studies

21. The Auditor General also has a duty to undertake studies of local authorities under sections 41 and 42 of the Public Audit (Wales) Act 2004. During 2012-13, the Auditor General will conduct a study of services provided to young people not in employment, education or training (NEETS).

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

22. The Auditor General may draw upon other work 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 Commissioner;
  - the Auditor General's programme of local performance audit work at individual NHS bodies;
  - the Auditor General's programme of value-for-money studies examining the economy, efficiency and effectiveness with which the Welsh Government and its sponsored and related bodies use their resources to discharge their functions; and
  - work that may have been commissioned by the Council.

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## The financial audit work of the Appointed Auditor

23. 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.
24. 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.
25. 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

26. 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 2](#) sets out the planned regulatory activity of Estyn and the CSSIW. This and other work that may arise will be included in updates of the WP&T.

### Exhibit 2: Other planned regulatory activity

#### Estyn

Monitoring visit following the 2011 inspection of the Council's education services for children and young people.

Timing to be confirmed.

#### CSSIW

The CSSIW will identify any fieldwork for 2012-13 after completing their evaluation of performance in 2011-12.

To be confirmed.

27. The Welsh Language Commissioner (the Commissioner) monitors councils' progress in delivering services to the public in Welsh. The Commissioner 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.



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## The Auditor General's programme of local performance audit work at individual NHS bodies

- 28.** As the external auditor of the NHS in Wales, the Auditor General also has a programme of financial audit and performance audit 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.

## The Auditor General's programme of value-for-money studies

- 29.** Reports arising from the Auditor General's programme of value-for-money studies 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. Although subject to change throughout the year, [Appendix 5](#) lists the value-for-money studies that the Auditor General is currently committed to. As indicated in [paragraph 19](#), the Auditor General's studies in local government can form part of a wider value-for-money study.

## Work that may have been commissioned by the Council

- 30.** 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.

# Appendix 1

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## Wales Audit Office performance work planned for 2012-13

### Work to be undertaken at all councils leading to published national reports

- Improvement Study – effectiveness of scrutiny
- Improvement Study – authorities' reviews of governance and preparation of Annual Governance Statements
- Local Government all-Wales study 2012-13 – Young People not in Education, Employment or Training (NEETS)

### Work to be undertaken at all councils and reported locally

- Audit of Improvement Plan
- Audit of assessment of performance publication, including testing and validation of an authority's assessment of performance
- Assessment of progress in implementing previous recommendations and proposals for improvement (see paragraphs 8-10)
- Performance Indicator audit
- Risk assessment of housing and council tax benefit

### Bespoke projects

- Collaboration with partners (in preparation for an improvement study in 2013-14)
- Supporting and challenging the Council's self-assessment of its arrangements and performance

*\* Each year's work programme and fee cover one cycle of Improvement 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

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## Roles and responsibilities

The Wales Audit Office comprises the Auditor General and his staff. The Auditor General's main functions are set out in the 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 directly accountable to the Auditor General for overseeing the delivery of all performance audit work at Flintshire County Council.

### Manager local government region

The Manager reports to the Group Director and is the primary point of contact for the Improvement Assessment work at a senior officer and political level in local government bodies. The Manager will present reports of the Improvement Assessment to the Council.

### Performance Audit Lead

The Performance Audit Lead plans and co-ordinates inputs to the Improvement Assessment at the 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.

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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 Commissioner is an independent statutory body established by the Welsh Language (Wales) Measure 2011. The Commissioner's main function is to promote and facilitate the use of the Welsh language.

## Appendix 3

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### Wales Audit Office performance audit team

Name	Role	Phone	E-mail
Alan Morris	Group Director	07818 427472	Alan.Morris@wao.gov.uk
Huw Lloyd Jones	Manager	07813 822017	Huw.lloyd.jones@wao.gov.uk
Karen Lees	Performance Audit Lead	07799 343071	Karen.lees@wao.gov.uk

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# Appendix 4

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## Fees

The proposed fee for April 2012 to March 2013 is £139,985 (plus VAT) and will be charged in equal instalments between April 2012 and March 2013. Our fee is set out below.

The Wales Audit Office receives a grant from the Welsh 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 2012 to March 2013*
Total fee for Improvement Assessment and audits	£174,985
Less WPI subsidy	£35,000
Fee charged to the authority	£139,985

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

# Appendix 5

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## The Auditor General's programme of value-for-money studies

### Work in progress

2007-13 EU structural funding

Informing healthcare

NHS consultant contract benefits realisation

Sale of the (former) River Lodge Hotel, Llangollen

Healthcare across the UK (in collaboration with the National Audit Office, Audit Scotland and the Northern Ireland Audit Office)

National Fraud Initiative 2010-11

The Welsh Government's relationship with the All Wales Ethnic Minority Association

Continuing healthcare

Emergency planning – civil contingencies

Education of looked after children

Picture of public services – health finances

Welsh Government location strategy

Public procurement of consultancy services

Child and adolescent mental health services – follow-up work

Forestry Commission Wales – follow-up work

### Planned studies that are yet to start

Welsh Government arrangements for working with the third sector

Young people not in education, employment or training (NEETS)

Medicines management

Financial planning and management in higher education

Supply teachers (possibly in collaboration with Estyn)

Public sector workforce planning/managing workforce reduction

Grants to farmers (possibly focusing on the Glastir agri-environment scheme)

*Note: In addition to this list, it is likely that the Auditor General will decide to publish a national summary report(s) following recent local NHS performance audit work on unscheduled care and the management of chronic conditions.*



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