

REPORT OF BUSINESS & PERFORMANCE MANAGER

**SUBJECT: WALES AUDIT OFFICE REGULATORY PROGRAMME FOR
PERFORMANCE AUDIT 2012-13**

Purpose of Report

For Members to receive the Wales Audit Office Regulatory Programme for Performance Audit 2012-13

Introduction

Wales Audit Office is required to inform Members of its programme for audit work for the current year. The following report sets out the work programme to audit the Authority's performance.

Options

This is a statutory requirement.

Financial considerations

The fee for this work is £12,540.

Recommendation

Members are requested to RECEIVE this report

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Consultees: None



WALES **AUDIT** OFFICE

SWYDDFA **ARCHWILIO** CYMRU

Regulatory Programme for Performance Audit 2012-13

Pembrokeshire Coast National Park Authority

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Status of document

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This document was produced by John Roberts and Alan Morris.

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Regulatory Programme

Performance audit work at Pembrokeshire Coast National Park Authority

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 Pembrokeshire Coast National Park Authority (the Authority) is likely to comply with the requirements of Part 1 of the Measure. This involves:
 - a review of the Authority'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 Authority's improvement objectives and arrangements; and
 - audits of the Authority's published improvement plans and its self-assessment of performance.
- a) [The Authority's arrangements to secure continuous improvement](#)
7. The Auditor General will carry out a full assessment of the Authority's arrangements once every four years, unless he has significant concerns that suggest he should review those arrangements more frequently. This year we will not be carrying out a full assessment at the Authority, but instead will be following up proposals for improvement set out in our previous assessments.

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8. In July 2011 we made a proposal for improvement that the Authority should ensure that its improvement objectives are subject to the same, or similar, performance management arrangements as apply to the Authority's strategic outcomes by, for example, ensuring that:
 - the Authority's Corporate Strategy makes it clear which of the measures of success, actions and performance indicators that are linked to its strategic outcomes are also linked to its improvement objectives;
 - the new outcome plans also cover the Authority's improvement objectives; and
 - the performance appraisal forms refer to the Authority's improvement objectives, as well as its strategic outcomes.
 9. We have previously reported on progress in relation to the matter listed above in our Annual Improvement Report, issued in January 2012. During 2012-13, we shall update these earlier assessments.
 10. In January 2012, we also made the following proposals for improvement:
 - strengthen its assessment of success by incorporating data from other sources, such as the State of Wildlife in Pembrokeshire report by the Pembrokeshire Biodiversity Partnership;
 - confirm that the service level agreement (SLA) between the Authority and the National Museum of Wales represents good value for money in terms of it contributing towards the Authority's priorities;
 - in future years, ensure that the Authority's improvement plan includes relevant comparisons of performance with other authorities; and
 - strengthen its risk assessments to take account of the risks of impact on the delivery of priorities.
 11. Our work during 2012-13 will assess progress against each of these proposals for improvement.

b) Improvement studies

12. In his letter of 29 March 2012, the Auditor General set out his proposals for those improvement studies for this year that will include National Park Authorities. These are:
 - key themes from improvement authorities' assessments of their performance; and
 - authorities' reviews of governance and preparation of Annual Governance Statements.

c) Audits of the 'Improvement Plan' and the 'Assessment of Performance'

13. The Measure requires the Auditor General to undertake audits of whether the Authority has discharged its duties in relation to improvement planning and the publication of improvement information, and has acted in accordance with Welsh Ministers' guidance.

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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 Authority 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 Authority has discharged its duties and acted in accordance with statutory guidance.

Reporting

16. We will write to the Authority to formally report our follow-up review of the Authority's arrangements to secure continuous improvement. In that letter we will also report the findings of the audit of the Authority's Improvement Plan, and comment on the robustness of the plans that the Authority has put in place.
17. We will issue the Authority with a report on each Improvement Study. A national summary of each Improvement Study will also be published.
18. We will write to the Authority following our audit of the Authority's self-assessment to formally report the findings of the audit, including a commentary on the robustness and validity of the Authority's own assessment.
19. 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.

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

20. The Auditor General may draw upon other work in reaching his conclusions in relation to the Authority. This work includes:
 - the financial audit work of the Appointed Auditor;
 - the work of the Welsh Language Commissioner;
 - 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 Authority.

The financial audit work of the Appointed Auditor

21. 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.
22. Auditors will also examine the Authority's governance statement 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.
23. 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

24. Although Estyn and the CSSIW also undertake work in relation to councils in Wales, the relevant regulator of most relevance to the work of National Park Authorities is the Welsh Language Commissioner (the Commissioner). The Commissioner monitors authorities' progress in delivering services to the public in Welsh. The Commissioner works with local authorities to help them develop their statutory Welsh Language Schemes that outline the way in which they provide services to the public in Welsh.

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

25. 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 20](#), 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 Authority

- 26.** Under the Public Audit (Wales) Act 2004 and the Government of Wales Act 2006, the Authority may commission work from the Auditor General. The Authority should discuss this in the first instance with the Wales Audit Office.

Appendix 1

Wales Audit Office performance work planned for 2012-13

Audit of the Improvement Plan

Audit of progress on relevant recommendations or proposals for improvement

Update on corporate arrangements

Audit of assessment of performance publication, including testing and validation of an authority's assessment of performance

Performance Indicator audit

Improvement Study – key themes from assessments of performance

Improvement Study – authorities' reviews of governance and preparation of Annual Governance Statements

** 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

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 the Authority.

Performance Audit Lead

The Performance Audit Lead reports to the Group Director and is the primary point of contact for the Improvement Assessment work at a senior officer and political level. The Performance Audit Lead plans and co-ordinates inputs to the Improvement Assessment and will present reports of the Improvement Assessment to the Authority.

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

Appendix 3

Wales Audit Office performance audit team

Name	Role	Phone	E-mail
Alan Morris	Group Director	07818 427472	Alan.Morris@wao.gov.uk
John Roberts	Performance Audit Lead	07818 427488	John.Roberts@wao.gov.uk

Appendix 4

Fees

The proposed fee for April 2012 to March 2013 is £12,540 (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.

The fee

	Fee April 2012 to March 2013* (£)
Total fee for Improvement Assessment and audits	17,540
Less WPI subsidy	5,000
Fee charged to the authority	12,540

**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 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 Glastiragri-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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