



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

March 2010

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Regulatory Programme for Performance  
Audit November 2009 to March 2011

**North Wales Fire and Rescue  
Authority**

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## Status of this report

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No responsibility is taken by the Wales Audit Office (the Auditor General and her staff) and, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

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### **Performance audit work at North Wales Fire and Rescue Authority**

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 Auditor General's annual performance audit work programme has traditionally been agreed in November each year and covered the period to the end of October the following year. However, the Assembly Government is phasing in the requirements of the Measure, with some elements of the Local Government Act 1999 remaining extant. This means that transitional arrangements will be in place until March 2011. This programme therefore covers a 17 month period. From April 2011 onwards, performance audit work will be aligned to the financial year. There will be a separate plan and fee for the financial audit work of the Appointed Auditor, which is summarised in the next section.
3. 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). This will reflect the Authority's improvement planning arrangements, be aligned to its improvement objectives, and be tailored accordingly. It 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 Authority and relevant regulators in developing the WP&T. It will be reviewed at least every quarter.
4. The roles and responsibilities of Wales Audit Office staff for the Authority, together with contact arrangements are set out in Appendices 1 and 2.
5. Fees for the Auditor General's performance audit work at the Authority are set out in Appendix 3.
6. Where the Auditor General identifies an issue of such importance that she considers a special inspection to be an appropriate response, she will charge an additional fee to conduct such an inspection.

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## **The Improvement Assessment**

7. The Local Government Measure requires the Auditor General to carry out an annual Improvement Assessment for each improvement authority to determine whether the Authority is likely to comply with the requirements of Part 1 of the Measure.
8. The Improvement Assessment will be reported in an Annual Improvement Report in November of each year. The Auditor General will be seeking to answer the question: Is the Authority likely to comply with the statutory duty to make arrangements to secure continuous improvement? In order to answer this question, the Improvement Assessment will comprise:
  - a Corporate Assessment – a review of arrangements to secure continuous improvement; and
  - a Performance Assessment – a retrospective review of performance, tracing improvement over time.
9. Appendix 4 illustrates the key programme areas the Auditor General will consider when making and reporting her improvement assessments.

## **Auditing the Authority's Improvement Plan and related information**

10. The Local Government Measure also requires the Auditor General to undertake an audit 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.
11. The duty for improvement authorities to publish an Improvement Plan as soon as practicable after the start of the financial year comes into force in April 2010. However, the requirement for the Auditor General to carry out an audit of this plan under section 17 does not come into force until April 2011. The Auditor General will review, rather than formally audit, the Authority's 2010 Improvement Plan. This review will inform the Corporate Assessment. From April 2011 onwards, the Auditor General will audit the Authority's Improvement Plan shortly after it is published.
12. The Welsh Assembly Government is consulting on a proposal to combine the consultation and publication processes for Fire and Rescue Authorities' Risk Reduction Planning with requirements under the Local Government (Wales) Measure 2009 to consult and publish improvement plans. To enable this, an Order will need to be introduced under Section 15(7)(b) of the Local Government (Wales) Measure 2009 changing the publication date of Fire and Rescue Authorities' improvement plans to as soon practicable after 30 September of the year prior to which the plan relates.
13. The duty that the Measure places upon authorities to publish improvement information by the end of October comes into force in 2011. In 2010, the Auditor General will audit performance information as part of her retrospective assessment of the Authority's performance.

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14. During the transitional period, the Authority remains under a duty to publish an annual Improvement Plan by the end of October. This duty will be repealed in 2012 for Fire and Rescue Authorities.
  15. The improvement information that the Authority must publish before 31 October 2010 will be audited by the Appointed Auditor in accordance with the extant legislation, namely section 7 of the Local Government Act 1999. This audit will help inform the Performance Assessment, which the Auditor General will report, together with a summary of the Corporate Assessment, in her Annual Improvement Report in November 2010.

### **Local government studies**

16. 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, she must consult associations of local authorities and associations of employees that appear to her to be concerned. The Auditor General will consult as appropriate during the early part of 2010 on her study proposals.

### **Other work the Auditor General uses to inform her performance audit work at the Authority**

17. This part of the Regulatory Programme briefly summarises the other work the Auditor General draws on in reaching her conclusions in relation to the Authority. This work includes:
  - the financial audit work of the Appointed Auditor;
  - the work of relevant regulators, particularly the Fire and Rescue Adviser with Her Majesty's Inspector status; and
  - the Auditor General's other studies across the public sector.

### **The financial audit work of the Appointed Auditor**

18. 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.
19. Auditors will also examine the Authority'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.

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20. 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

21. Exhibit 3 sets out the other regulatory activity that is currently known. Essentially this relates to the work of the Assembly Government's Peer Assessment Team. This and other work that may arise will be included in updates of the WP&T.

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### Exhibit 3: Other planned regulatory activity

Peer Assessment Team	Operational assurance assessment
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## Other Auditor General studies across the public sector

22. The Auditor General undertakes other work which will sometimes inform her work in relation to authorities.
23. She 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 her work in local government. The Auditor General's programme of activity for presentation to the National Assembly is set out in Appendix 5.
24. 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 and joint working becomes more prevalent, this work will have increasing relevance to our Improvement Assessment work.
25. 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 and Auditor General of Northern Ireland.
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 Improvement Assessment Lead (IAL) or, in the case of financial audit work, with the Appointed Auditor.

## Appendix 1

## Roles and responsibilities

The Wales Audit Office comprises the Auditor General and her 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 Engagement Partner

The Performance Engagement Partner is accountable to the Auditor General for overseeing the delivery of all performance audit work at the Authority.

### Improvement Assessment Lead

The 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 Authority.

### Improvement Assessment Co-ordinator

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

### Fire and Rescue Adviser with Her Majesty's Inspector status

The role includes providing advice on operational assurance, guidance and technical policy issues, as well as performance, equality and diversity. The role will also provide valuable support and advice to Welsh Ministers and officials during major emergencies.

## Appendix 2

**Wales Audit Office Performance audit team**

Name	Role	Phone	Email
Alan Morris	Engagement Partner	02920 320553/ 07818 427472	alan.morris@wao.gov.uk
Rob Powell	Improvement Assessment Lead	02920 320603/ 07980 637686	rob.powell@wao.gov.uk
Lisa Williams	Improvement Assessment Coordinator	02920 320671/ 07970 246975	lisa.williams@wao.gov.uk

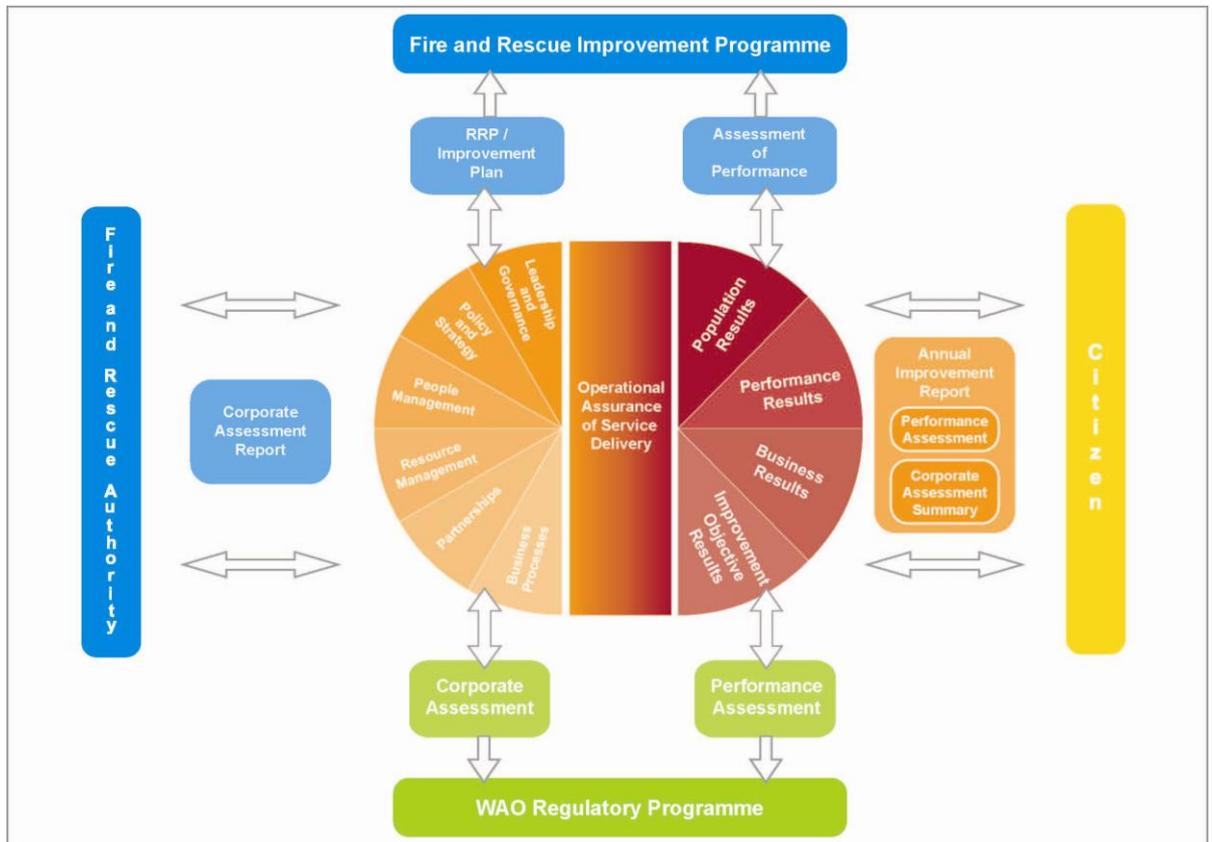
## Appendix 3

**Fees**

The proposed fee for performance audit work between November 2009 and March 2011 is £40,991 (plus VAT) and will be charged in equal instalments between November 2009 and March 2011.

Appendix 4

### Local Authority Improvement Programme

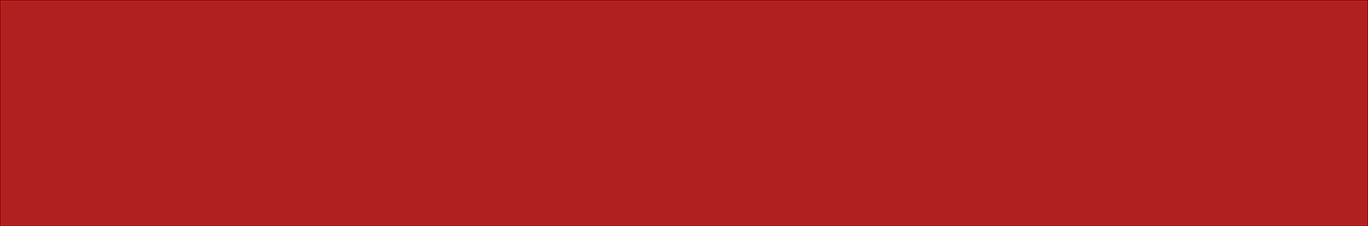


## Appendix 5

## The Auditor General's programme of work for presentation to the National Assembly

Public sector buildings management.
Transport – major project delivery.
The Merlin contract – follow-up.
Emergency planning – civil contingencies.
Adult mental health services – follow-up.
Policing – more for less (an England and Wales study in partnership with the Audit Commission).
Informing healthcare.
Consultant contract benefit realisation.
2007-2013 European Union convergence funding for West Wales and the Valleys.
Education of looked after children.
Public participation in recycling and composting.
Hospital catering.
National Fraud Initiative.
Welsh Housing Quality Standard.
Nutrition in schools.
NHS waiting list spot checks – follow-up.
NHS pay modernisation.
NHS reorganisation.
Continuing healthcare.
Innovation and efficiency.





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