



# 2015 Audit Plan

## Newport City Council

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# 2015 Audit Plan

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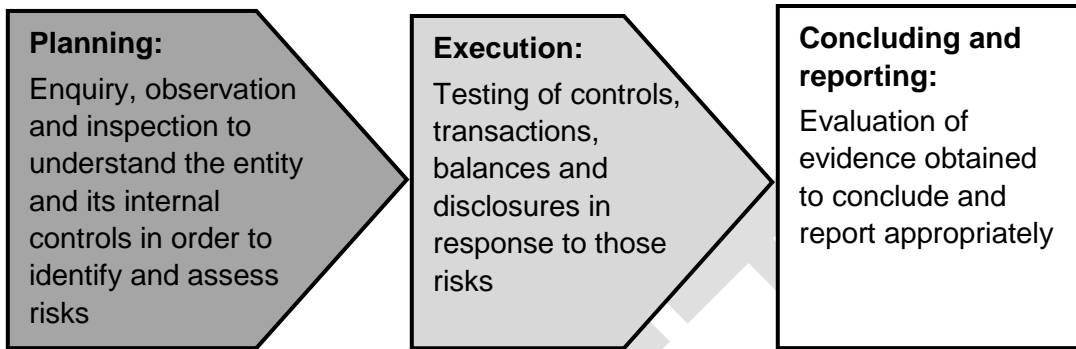
## Summary

1. As your external auditor, my objective is to carry out an audit which discharges my statutory duties as Auditor General and fulfils my obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999, and the Code of Audit Practice, namely to:
  - examine and certify whether your financial statements are ‘true and fair’;
  - assess whether you have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources;
  - audit and assess whether you have discharged duties and met requirements of the Measure; and
  - undertake studies to enable me to make recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.
2. The purpose of this plan is to set out my proposed work, inform you of when it will be undertaken, how much it will cost and who will undertake it. My responsibilities, along with those of management and those charged with governance, are set out in [Appendix 1](#).

## Financial audit

3. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on their ‘truth and fairness’.
4. I also consider whether or not the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if the Annual Governance Statement does not comply with requirements.
5. [Appendix 1](#) sets out my responsibilities in full.
6. The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This understanding allows me to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the financial statements as a whole. My audit approach consists of three phases as set out in [Exhibit 1](#).

Exhibit 1: My audit approach



7. The risks of material misstatement which I consider to be significant and which therefore require special audit consideration, are set out in [Exhibit 2](#) along with the work I intend to undertake to address them.

Exhibit 2: Financial audit risks

Financial audit risk	Proposed audit response
The risk of <b>management override</b> of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].	We will: <ul style="list-style-type: none"> <li>test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>review accounting estimates for biases; and</li> <li>evaluate the rationale for any significant transactions outside the normal course of business.</li> </ul>
The severe <b>austerity measures</b> of recent years introduces risks for the Council's financial standing and the financial pressures that have required significant savings also increases financial control risks (e.g. budgetary control and achieving planned savings).	We will continue to review the overall control environment and monitor the Council's achievement of planned financial savings.
The Council's 2014-15 financial statements will include a number of <b>disclosures which are material by nature</b> . These include the disclosure of Related Parties, Senior Officer's Remuneration and Members' Allowances.	We will review all notes and disclosures that are material by nature and will substantively test these to ensure that they are consistent with supporting documentation and all required disclosures are made in line

Financial audit risk	Proposed audit response
<p>In my 2013-14 <b>Financial Accounting Memorandum I</b> reported:</p> <ul style="list-style-type: none"> <li>Some areas where the Council's Corporate Information Management &amp; Technology (IM&amp;T) should be assessed in order to minimise the risk of future service failures and potential misstatements (some of these issues were repeated from the previous year); and</li> <li>Some weaknesses in the Council's key financial systems: Oracle financial system, Payroll system; the fixed asset system (Logotech), Property repairs management system (ROC) and the schools accounting system (SIMS).</li> </ul>	<p>with the Code of Practice on Local Authority Accounting.</p> <p>We will review the progress that the Council has made on the recommended improvements and consider the potential impact of any remaining weaknesses may have in terms of the potential for the generation of material misstatements within the financial statements.</p>
<p>The <b>Financial Accounting Memorandum</b> also reported the issues arising from our joint 'Post Project Learning' exercise and identified several actions for the Council – the principal ones are:</p> <ul style="list-style-type: none"> <li>An appropriate level of resources dedicated to the production of a fully quality-assured draft financial statements in line with the agreed timetable; and</li> <li>To establish an agreed 'house-style' for the financial statements well ahead of the accounts production timeframe with appropriate liaison with the Council's Publishing Team to ensure key timescales are achieved.</li> </ul>	<p>We will continue to liaise with key Officers to ensure that effective arrangements have been put in place for the issues previously reported to you.</p>
<p>There have been significant changes in <b>key staff within the Council's Finance Department</b>. Some staff that were new in post last summer have already, or are due to leave in the coming weeks. There is a considerable knowledge gap due to the recent high staff turnover.</p>	<p>We will continue to liaise with key Officers to ensure that effective arrangements are put in place to manage the risks. For example, the audit team are finalising a deliverables document to clearly set out the working papers expected for the various areas of the financial statements, so that Council Officers' effort is channelled towards the most appropriate supporting papers.</p>

Financial audit risk	Proposed audit response
<p><b>Job Evaluation</b> – The Council is intending to conclude its Job Evaluation process in near future and there is a risk that the financial implications arising may not be accounted for correctly.</p>	<p>We will monitor the position of this exercise and assess whether the Council's financial implications are correctly disclosed in the financial statements.</p>
<p>There have been some changes introduced in the <b>Accounting Code</b> relevant to the Council's 2014-15 financial statements. In particular, in respect of 'interests in other entities' such as 'joint arrangements'. This will require the Council to re-evaluate its accounting treatment of its interest in 'Newport Transport'. In addition, we expect to see the correct accounting treatment for the Council's 'joint arrangements'.</p>	<p>We will review the Council's re-evaluation of its proposed accounting treatment for its subsidiary undertaking and all of its joint arrangements.</p>
<p>Recent European and UK Case law has changed the way in which employers must calculate <b>Holiday Pay</b> where overtime, shift allowances or bonuses are considered to be part of an employees' 'normal' pay.</p>	<p>We will review the work that the Council has done to assess whether or not there is a potential financial implication arising from these recent changes.</p>
<p>The Appointed Auditor wrote to the Council in November 2014 setting out the audit requirements for the Council's <b>Port Health functions</b> which will take effect from the 2014-15 financial statements.</p>	<p>We will assess the preparedness of the Council for this new requirement and will subsequently undertake the audit work as required.</p>
<p>The Council was the last local authority in Wales to prepare its 2013-14 <b>Whole of Government Accounts</b> return. This was reported in our annual Local Government Accounts report.</p>	<p>We will review the Council's accounts preparation timetable to ensure that it addresses the production of this data to the required timescales set by the Welsh Government.</p>
<p>The <b>Code</b> that will apply to the 2016-17 financial statements includes the proposal that 'Transport Infrastructure Assets' are measured on a 'Depreciated Replacement Cost' basis. Although no change will be required for 2014-15, this is a major change from the Council's current accounting treatment.</p>	<p>We will assess the preparedness of the Council for this new requirement and will consider reporting if we have any concerns.</p>

8. I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes, but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts

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being misled. The levels at which I judge such misstatements to be material will be reported to the Audit Committee prior to completion of the audit.

9. For reporting purposes, I will treat any misstatements below a 'trivial' level (the lower of five per cent of materiality or £100,000) as not requiring consideration by those charged with governance and therefore I will not report them.
10. My fees are based on the following assumptions :
  - information provided to support the financial statements is timely, to the quality expected and has been subject to effective quality assurance review;
  - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
  - all appropriate officials will be available during the audit;
  - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that we require in the Letter of Representation addressed to me;
  - Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements;
  - that we will be able to rely on 'Newport Norse' to provide accurate information on the valuation of Newport Council's Property plant and equipment and that this information is provided to the Council in sufficient time for the preparation of the financial statements; and
  - Torfaen Council (the Pension Scheme Administrators) provide the actuarial information on Newport Council's transactions and membership data relating to the Pension Scheme. We plan to obtain assurance from the auditors of the Pension Scheme Administrators on the information supplied to the Actuary for the calculation of the relevant disclosures included in the Trust's financial statements.
11. In addition to my responsibilities in respect of the audit of the Council's statutory financial statements set out above, I am also required to certify a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts.

## Certification of grant claims and returns

12. I have been requested to undertake certification work on the Council's grant claims and returns as set out in [Appendix 2](#).
13. The expected audit fee for this work is set out in Exhibit 6.

## Overall issues identified

14. [Exhibit 3](#) summarises the more significant and/or recurring issues I identified when undertaking grant certification work in 2013-14.



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### Exhibit 3: Overall issues relating to grant claim and return certification

#### Grant Claims and Returns 2013-14

- In 2013-14 we certified 20 grant claims with a total value of £149.8 million, a decrease on the 37 claims certified in 2012-13, with a total value of £158.5 million
- The Council was late submitting 5 out of the 20 claims, or 25 per cent – this was an improvement in performance from 2012-13, when 6 out of 37 claims were submitted late. Of these 5 claims, 2 were 1 day late only. Moreover, none of the 3 remaining claims were significantly late and were received within 1 calendar month of the set submission deadline. In all three cases, we were fully aware of the reasons causing the delay
- Claims requiring amendment decreased from 16 in 2012-13 to 13 in 2013-14. However, this represents a considerably larger proportion of the population of audited claims - 65% increased from 43%. There has also been a significant drop in the number of claims audited, due largely to changes in the Communities First regime. The number of adjustments is broadly comparable to 2012-13.
- Two of the 13 amendments were significant, being over £10,000 in value. However, the £351,004 decrease to the TRA23 “Free Concessionary Travel” balance relates to adding in funding received for the financial year after ‘year-end’ but before the date the claim was signed by the Council. It therefore affected the accuracy of the balance being reclaimed from the Welsh Government. The second significant adjustment was a £18,121 reduction to the EYC01 “Flying Start” balance relating to firstly incorrectly claiming for a number of accrued purchase orders at year-end which should have been removed as not payable, and secondly, an isolated discrepancy between an accrued SLA payment and the actual payment made after year-end.
- Claims requiring qualification decreased from 12 in 2012-13 to 6 in 2013-14. However, the decrease in the number of grants being audited means this is a modest improvement in performance, representing 30% of claims compared to 32.4% in 2012-13.
- We delivered grants training to Council officers on 17 March 2015. This focused on our approach to the certification of grants, best practice that should be followed and how improvements could be made to Council processes during the coming year. We also outlined the key elements of our ‘*Joint Protocol on Grants Management*’, how best to use the ‘*Authority Grant Claim Checklist*’ prior to the submission of a claim form for audit and common grants management risks, including monitoring of ‘third party expenditure’.

#### Effectiveness of grant coordination arrangements

- We have acknowledged changes in the officers undertaking the Council’s Grants Coordinator role throughout the year. We consider that the handover from the long-term post-holder to the new Coordinators could have been improved and there has inevitably been a transition period while the new Coordinators adapt to the requirements of the role.
- The ‘*Joint Protocol*’ specifies respective responsibilities of us and Council officers. Since the completion of our 2013-14 grants work, we have amended the provisions of the ‘*Joint Protocol*’ with the agreement of the Council and believe the revised arrangements should address some of the issues we have identified which impact on the audit process – in particular the submission of claim forms for audit accompanied by a fully referenced file, the completion of the pro-forma ‘Grants Checklist’ and delayed response times to our queries within the agreed 3 days.
- The *Joint Protocol* includes a responsibility to provide constructive feedback to Council grant officers on completion of each grant audit. The additional detail added to the pro-

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forma following the 2012-13 audit allowed auditors to record specific and constructive points where improvements could usefully have been made on each audit. The provision of copies of the certified claim and accompanying documents has also allowed auditors to provide a copy of the extended feedback at the same time.

## Issues related to specific grant claims and returns

15. In addition to the overall issues identified above, I summarise the more significant issues I have identified relating to individual grant claims and returns in [Appendix 2](#).

## Performance audit

16. I am required by the Measure to carry out an improvement assessment for each improvement authority every year, to determine whether the authority is likely to comply with requirements to make arrangements to secure continuous improvement. I must also carry out audits of whether the authority has discharged its duties under the Measure. My improvement assessment work, combined with my work on financial matters, also discharges my responsibility to satisfy myself that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
17. I am also required under the Measure to undertake a corporate assessment at each improvement authority. Since 2013-14, I have undertaken this programme of corporate assessments on a cyclical basis. Currently, I have agreed with the Welsh Government that I may use the grant that I receive from the Welsh Government to fund the corporate assessment. This means that, in addition to fee-funded improvement assessment and audit work, each authority will receive an in-depth corporate assessment once during a four-year period. In the intervening years, I will maintain a 'light-touch' overview of developments and of the progress made by the authority. In the event of emerging issues of concern or matters of priority, I do reserve the flexibility to undertake a more frequent corporate assessment. I am just completing my follow-up of the full Corporate Assessment that was reported to the Council in September 2013.
18. I set out in this section the 12-month programme of performance audit work to be undertaken at the Council. The content of the programme has been determined by a consideration of the risks and challenges facing the Council, the extent of accumulated audit and inspection knowledge, including that of other external review bodies, as well as other available sources of information including the Council's own mechanisms for review and evaluation.
19. The components of my performance audit work are shown in [Exhibit 4](#) and have been designed in order to help deliver the high-level objectives set out in our 2013-2016 corporate strategy ([www.wao.gov.uk/publication/wales-audit-office-corporate-strategy-2013-2016](http://www.wao.gov.uk/publication/wales-audit-office-corporate-strategy-2013-2016)).

Exhibit 4: Components of my performance audit work



20. The performance work I propose to undertake is summarised in [Exhibit 5](#).

Exhibit 5: Contents of my 2015-16 performance audit work programme

Category	Specific projects
Improvement audit and assessment	<p><b>‘Improvement plan’ audit</b> Audit of discharge of duty to publish an improvement plan.</p> <p><b>‘Assessment of performance’ audit</b> Audit of discharge of duty to publish an assessment of performance.</p> <p><b>Financial management review</b> Further work on financial management arrangements following up our 2014-15 review, and looking forward to 2016-17 budget setting and savings proposals. There will also be a focus on the reserves position, policy and use of reserves. Further work to be determined in relation to the Progress Review of the Corporate Assessment and its Follow up</p> <p><b>Governance review</b> Progress Review of the Corporate Assessment and its follow up.</p> <p><b>Performance management review</b> Progress Review of the Corporate Assessment and its follow up.</p> <p><b>Locally determined review(s)</b> To be determined in relation to the Progress Review of the Corporate Assessment and its follow up.</p>

Category	Specific projects
Follow-up work	I will maintain a focus on assessing the progress that has been made in implementing recommendations from my previous work. As part of this work, I will seek assurance that the Council has appropriate corporate processes for responding to my reports, tracking implementation of my recommendations and reporting this to the appropriate committee. Any specific follow-up work to be determined in relation to the Progress Review of the Corporate Assessment and its Follow up.
Local government studies	<p><b>Study 1 : The strategic approach of councils to income generation and charging for services</b> Under the theme of delivering with less, this study will involve an audit of councils' strategic approach to charging; the approval process for setting and reviewing charging within a council the impact of charging on services and service users..</p> <p><b>Study 2 : Council funding of third-sector services</b> Again, under the theme of delivering with less, this study will look at the level of investment in voluntary sector services to benchmark findings against 2009-10 and earlier assessments; review of the measures used to judge the effectiveness of funding in a tracer area; review decision making processes to determine whether the principles of good governance in funding third sector services are being followed.</p> <p><b>Study 3 : The effectiveness of local community safety partnerships</b> This study will look at the effectiveness of community safety partnerships and the impact of the work of partnerships in delivering improvement within their communities.</p>
Good practice	In line with the my commitment to identify and share good practice, I will continue to host shared learning seminars, identify relevant case studies and focus my work on identifying and promoting effective practice.

21. The performance audit projects included in last year's plans, which are either still underway or which have been substituted for alternative projects in agreement with you, are set out in [Appendix 3](#).

## Fee, audit team and timetable

### Fee

22. Your estimated fees for 2015 are set out in [Exhibit 6](#). The fee for financial audit has been held at the prior year level with a small increase (0.2%) in the performance fee.

## Exhibit 6: Audit fee

Audit area	Proposed fee (£) <sup>1</sup>	Actual fee last year (£)
<b>Financial audit work<sup>1</sup></b>	<b>£191,097</b>	<b>£191,097</b>
<b>Performance audit work:<sup>2</sup></b>		
• Study 1 : The strategic approach of councils to income generation and charging for services	£0 <sup>3</sup>	
• Study 2 : Council funding of third-sector services	£0 <sup>3</sup>	
• Study 3 : The effectiveness of local community safety partnerships	£0 <sup>3</sup>	
• Improvement audit, assessment work and follow-up	104,657	104,058
Performance audit work total	104,657	104,058
<b>Total fee</b>	<b>£295,754</b>	<b>£295,155</b>
<b>Grant certification work<sup>5</sup></b>	<b>£82,000</b>	<b>£83,000</b>
<b>Other financial audit work<sup>4</sup></b>	<b>£0</b>	<b>£0</b>
<b>Total fee for other audit work</b>	<b>£82,000</b>	<b>£83,000</b>

### Notes:

<sup>1</sup> Payable November 2014 to October 2015.

<sup>2</sup> Payable April 2015 to March 2016.

<sup>3</sup> Funded by Welsh Consolidated Fund.

<sup>4</sup> Any additional work arising out of audit issues leading to additional work will be discussed with the Head of Finance in the first instance

<sup>5</sup> Payable as work is undertaken.

23. Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Council.
24. Further information on my fee scales and fee setting can be found on the Wales Audit Office website at: [www.wao.gov.uk/about-us/fee-scales-and-fee-setting](http://www.wao.gov.uk/about-us/fee-scales-and-fee-setting).

<sup>1</sup> The fees shown in this document are exclusive of VAT, which is no longer charged to you.

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## Audit team

25. The main members of my team, together with their contact details, are summarised in [Exhibit 7](#).

### Exhibit 7: My team

Name	Role	Contact number	E-mail address
Anthony Barrett	Engagement Lead – Financial Audit	01244 525972 07771 505 882	Anthony.Barrett@wao.gov.uk
Alan Morris	Engagement Lead – Performance Audit	02920 320514 07818 427 472	Alan.Morris@wao.gov.uk
Terry Lewis	Financial Audit Manager	029 20320641 07747 761594	Terry.lewis@wao.gov.uk
Jeannette Sweet	Financial Audit Team Lead	029 20320654	Jeannette.Sweet@wao.gov.uk
Non Jenkins	Performance Audit Manager	029 20320595 07879 848 671	Non.Jenkins@wao.gov.uk
Martin Gibson	Performance Audit Lead	029 2032 0617 07790 814050	Martin.Gibson@wao.gov.uk

26. I can confirm that my team members are all independent of the Council and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

## Timetable

27. I will provide reports, or other outputs as agreed, to the Council covering the areas of work identified in this document. My key milestones are set out in [Exhibit 8](#).

### Exhibit 8: Timetable

Planned output	Work undertaken	Report finalised
2015 Audit Plan	November 2014 – January 2015	March 2015
<b>Financial accounts work:</b> <ul style="list-style-type: none"><li>Audit of Financial Statements Report</li><li>Opinion on Financial Statements</li><li>Financial Accounts Memorandum</li></ul>	February – September 2015	September 2015 September 2015 October 2015

Planned output	Work undertaken	Report finalised
<b>Performance work:</b> <ul style="list-style-type: none"> <li>• Improvement Plan Audit</li> <li>• Assessment of Performance Audit</li> <li>• Financial Management Review</li> <li>• Governance review</li> <li>• Performance management review</li> <li>• Locally determined review(s)</li> </ul>	(Estimated) April - May 2015  October – November 2015 April – September 2015  Progress Review of the Corporate Assessment and its follow up September – December 2015  To be determined as part of the Progress Review of the Corporate Assessment and its follow up	(Estimated) June 2015  November 2015 December 2015  March 2016  March 2016
Annual Improvement Report	2015 – 2016	March 2016
2016 Audit Plan	October – December 2015	January 2015

\* Subject to timely clearance of draft findings with the Council.

# Appendix 1

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## Respective responsibilities

### Financial audit

As amended by the Public Audit (Wales) Act 2013, the Public Audit (Wales) Act 2004 sets out my powers and duties to undertake your financial audit. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on:

- Their 'truth and fairness', providing assurance that they:
  - are free from material misstatement, whether caused by fraud or error;
  - comply with the statutory and other applicable requirements; and
  - comply with all relevant requirements for accounting presentation and disclosure.
- The consistency of information in the Annual Report with the financial statements.

I must also state by exception if the Annual Governance Statement does not comply with requirements, if proper accounting records have not been kept, if disclosures required for remuneration and other transactions have not been made or if I have not received all the information and explanations I require.

The Public Audit (Wales) Act 2004 requires me to assess whether Newport City Council has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. To achieve this, I consider:

- the results of the audit work undertaken on the financial statements;
- Newport City Council's system of internal control, as reported in the Annual Governance Statement and my report thereon;
- the results of other work carried out including work carried out under the Local Government (Wales) Measure 2009 (the Measure), certification of claims and returns, and data-matching exercises;
- the results of the work of other external review bodies where relevant to my responsibilities; and
- any other work that addresses matters not covered by the above, and which I consider necessary to discharge my responsibilities.

The Public Audit (Wales) Act 2004 sets out the rights of the public and electors to inspect Newport City Council's financial statements and related documents, to ask me, as the Appointed Auditor questions about the accounts and, where appropriate, to challenge items in the accounts. I must also consider whether in the public interest, I should make a report on any matter which comes to my notice in the course of the audit.



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My audit work does not relieve management and those charged with governance of their responsibilities which include:

- the preparation of the financial statements and Annual Report in accordance with applicable accounting standards and guidance;
- the keeping of proper accounting records;
- ensuring the regularity of financial transactions; and
- securing value for money in the use of resources.

Management agrees to provide me with:

- access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- additional information that I may request from management for the purpose of the audit; and
- unrestricted access to persons within Newport City Council from whom I determine it necessary to obtain audit evidence.

Management will need to provide me with written representations to confirm:

- that it has fulfilled its responsibilities for the preparation of the financial statements;
- that all transactions have been recorded and are reflected in the financial statements;
- the completeness of the information provided to me for the purposes of the audit; and
- to support other audit evidence relevant to the financial statements or specific assertions in the financial statements if I deem it necessary or if required by ISAs.

## Performance audit

The Measure places a general duty on improvement authorities to 'make arrangements to secure continuous improvement in the exercise of [their] functions'. It also places specific requirements on authorities to set improvement objectives, and to publish annual improvement plans and assessments of performance. Improvement authorities are defined as county and county borough councils, national park authorities, and fire and rescue authorities.

The Measure also requires me to carry out an improvement assessment for each improvement authority every year, to determine whether the authority is likely to comply with its general duty and requirements of the Measure. I must also carry out an audit of whether the authority has discharged its improvement planning and reporting duties.

To discharge the requirements of the Measure, I undertake periodic corporate assessments at each improvement authority. Since 2013-14, I have undertaken this programme of corporate assessments on a cyclical basis. Currently I have agreed with the Welsh Government that I may use the grant that I receive from the Welsh Government to fund the corporate assessment. This means that, in addition to fee-funded improvement assessment and audit work, each authority will receive an in-depth corporate assessment once during a

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four-year period. In the intervening years, I will maintain a 'light-touch' overview of developments and of the progress made by the authority.

In the event of emerging issues of concern or matters of priority, I do reserve the flexibility to undertake a more frequent corporate assessment.

I may also, in some circumstances, carry out special inspections (under section 21), in respect of which I will provide a report to the relevant authorities and Ministers, and which I may publish (under section 22). I will summarise audit and assessment reports in my published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

In addition to my programme of audit and assessment work under the Measure, I undertake a programme of local government studies as required under sections 41 and 42 of the Public Audit (Wales) Act 2004. This work is not included within the local performance audit fee, but is included within the Wales Audit Office estimates for funding from the Welsh Consolidated Fund.

## Appendix 2

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### Summary of grant claim certification work

Name of scheme	WAO CI Reference	Value of Claim/Return 2013-14	Results of Audit Certification 2013-14
Housing and Council Tax Benefits	BEN01	£57,400,208	<ul style="list-style-type: none"><li>• Qualified, value of qualification not quantifiable; and</li><li>• Amended, increase in subsidy receivable of £35</li></ul>
Schools Effectiveness Grant	EDU15	£3,366,252	<ul style="list-style-type: none"><li>• Certified without qualification or amendment</li></ul>
Learning Pathways	EDU43	£585,475	<ul style="list-style-type: none"><li>• Certified without qualification or amendment</li></ul>
Welsh in Education Grant	EDU44	£256,018	<ul style="list-style-type: none"><li>• Certified without qualification or amendment</li></ul>
Pill Regeneration Initiative	EUR01	£280,897	<ul style="list-style-type: none"><li>• Qualified, value of qualification not quantifiable; and</li><li>• Amended, increase in grant receivable of £7,222</li></ul>
Flying Start	EYC01	£3,478,913	<ul style="list-style-type: none"><li>• Qualified, value of qualification not quantifiable; and;</li><li>• Amended, decrease in grant receivable of £18,121</li></ul>

Name of scheme	WAO CI Reference	Value of Claim/Return 2013-14	Results of Audit Certification 2013-14
Flying Start (Capital)	EYC02	£2,027,991	<ul style="list-style-type: none"> <li>• Qualified, value of qualification not quantifiable; and;</li> <li>• Amended, amendments had no impact on balance of grant receivable</li> </ul>
Families First	EYC14	£2,660,937	<ul style="list-style-type: none"> <li>• Certified, no qualification made; but;</li> <li>• Amended, amendments had no impact on balance of grant receivable</li> </ul>
Substance Misuse Action Plan Fund	HC02	£4,405,991	<ul style="list-style-type: none"> <li>• Qualified, value of qualification quantified as £2,449,916; and;</li> <li>• Amended, amendments had no impact on balance of grant receivable</li> </ul>
s28A Learning Disabilities	HLG03	£1,502,702	<ul style="list-style-type: none"> <li>• Certified without qualification or amendment</li> </ul>
s28A Frail Older Adults	HLG03	£591,808	<ul style="list-style-type: none"> <li>• Certified without qualification or amendment</li> </ul>
NNDR Final Contributions	LA01	£53,529,290	<ul style="list-style-type: none"> <li>• Qualified, value of qualification quantified as £705,572; but;</li> <li>• No amendments necessary</li> </ul>
Sustainable Waste Management	LA12	£2,864,886	<ul style="list-style-type: none"> <li>• Certified without qualification or amendment</li> </ul>

Name of scheme	WAO CI Reference	Value of Claim/Return 2013-14	Results of Audit Certification 2013-14
Teachers Pensions	PEN05	£11,325,310	<ul style="list-style-type: none"> <li>• Certified, no qualification made; but;</li> <li>• Amended, amendments had no impact on balance of grant receivable</li> </ul>
Communities First – West Cluster	RG03	£539,234	<ul style="list-style-type: none"> <li>• Certified, no qualification made; but;</li> <li>• Amended, decrease in grant receivable of £3,589</li> </ul>
Communities First – North Cluster	RG03	£445,761	<ul style="list-style-type: none"> <li>• Certified, no qualification made; but;</li> <li>• Amended, decrease in grant receivable of £2,370</li> </ul>
Communities First – East Cluster	RG03	£452,788	<ul style="list-style-type: none"> <li>• Certified, no qualification made; but;</li> <li>• Amended, decrease in grant receivable of £6,708</li> </ul>
Communities First – Central Cluster	RG03	£456,232	<ul style="list-style-type: none"> <li>• Certified, no qualification made; but;</li> <li>• Amended, decrease in grant receivable of £3,150</li> </ul>
Social Care Workforce Development Programme	SOC07	£562,791	<ul style="list-style-type: none"> <li>• Certified, no qualification made; but;</li> <li>• Amended, amendments had no impact on balance of grant receivable</li> </ul>
Free Concessionary Travel	TRA23	£3,097,860	<ul style="list-style-type: none"> <li>• Certified, no qualification made; but;</li> <li>• Amended, decrease in grant receivable of £351,004</li> </ul>

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## Appendix 3

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### Last year's performance audit work still in progress

Performance audit project	Status	Comment
Corporate Assessment Follow-up	Report being drafted	Will be issued to Council for comments in March 2015
Financial Management	Included within the Corporate Assessment Follow-up	As above
Governance	Included within the Corporate Assessment Follow-up	As above
Performance Management - Data Quality Review	Included within the Corporate Assessment Follow-up	As above
Information Management and Governance	Included within the Corporate Assessment Follow-up	As above
Gwent Frailty	Not started	Draft project brief has been issued to the Council with fieldwork likely to commence in May 2015.
Local Government Study – Independence of Older People	Ongoing	Fieldwork is scheduled to finish in March 2015 with reporting anticipated in August 2015.
Local Government Study – Delivering with Less – Leisure Services	Ongoing	Fieldwork is scheduled to finish in March 2015 with reporting anticipated in August 2015.



# Appendix 4

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## National value-for-money studies

Newport City Council may also be interested in the national value-for-money examinations which I undertake, some of which will be of particular relevance to, and may involve evidence gathering across, local government. These studies are funded by the National Assembly and are presented to the National Assembly's Public Accounts Committee to support its scrutiny of public expenditure.

The table below covers all of the value-for-money studies work currently programmed, although some of this work is still at an early stage of development. The programme includes all-Wales summaries of audit work undertaken locally in the NHS and reactive examinations into specific issues of public concern that have been raised with me. I will shortly be considering and consulting on potential topic areas for future value-for-money studies to start, and potentially in some cases to be reported, in 2015-16.

Further updates on my programme of value-for-money studies will be provided to you within the regular progress reports prepared by my team.

Topic	Anticipated publication timeframe
GP prescribing	April to June 2015
Welsh Government investment in next generation broadband infrastructure	April to June 2015
Regional education consortia	April to June 2015
Welsh Government acquisition of Cardiff Airport	April to June 2015
Rail services	April to June 2015
Orthopaedic services	April to June 2015
NHS clinical coding	Summer 2015
NHS waiting lists and private practice	Summer 2015
Picture of public services	Autumn 2015
Development of Natural Resources Wales	Autumn 2015
Regeneration Investment Fund for Wales <sup>2</sup>	To be confirmed
Wales Life Sciences Investment Fund <sup>3</sup>	To be confirmed
Flood and erosion risk management (likely to focus on coastal flooding)	To be confirmed

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<sup>2</sup> While in clearance, the timescale for publication is uncertain for reasons specific to the project.

<sup>3</sup> While in clearance, the timescale for publication is uncertain for reasons specific to the project.



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Topic	Anticipated publication timeframe
Early intervention and public behaviour change <sup>4</sup>	To be confirmed
Welsh Government interventions in local government <sup>5</sup>	To be confirmed
Welsh Government responses to audit recommendations	To be confirmed
Public procurement and the National Procurement Service	To be confirmed

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<sup>4</sup> In the short-term, development of a new picture of public services report will take priority over this work. However, the picture of public services report is likely to reflect on these themes in some way. Wales Audit Office staff will also be exploring opportunities to take forward work in this area as part of our good practice exchange programme.

<sup>5</sup> Plans for this work are being revisited in light of the Welsh Government commissioned review of the Anglesey intervention and to take into account any wider implications arising from the local government reform programme.

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