



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

Regulatory Programme for Performance Audit 2012-13

North Wales Fire and Rescue Authority

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Status of document

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Regulatory Programme

Performance audit work at North Wales Fire and Rescue 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 North Wales Fire and Rescue 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 an assessment of the Authority's arrangements over a four-year period unless there are significant concerns that suggest he should review those arrangements more frequently. This year we will be following up proposals for improvement set out in our previous assessments. These are:
 - continue to implement previous proposals for improvement to strengthen improvement objectives and associated performance and measures, and reporting to be more outcome-focused as to identify and evaluate the impact of its activity for its community;

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- implement areas for improvement identified in our Information Management review;
 - implement areas for improvement identified in our use of Technology review;
 - address issues arising from the performance indicator audit in respect of how 'over-the-border incidents' are treated; and
 - address the suggestions made in the Appointed Auditor's Annual Audit Letter in respect of reporting Internal Audit findings to the Audit Committee.

b) Improvement studies

8. In his letter of 29 March 2012, the Auditor General set out his proposals for those improvement studies. These are:

- key themes from improvement and authorities' assessments of their performance;
- the effectiveness of scrutiny;
- authorities' reviews of governance and preparation of Annual Governance Statements; and
- develop and pilot a review of collaboration.

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

9. 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.

10. Fire and rescue authorities are under a duty to publish an Improvement Plan as soon as practicable after 30 September of the year prior to the financial year to which it relates. 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.

11. 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

12. 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.
13. We will issue the Authority with a report on each Improvement Study. A national summary of each Improvement Study will also be published.
14. 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.
15. 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 Authority's Annual Improvement Report by March 2013.

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

16. 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 relevant regulators, particularly the Fire and Rescue Adviser and Inspector and the Welsh Language Commissioner;
 - 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

17. 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.

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18. 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.
 19. 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

20. The Fire and Rescue Adviser and Inspector can, if determined by Welsh Ministers, review the manner in which fire and rescue authorities are discharging their functions, including technical matters relating to those functions.
21. The Welsh Language Commissioner monitors authorities' progress in delivering services to the public in Welsh. The commissioner works with 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

22. 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 16](#), 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

23. 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 Improvement Plan
Audit of Assessment of Performance publication, including testing and validation of the Authority's Assessment of Performance
Performance Indicator audit
Improvement Study – authorities' reviews of governance and preparation of Annual Governance Statements
Improvement Study – develop and pilot a review of the collaboration theme in the fire and rescue sector
Improvement Study – human resources*

** Each year's work programme and fee covers 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 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 in fire and rescue authorities. The Performance Audit Lead 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 Fire and Rescue Adviser and Inspector can, if determined by Welsh Ministers, review the manner in which fire and rescue authorities are discharging their functions, including technical matters relating to those functions.

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
Jane Holownia	Group Director	02920 320565 07769 742684	jane.holownia@wao.gov.uk
Lisa Williams	Performance Audit Lead	02920 320671 07970 246975	lisa.williams@wao.gov.uk

Appendix 4

Fees

The proposed fee for April 2012 to March 2013 is £20,684 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 (WPI). 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 three fire and rescue authorities.

The fee

	Fee April 2012 to March 2013* (£)
Total fee for Improvement Assessment and audits	37,384
Less WPI subsidy	16,700
Fee charged to the authority	20,684

**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 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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