

External Audit Coverage and Reporting Framework at Caerphilly County Borough Council

1. The external audit role at Caerphilly County Borough Council (CCBC) is undertaken by the Wales Audit Office (WAO) is composed of two elements – financial audit and performance audit.
2. This brief paper provides an outline of:
 - What the financial and performance ‘arms’ of the WAO audit team at CCBC are responsible for; and
 - What outputs each will provide to the Council and its Audit Committee

The audit duties of the Wales Audit Office at Caerphilly County Borough Council

Financial Audit

3. PwC undertake the financial audit on behalf of the WAO’s Single Appointed Auditor Anthony Barrett and the team comprises:
 - Lynn Pamment (Partner and Engagement Lead)
 - Ian Davies (PwC Assurance Senior Manager)
 - Sophie Wint (PwC Assurance Manager)
 - Jane Hodge (PwC Assurance – Grants Manager)
 - Adam Jones (PwC Team Leader)
 - Robert Pugsley (PwC Senior Team Member)
4. This team is responsible for the:
 - The audit of the Council’s annual financial statements;
 - The audit of the Council’s grant claims and returns (where an external audit is required by the grant paying bodies); and
5. Note also that the financial audit team also contribute to the delivery of some parts of the performance audit work at the Council (e.g. the recent review of the Council’s arrangements concerning the Annual Governance Statement and the data quality review looking at how the Council manages performance).

Performance Audit

6. A WAO, supported by PwC, undertake the performance audit on behalf of the Auditor General For Wales the performance team comprises:
 - Alan Morris – WAO Group Director
 - Non Jenkins – WAO Regional Manager
 - Jackie Joyce – WAO Performance Audit Lead
 - Sara-Jane Byrne – PwC Senior Manager
7. This team is responsible for the delivery of an annual programme of improvement assessment work alongside a programme of improvement and national studies of local government bodies.

Reporting and Clearance

8. The Wales Audit Office will aim to provide draft reports or other outputs to the Council for factual accuracy checks. Before submitting draft documentation to the Council, the Project Lead will ensure that the draft is reviewed in line with the Wales Audit Office's quality assurance arrangements.
9. The Council will aim to provide comments on all draft outputs within 10 working days of receipt. The Wales Audit Office will respond to comments received promptly and will aim to provide a final version to the Council within 10 working days of receiving comments on the draft version unless the comments involve significant revision and the need for further discussion with the Council, or translation.
10. The Wales Audit Office will send final versions (in English unless otherwise requested) of reports or other project outputs by e-mail and in pdf and/or Word format. For Financial Audit reports these will be sent to the Acting Director Corporate Services; for Performance Audit Reports these will also be sent to the Acting Chief Executive. Reports that cover both the financial and improvement arrangements within the Council will be provided to both the Acting Director Corporate Services and the Acting Chief Executive in the Council.
11. Unless otherwise agreed, it is expected that Wales Audit Office projects will be reported to elected members and will be accessible to members of the public. Wales Audit Office outputs will be reported as set out in the following tables.
12. The Wales Audit Office will compile examples of good practice arising from all the work undertaken with the Council. These examples will be included in the Good Practice Exchange or related section of the Wales Audit Office's website only after agreement with the Council.
13. The Council will consider any recommendations arising from Wales Audit Office work and put in place a mechanism to act on them and monitor their progress. This may take the form of a specific action plan or the incorporation of actions in other planning processes. The Council should notify the Wales Audit Office's

Performance Audit Lead of the mechanisms for implementing the recommendations within three months of the report being issued to the Council.

Audit Outputs and Timing - Financial Audit

Output	What this is ...	Typical Timing	Reported to
Annual Audit Outline	Summary of the key risks relevant to our audit of the Council's accounts, our audit approach and the audit fee.	February / March each year	
ISA260 / Audit of the Financial Statements Report	At the completion of our audit of the Council's accounts there are matters that we need to communicate to the Council prior to them being approved by 'those charged with governance' (i.e. full Council) and our certification. As part of the Council's arrangements this report comes to the Audit Committee prior to full Council.	September each year	
Grants Certification Report	We are responsible for the audit of the Council's external grant claims and returns. These are individually certified by us and submitted to the grant paying bodies. This report provides a summary overview of these audits and where needed would raise recommendations for improvement.	January/ February	

Audit Outputs and Timing - Performance Audit

Output	What this is ...	Typical Timing	Reported to
Regulatory Plan/Letter	Summary of key issues re our performance audit work/approach for year and the related fee	April - May	Audit Committee
Improvement Assessment Letter 1: covering the annual Corporate Assessment update and the 'Improvement Plan' audit	Provides an update on the Council's capacity to deliver continuous improvement and our review of the Council's published plans for delivering on its improvement objectives.	June - September	Audit Committee and Executive/Cabinet
Improvement Assessment Letter 2: 'Assessment of Performance' audit	Review of the Council's published performance assessment, including testing and validation of performance information. This includes a data quality review of systems to ensure accuracy of performance information (incl. performance indicator audit).	August - December	Audit Committee and Executive/Cabinet
Annual Improvement Report	Summary of programme of performance audit work completed at the Council for the year	March - April	Council and Audit Committee
Themed Pieces of Work			
Improvement study – Local feedback report/summary and All Wales Study Report	Review of agreed topic area – e.g. Annual Governance Statement in 2012-13	At any time in the year as agreed with the Council	Audit Committee &/or Scrutiny Committee
Local Government National Study – Local feedback report/summary and All Wales Study Report	Review of agreed topic area – e.g. NEETS in 2012-13	At any time in the year as agreed with the Council	Audit Committee &/or Scrutiny Committee
Local Work – Local feedback report/summary	Local work identified to support improvement assessment – e.g. Collaboration and service base impact work in 2012-13	At any time in the year as agreed with the Council	Audit Committee &/or Scrutiny Committee
Going Forward			
Full Corporate Assessment Report every four years	Review of the Council's capacity and capability to deliver continuous improvement. This review is completed on a 4 year cycle.	Not due in 2013	Council and Audit Committee