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Caerphilly County Borough Council  
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Date 19 May 2014  
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Dear Stuart

### 2014-15 Performance Audit Work and Fees

I am writing to confirm the programme of performance audit work at Caerphilly County Borough Council for 2014-15 and the associated fee for that work. This work is delivered under the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999 and the Public Audit (Wales) Act 2013.

In addition to the Auditor General's audit and assessment work under the Measure, we will undertake a programme of Local Government Studies as set out in the Auditor General's letter of 28 April 2014. These and the specific elements of our audit and assessment work are set out in the table below. Please note that each year's work programme and performance audit fee covers one cycle of Improvement Assessment work. However, as this work does not fit neatly within a period starting on 1 April and ending on 31 March, the delivery of the annual work programme may overlap financial years.

<b>WAO performance audit work 2014-15</b>	
<b>Improvement assessment work</b>	
<b>'Improvement Plan' Audit</b>	Audit of discharge of duty to publish an improvement plan.
<b>'Assessment of Performance' Audit</b>	Audit of discharge of duty to publish an assessment of performance.

<b>Financial Management</b>	Financial position work focussing on financial health, the effectiveness of budget setting arrangements, financial governance systems and progress/track record in delivering on required savings.
<b>Governance</b>	This will be incorporated in the local work and will comprise a follow-up of the Special Inspection statutory recommendations – see local work
<b>Performance Management</b>	<p>This will comprise:</p> <p>A follow up of WAO proposals for improvement.</p> <p>A review of the Council’s data quality review arrangements including a follow-up of two proposals for improvement made in the DQR report of October 2013. This will be incorporated in to the ‘Assessment of Performance’ Audit.</p>
<b>Local work</b>	<p>This will comprise:</p> <ul style="list-style-type: none"> <li>• Gwent Frailty Follow up</li> <li>• a follow-up of the Special Inspection statutory recommendations and the four proposals for improvement in the HR and workforce planning thematic review of 2011</li> </ul> <p>The focus and scope of local work will be agreed following further discussion with the Authority and based on an assessment of issues relevant to the Authority’s programme of improvement</p>

<b>Local Government Studies</b>	
<b>Joined up working to address Health and Social Care demand – Independence of Older People.</b>	This study will focus on supporting older people to maintain their independence outside of the health and care system by assessing how effective ancillary services are at supporting them to live independently.
<b>Delivering with less – Leisure Services</b>	This study will track the levels of investment in leisure services over the last few years using the methodology developed for the 2013-14 delivering with less study on environmental health services.
<b>Financial position summary</b>	This study will summarise local work on councils' financial position and give an all-Wales picture of financial resilience.

The table below sets out our fees for performance audit work. The fee for April 2014 to March 2015 will be charged in equal instalments between April 2014 and March 2015. This fee includes performance audit work delivered on our behalf by PwC. If during the course of the audit and assessment any additional work is identified as being necessary, this may incur additional fees. Similarly should an issue arise of such importance that we consider a special inspection to be an appropriate response, we will charge an additional fee to conduct such an inspection.

<b>Fee April 2014 to March 2015</b>	<b>£</b>
Fee for performance audit work	£131,377

In addition to the programme of work set out above the Wales Audit Office may be undertaking work at local government bodies in the course of our programme of value for money studies 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 our work in local government. This work is funded separately by the Welsh Government consolidated fund and therefore does not incur a fee.

The Auditor General also has a duty under the Measure in relation to the coordination of the regulatory functions of the Wales Audit Office and relevant regulators, those being the Appointed Auditor; the Care and Social Services Inspectorate Wales (CSSIW); Estyn; and the Welsh Language Commissioner. The range of performance audit work that the Wales Audit Office 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.

We will publish an Annual Improvement Report for Caerphilly County Borough Council summarising our work and that of relevant regulators, and will issue reports (and/or letters) setting out the findings of audit and assessment work. As required by the Measure, these will be copied to Welsh Ministers. We will also provide local feedback on our Studies. As some of our studies are only carried at a selection of authorities, you may not receive a local report: instead we will publish a national report, the recommendations of which will apply to all local authorities. Where appropriate, both our improvement studies and national work may result in shared learning seminars or other outputs.

Should you wish to discuss any element of this work please do not hesitate to contact me or Non Jenkins ([non.jenkins@wao.gov.uk](mailto:non.jenkins@wao.gov.uk)) or Jackie Joyce ([Jackie.joyce@wao.gov.uk](mailto:Jackie.joyce@wao.gov.uk)).

Yours sincerely



Alan Morris

Director – Performance Audit