

Appendix 3

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Chief Executive  
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Dear Christina

### Performance Audit work programme

I hope this finds you in good health personally and that you are keeping yourself and family safe and well.

The challenges at hand are extraordinary, and I appreciate that the load you are carrying is significant at this time. Firstly, I would like to thank you and your staff, both for the incredible work that you are doing, and for the professional and sympathetic way that the limited engagement we have had over the last couple of months has been handled.

When the Auditor General wrote to you on 30 April, he set out our intention to re-shape previously planned programmes of work and to focus on the impact of the current crisis in terms of the resilience and the future shape of public services in Wales. I'm now writing to put more flesh on those bones.

In terms of the series of financial sustainability assessments conducted in the last audit year, all are now issued with the vast majority finalised. For the sake of completeness, we intend to finalise those few remaining in terms of factual accuracy, but I appreciate they are very much rooted in a point in time that is now consigned to history. Consequently, we have decided not to publish an all Wales summary position as this would no longer be relevant and would prove a distraction to current challenges. Instead, we intend to examine the financial impact of the pandemic on council budgets and their financial prospects, initially during the summer. This will follow the Welsh Government's supplementary budget in May and be at a point in time when first quarter outturn is known. This will enable us to produce an all-Wales view of the outlook for local government finance in Wales that also explores consequences and priorities for action. Our staff are in active discussions with the WLGA and the Society of Welsh Treasurers on this.

I'm sure that we are all collectively concerned that we focus on the future. With this in mind, we intend to deploy staff to support and challenge recovery planning in real-time. Collectively we need assurance that recovery takes due account of the multitude of risks, but also that it grasps the opportunities for a different and

sustainable future. We have taken the decision to replace the 'prevention' themed work that we set out in audit plans with this work on recovery planning.

We appreciate things are fast moving, which is why we are keen to identify, share and learn quickly across public services through the COVID-19 learning project that Adrian described in his letter. This is not traditional work for a public audit institution, but we believe we can add considerable value and we very much see it as complementary to our work on the 'big-ticket' areas, such as financial impact and recovery planning, that I've described.

Lastly, I know that there will be local risk-based audit projects either planned or in progress. I appreciate that, given the significance and magnitude of the areas of focus set out above, there may be little space in our audit programme to accommodate them. Our local audit team will discuss any potential areas of work that there may be benefit in retaining.

Thank you for your willingness to engage constructively. Our local audit team will be in touch to discuss the programme of work further, and please feel free to raise any issues or concerns with them.

Best wishes and thanks to all at Caerphilly County Borough Council.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Huw Rees', with a horizontal line extending to the right.

Huw Rees  
Engagement Director