



24 Cathedral Road / Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 20 320500
Fax / Ffacs: 029 20 320600
Email / Epost: wales@wao.gov.uk
www.wao.gov.uk

Mr Christopher Bradshaw
Chief Executive
Rhondda Cynon Taf County Borough Council
The Pavilions
Clydach Vale
Tonypany
CF40 2XX

Date 26 May 2016
Pages 1 of 4

Dear Chris

2016-17 Performance Audit Work and Fees

Further to my letter of 16 March 2016, I am now in a position to confirm the programme of performance audit work at Rhondda Cynon Taf County Borough Council for 2016-17. 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.

The Auditor General for Wales has reviewed the existing local government performance audit programme in the light of the reform programme set out in the draft Local Government (Wales) Bill, taking into consideration that the Local Government (Wales) Measure 2009 will be extant, and that councils will be under an obligation to adopt the sustainable development principle from April 2016, as set out in the Well-being of Future Generations (Wales) Act 2015 (WFG Act).

As the draft Local Government (Wales) Bill proposes that the 2009 Measure will no longer apply to councils, we intend to minimise work that focusses on the process of improvement planning in favour of work that focusses on councils' capacity and capability to effect change whilst maintaining good governance.

However we will still need to satisfy audit requirements as the Measure remains in place for 2016-17. I can now confirm that we will do this through a basic audit check of your publications and will provide a certificate of compliance. I can also confirm that we will discharge our assessment requirements by undertaking three thematic reviews at all councils with the aim of providing assurance and insight as to where arrangements can support improvement and change, taking into account the requirements of the WFG Act. In addition to reporting to each council on their own arrangements, I will also publish national summary reports, funded by the WPI grant, which will provide all-Wales overviews and signpost good practice and shared learning.

Instead of carrying out a corporate assessment I will carry out a risk based assessment of the Council's Corporate arrangements. I will also rely on the work undertaken as part of the thematic reviews.

As all work will result in local reports, annual reporting will be by means of an annual letter providing summary highlights and linking to local reports.

In addition to the work outlined above, we will continue a programme of Local Government Studies as set out in the Auditor General's letter of 16 March 2016. 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.

WAO performance audit work 2016-17

Improvement assessment work

'Improvement Plan' Audit	Audit of discharge of duty to publish an improvement plan.
'Assessment of Performance' Audit	Audit of discharge of duty to publish an assessment of performance.
Financial Resilience review	Councils are continuing to deal with austerity and an uncertain future. This review will seek to provide assurance that arrangements are focussed on maintaining resilience over the medium to long term.
Governance review	With the introduction of CIPFA's revised framework for 'Delivering good governance in local government', and the requirement for councils to adopt the sustainable development principle from April 2016, this review will provide councils with a baseline from which to plan improvements to governance.
Transformation review	This baseline review will examine how councils are approaching 'transformational change'.
Risk based assessment of the Council's Corporate arrangements	Our risk based work will focus on the extent to which Corporate arrangements are contributing to delivering improved service performance and outcomes for citizens. It will therefore not be sufficient that arrangements are merely in place, as those arrangements must be effective in enabling improvement in services and functions

WAO performance audit work 2016-17 (continued)

Local Government Studies

Addressing dependency and demand for public services through the development of effective prevention approaches

In the last few years, Councils in Wales have developed a model of public service delivery based on a 'deficit approach' – focusing on problems, needs and deficiencies of individuals and communities, designing services to fill the gaps and fix the problems, leading to individuals and communities becoming both disempowered and dependent. This review will consider how councils are reducing demand for services focussing on alternative methods of delivery, will consider the impact of decisions specifically within deprived communities, and would include a critique of the Welsh Government Anti-Poverty Strategy.

Strategic Commissioning

The sharper focus on outcomes is leading to the reorientation of public services around a 'commissioning model'. The majority of service provider relationships are borne out of a desire to cut costs and improve service delivery, however the opposite can (and often does) occur. Many Local Authorities underestimate the complexities involved in establishing a strong service provider partnership from the outset. This study will look at how effective councils are at strategic commissioning.

Improving joint work on housing and health

Joint working between housing and health can reduce pressures on the NHS and improve an individual's overall wellbeing. It is widely recognised that the quality of housing and the surrounding neighbourhood are influential in shaping health and wellbeing at different points of people's lives. Given the critical role of housing in addressing health inequalities this review will consider how councils are working with health and housing bodies to deliver health improvements.

The table below sets out our indicative fee for performance audit work. This will be charged in equal instalments between April 2016 and March 2017. If during the course of the year 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.

Fee April 2016 to March 2017	£
Fee for WAO performance audit work	99,687
Total Fee	99,687

Should you wish to discuss any element of this work please do not hesitate to contact me (jane.holownia@audit.wales), or Colin Davies (colin.davies@audit.wales) or Justine Morgan (justine.morgan@audit.wales).

Yours sincerely,



Jane Holownia

Director, Performance Audit

Work Plan and Timetable April 2016 - March 2017 - Rhondda Cynon Taf County Borough Council
Wales Audit Office (WAO) Engagement Director and Engagement Lead - Performance Audit

WAO Engagement Lead - Financial Audit
WAO Performance Audit Manager
WAO Performance Audit Lead
Financial Audit Manager
Financial Audit Team Leader
CSSIW Regional Director
CSSIW Area Manager
Estyn Regional Coordinator and Link Inspector
Estyn Link Inspector

Jane Holownia
John Herriman
Colin Davies
Justine Morgan
Mike Jones
Helen Holt
Denise Moultrie
Duncan Marshall
Ged Kerlake
Caroline Rees

Date: 24 August 2016

Regulatory Work Activity Performance Audit Work	Output	Due to be completed by	Completed by	Status	WAO Contact	Regulator Contact	Council Contact	Progress Comment
1. Improvement Audit and Assessment 2016-17								
Improvement Plan audit	Certificate	Jul-16	Jul-16	Completed	Justine Morgan	N/A		Certificate issued.
Financial Resilience Thematic Review	Local report and national summary report	Dec-16		In Progress	Justine Morgan	N/A		Project Brief issued.
Governance Thematic Review	Local report and national summary report	Jan-16		In Progress	Justine Morgan	N/A		Project Brief issued.
Performance Report Audit	Certificate	Jul-16	Jul-16	Completed	Justine Morgan	N/A		
Annual Improvement Report	Report	Apr-17		Not started	Justine Morgan	N/A		
Risk-based further assurance work in lieu of full CA	local outputs to inform AIR	Apr-17		In Progress	Justine Morgan	N/A		Project Brief issued
Transformation Thematic Review	Local report and national summary report tbc			Not started	Justine Morgan	N/A		
2. Follow-up work - 2016-17								
Review of the progress being made by the Council in addressing previous recommendations and proposals for improvement of the Auditor General for Wales	Local report	Mar-17		In Progress	Justine Morgan	N/A		
3. Local Government Studies								
Community Safety Partnerships	Report			Drafting	Nick Selwyn	N/A	Steve Peters & Julian Pike	
Strategic approach to income generation and charging	Report			Drafting	Nick Selwyn	N/A	Steve Jones	
Council funding of third-sector services	Report			Drafting	Nick Selwyn	N/A	Alyn Owen & Mark Thomas	
Improving wellbeing through housing adaptations	Report			Project brief issued to Councils.	Nick Selwyn	N/A		
Strategic commissioning of learning disability services by local authorities	Report			Project brief issued to Councils.	Nick Selwyn	N/A		
How local government manages demand - Homelessness services	Report			Project brief issued to Councils.	Nick Selwyn	N/A		
4. Work of Relevant Inspectors								
Estyn (to follow)								
CSSIW follow-up to previous safeguarding report	Local report	Dec '16		Yet to commence	N/A	Duncan Marshall	Neil Elliot & Jackie O'Neill	

Item	Local report	Mar 17	Yet to commence	N/A	Duncan Marshall	Neil Elliot & Ann Buckley
CSIW engagement work in relation to carers and safeguarding						
5. Value for Money Studies						
Welsh Government responses to audit recommendations	Local report					
The Welsh Government's funding of Kancoc Ltd	Memorandum for PAC			Steve Ashcroft		
National Fraud Initiative 2014-15	Report	Jul-16	Published	Jan Hughes		
Coastal flood and erosion risk management	Report	Jul-16	Published	David Rees		
Rail services (Welsh Government investment in rail services and infrastructure)	Report	Jul-16	Published	Andy Phillips		
Hospital catering follow up	Report	Aug-16	Clearance	Andy Phillips/Emma Giles		
Governance of the National Library of Wales	Memorandum for PAC	Sep-16	Clearance	Carol Mossley/Gabrielle Smith		
Outpatient follow-up appointments	Report	Sep-16	Drafting	Huw Lloyd-Jones		
Welsh Government oversight of further education institutions' finances and delivery	Report	Sep-16	Preparation for publication	Jackie Joyce		
Governance and oversight of arms length bodies	Report	Oct-Dec 2016	Drafting	Steve Ashcroft/Ben Roberts/son		
Regional Education Consortia follow-up	Report	Oct-Dec 2016	Drafting	Atastar McQuaid		
Medicines management	TBC	Oct-Dec 2016	Fieldwork	Steve Martin/Gareth Jones		
Preparedness for the introduction of fiscal powers	Report	Oct-Dec 2016	Drafting	Dave Thomas		
Waste management	Report	Oct-Dec 2016	Scoping	Richard Harnes and Lucy Evans		
School places and capital investment in schools	Report	Jan-Mar 2017 (modules 1&2) and summer 2017 (module 3)	Fieldwork	Andy Phillips/Jeremy Morgan		
Public procurement (including development of the National Procurement Service)	Report	Jan-Mar 2017	Fieldwork	Mark Jeffs/Claire Flood/PAGE		
Implementation of the NHS Finance (Wales) Act 2014 (integrated medium term planning)	Report	Jan-Mar 2017	Fieldwork	Steve Ashcroft/Jeremy Morgan		
Supporting people programme	Report	Jan-Mar 2017	Fieldwork	Mark Jeffs / Clare James		
NHS Wales informatics services	Report	April-July 2017	Fieldwork	Andy Phillips/Emma Giles		
Early intervention and public behaviour change	Report	April-July 2017	Fieldwork	Steve Ashcroft/Mark Jeffs		
Access to public services with the support of specialist interpretation and translation	Report	Summer 2017	Fieldwork	Chris Bolton		
6. Financial Audit						
Audit of Financial Statements Report	Report	TBC	Scoping	Steve Ashcroft/Claire Flood-PAGE		
Opinion on Financial Statements		Sep-16		Mike Jones/Helen Holt		
Financial Accounts Memorandum		Sep-16		Mike Jones/Helen Holt		
2015/16 Grants Work		Sep-16		Mike Jones/Helen Holt		
		Nov/Dec 16		Mike Jones/Helen Holt		