

THE VALE OF GLAMORGAN COUNCIL

CABINET: 19TH OCTOBER, 2023

REFERENCE FROM GOVERNANCE AND AUDIT COMMITTEE: 18TH SEPTEMBER, 2023

“337 AUDIT WALES DRAFT DETAILED AUDIT PLAN 2023 AND QUARTER 1 UPDATE ON AUDIT WALES WORK PROGRAMME (DCR) –

Mr. S. Wyndham (Audit Wales) presented the report which contained the draft Detailed Audit Plan 2023 and Quarter 1 (Q1) update on Audit Wales’s work programme. Appendix A outlined Audit Wales’s draft Detailed Audit Plan 2023.

Appendix B outlined Q1 progress on Audit Wales’s work programme and timetable as aligned to the Vale of Glamorgan Council’s Annual Audit Plan 2023/24, including any work carried forward.

Members were requested to review and note the draft Detailed Audit Plan 2023 and progress made on the Vale of Glamorgan Audit Work Programme as at Q1 and upon consideration, refer the report and appendices to Cabinet for their oversight.

Mr. M. Evans (Lay Member) commented that the estimate for grant certification work was £65k and the actual spend was £63k for last year. He therefore asked for drivers behind that. Mr. Evans also suggested that for future reports and in respect of the fees charged by Audit Wales, could the Committee be provided with a view of what the actual spend was against the budget for that year. In reply, Mr. Wyndham advised that the difference for the estimated fee for grant certification work was mainly due to the time it had taken to complete housing benefit audit work. That was a lengthy piece of audit work which was difficult to predict that was also very technical and complex. It was agreed for that to be considered for next years report.

The Chair referred to page 6 and asked whether the Governance and Audit Committee should have sight of the statement of accounts for the Shared Regulatory Services and the Joint Adoption Service. The Chair also highlighted whether the accounts for the Cardiff Region City Deal and the Central South Consortium should also be presented to the Committee for oversight. The Committee was in agreement with the Chair’s recommendation and Mr. S. Wyndham stated that he would explore the request further.

The Chair highlighted planned audit work regarding related parties and senior officer remuneration, and the need for Councillors to disclose any interests they may have and that relevant declaration of interest form are completed as appropriate.

With regard to Appendix B and progress on Audit Wales’s work programme, the Chair referred to digital good practice guides, and asked whether that was for Officers or Elected Members. In reply, S. Clements from Audit Wales advised that

she would have to check, but the link which had been sent to officers would also be sent to Elected Members.

The Chair queried the thematic reviews on financial sustainability and commissioning and contract management and raised a concern regarding Welsh Government's 'project eliminate' relating to children looked after and the use of private sector providers. The Chair asked whether any work had been carried out around value for money and the financial implications from the provision being provided all in house by Councils. In reply, the Committee was advised that the audit review work had yet to be scoped, but the Council would be involved in a related scoping exercise. The Chair also highlighted that it would be important to also involve the relevant Cabinet Member.

The Committee

RESOLVED –

(1) T H A T consideration be given to the Governance and Audit Committee seeing the Statement of Accounts for the Cardiff Region City Deal, the Central South Consortium and also the other joint services, namely the Shared Regulatory Services and the Joint Adoption Service.

(2) T H A T the report and appendices be referred to Cabinet for its oversight.

Reason for decisions

(1&2) Having regard to the contents of the report and discussions at the meeting.”

Attached as an Appendix – Report to Governance and Audit Committee: 18th September, 2023

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 18 September 2023
Relevant Scrutiny Committee:	All Scrutiny Committees
Report Title:	Audit Wales Draft Detailed Audit Plan 2023 and Q1 Update
Purpose of Report:	To present to Members the draft Detailed Audit Plan 2023 and Q1 update on Audit Wales's work programme.
Report Owner:	Tom Bowring, Director of Corporate Resources
Responsible Officer:	Tom Bowring, Director of Corporate Resources
Elected Member and Officer Consultation:	No specific ward member consultation has been undertaken. The Annual Regulatory Audit Plan and progress updates apply to the whole authority.
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <p>Appendix A outlines Audit Wales's draft Detailed Audit Plan 2023.</p> <p>Appendix B outlines Q1 progress on Audit Wales's work programme and timetable as aligned to the Vale of Glamorgan Annual Audit Plan 2023/24, including any work carried forward.</p> <p>Governance & Audit Committee members are requested to review and note the draft Detailed Audit Plan 2023 and progress made on the Vale of Glamorgan Audit Work Programme as at Q1 and upon consideration to refer this report and appendices to Cabinet for their oversight.</p>	

Recommendations

1. That members review and note the content of this report and appendices.
2. That, subject to recommendation one, this report and appendices be referred to Cabinet for their oversight.

Reasons for Recommendations

1. To facilitate monitoring of the external audit function.
2. To enable Cabinet's oversight of the external audit programme.

1. Background

- 1.1 As the external auditor, the objective of Audit Wales is to carry out an audit which discharges the statutory duties of Auditor General, which include:
 - Audit of Financial Statements
 - Value for Money
 - Continuous Improvement
 - Sustainable Development principle.
- 1.2 The Vale of Glamorgan Annual Audit Plan 2023/24 details the work planned by Audit Wales to meet the duties outlined above. The outputs of the Audit Plan are reported regularly to the Council to inform its self-assessment and areas for improvement. Appendix A provides a copy of the draft Detailed Audit Plan 2023. Appendix B provides the Q1 update for members.

2. Key Issues for Consideration

- 2.1 Appendix A provides members with the draft Detailed Audit Plan for 2023. The detailed plan sets out the Auditor General's statutory responsibilities and the work that will be undertaken by the Audit Wales team across financial and performance audit throughout the year. The Plan sets out the estimated audit fee, details of the audit team and key dates for delivering different aspects of the work.
- 2.2 The draft Detailed Audit Plan is structured around the themes of:
 - The Auditor General's audit responsibilities
 - Details of the audit of financial statements
 - Details of performance audit work
- 2.3 [Appendix B](#) outlines Q1 progress on Audit Wales's work programme and timetable as aligned to the Vale of Glamorgan Annual Audit Plan 2023/24 and also reflects any audit work carried forward.
- 2.4 Key highlights in relation to the Audit Work Programme are as follows.
- 2.5 In relation to financial audit work, draft accounts were provided by the Auditor General on 30 June 2023 on the Council's 2022/23 statement of accounts. Initial work has commenced on the external audit of the 2022/23 statement of accounts. Audit certification of the Council's 2022/23 grant claims and returns will commence later this year. All audit certification of grant claims and returns

for 2021/22 is complete apart from the Housing Benefits subsidy claim due to external audit work slippage. The claim is due to be certified and submitted to DWP by the end of July 2023.

In terms of performance audit work, Audit Wales' work on assurance and risk assessment is ongoing. Work is also progressing on the reviews of the Council's capital programme management, use of performance information (with a focus on service user feedback and outcomes) as part of planned performance audit work with fieldwork being undertaken between March and August 2023.

Additionally, the thematic review of Digital is progressing with fieldwork also being scheduled between March and August 2023. Thematic reviews of Unscheduled Care has seen the completion of fieldwork with draft reports scheduled for September 2023. A local project reviewing the Planning Service's governance arrangements is underway to include the planning policy team; the extent the planning service is supporting the Council in the delivery of its overall objectives and the extent it is delivering its own service objectives, and how the planning service reviews and monitors its governance arrangements. Audit Wales are not reviewing the performance of the planning service.

- 2.6** Evidence gathering fieldwork is underway on a number of local government national studies including, Building Safety and Planning for sustainable development-brownfield regeneration, however, fieldwork is yet to begin in studies of Governance of special purpose authorities – National Parks. A draft report has been issued to the four Corporate Joint Committees on their progress in developing arrangements to strengthen regional collaboration. Letters to the four individual CJs will also be issued with an updated summary report due to be published in August 2023.
- 2.7** In relation to other regulatory work, field work is being carried out across Welsh local authorities by Estyn focusing on how well local authorities are supporting the educational needs of asylum seekers and refugees to be included in HMCI's annual report. This aims to describe, acknowledge, and evaluate the experiences of these groups as they engage with education and training in Wales.
- 2.8** The Care Inspectorate Wales's (CIW) amended Code of Practice for our local authority inspection activity has been published. Additionally, a joint programme of work planned for 2023-2026 is nearing completion with key areas of consideration including adult safeguarding, carers, CLDT and Child and Adolescent Mental Health Services. A collaborative rapid review between CIW and partners is also progressing to determine how effectively the structures and processes in Wales ensure children who are in need of care, support and protection are appropriately placed on, and removed from the Child Protection register when sufficient evidence indicates it is safe to do so. The Joint Inspection of Child Protection Arrangements (JICPA) and the National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings are currently at the delivery stage.
- 2.9** Governance & Audit Committee members are requested to review and note the draft Detailed Audit Plan (Appendix A) and progress made on the Vale of Glamorgan Audit Work Programme as at Q1 (Appendix B) and upon consideration, to refer the report to Cabinet for their oversight.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** Performance Management is an intrinsic part of corporate governance and integrated business planning which underpins the delivery of the Council's Corporate Plan and its Well-being Outcomes. Our Corporate Plan has been structured around the Well-being of Future Generations (Wales) Act 2015, through the development of four Well-being Outcomes and eight Well-being Objectives. By aligning our Well-being Outcomes in the Corporate Plan with the Well-being Goals of the Act, this will enable us to better evidence our contribution to the Goals.
- 3.2** External Regulation is an important vehicle for driving continuous improvement across our services. Progressing the improvement areas identified by our regulators not only enables us to demonstrate our commitment to continuous service improvement, but also contributes to further strengthening our impact on the national well-being goals through the achievement of our well-being objectives.
- 3.3** Associated action plans in response to regulatory review findings are developed with the five ways of working in mind. The focus is on developing innovative ways of working that better integrate services, whilst enabling us to work more collaboratively with our partners and citizens to involve them in improving service delivery. Our improvement actions will also focus on preventative actions that will enable us to sustain and future proof our services into the longer term.

4. Climate Change and Nature Implications

- 4.1** There are no implications directly arising from this report, although failure to respond to our regulatory recommendations could have a negative impact on any future external regulatory assessments and could result in a special inspection by the Auditor General for Wales if deemed that the Council is not meeting the performance requirements.
- 4.2** The climate change and nature implications in respect of our regulatory recommendations will be considered as part of the development of our response (action plan) and will identify mitigating actions required to minimise any adverse consequences.

5. Resources and Legal Considerations

Financial

- 5.1** There is an annual audit fee aligned with the Vale of Glamorgan Annual Audit Work Programme. Any proposed changes to this will be discussed with the Section 151 Officer prior to implementation.

Employment

- 5.2** There are no direct workforce related implications associated with this report.

Legal (Including Equalities)

- 5.3** The statutory duties of the Auditor General are contained within the Local Government & Elections (Wales) Act 2021, the Well-being of Future Generations (Wales) Act 2015, the Public Audit (Wales) Act 2004, the Local Government Act 1999 and the Code of Audit Practice.

6. Background Papers

None.

Vale of Glamorgan Council – Detailed Audit Plan 2023

Audit year: 2023

Date issued: September 2023

Document reference:

This document is a draft version pending further discussions with the audited and inspected body. Information may not yet have been fully verified and should not be widely distributed.

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This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

About Audit Wales

Our aims and ambitions

Assure



the people of Wales that public money is well managed

Explain



how public money is being used to meet people's needs

Inspire



and empower the Welsh public sector to improve



Fully exploit our unique perspective, expertise and depth of insight



Strengthen our position as an authoritative, trusted and independent voice



Increase our visibility, influence and relevance



Be a model organisation for the public sector in Wales and beyond

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Introduction

I have now largely completed my planning work.

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2023.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



Adrian Crompton
Auditor General for
Wales

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My audit responsibilities

I complete work each year to meet the following duties:

- I audit Vale of Glamorgan Council (the Council's) financial statements to make sure that public money is being properly accounted for.
- The Council has to put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that it has done this.
- The Council needs to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

Audit of financial statements

I am required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness' and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Authority.

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
- the audits of the financial statements of the Shared Regulatory Services and the Vale Valleys and Cardiff Adoptions Services Joint Committee's (separate audit plans will be produced for these Joint Committees including separate audit fees);
- the independent examination of the Vale of Glamorgan Welsh Church Act Fund; and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

There have been no limitations imposed on me in planning the scope of this audit.

Performance audit work

I carry out a programme of performance audit work to discharge my duties¹ as Auditor General in relation to value for money and sustainable development.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

The majority of my performance audit work is conducted using INTOSAI auditing standards. The International Organisation of Supreme Audit Institutions is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

¹ When we undertake audit work under our statutory powers and duties we may collect information from public bodies that contains some personal data. Our general audit fair processing notice, explains what we do with personal data, and how you can contact our Data Protection Officer.

Your audit at a glance



My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk:

- Management override

Other areas of audit focus:

- Asset valuations;
- Pension fund accounting (IAS19);
- Related party disclosures and senior officer remuneration; and
- New main accounting system for the financial year 2023-24.



My performance audit will include:

- Assurance and Risk Assessment
- Thematic reviews
 - Financial sustainability
 - Commissioning and contract management
- Local Report
 - Review of the Planning Service's governance arrangements



Materiality

Materiality	£4.886m
Reporting threshold	£0.244m



Group

We will also perform an audit of the Group Accounts of the Vale of Glamorgan Council and Big Fresh Catering Company.

Financial statements materiality



Materiality £4.886 million

My aim is to identify and correct material misstatements, that is, those that might otherwise cause the user of the accounts into being misled.

Materiality is calculated using:

- 2022-23 draft accounts gross expenditure of £488.6 million
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts and we have set a lower materiality level for these areas:

- Remuneration report/senior pay disclosure – £1,000; and
- Related party disclosures – £10,000 for individuals' interests.



Significant financial statements risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>The audit team will:</p> <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for bias; and• evaluate the rationale for any significant transactions outside the normal course of business.

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Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
<p>Valuation of land and buildings</p> <p>The value of land and buildings reflected in the balance sheet and notes to the accounts represent material estimates. Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity depending on the specialist and management assumptions adopted and changes in these can result in material changes to valuations. Assets are required to be revalued every five years, but values may also change year on year and there is a risk that the carrying value of assets reflected in the accounts could be materially different to the current value of assets as at 31 March 2023. Given continued high levels of inflation, the Authority are intending to obtain updated asset valuations from their external valuers for the higher risk asset categories.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • review the information provided to the valuer to assess for completeness; • evaluate the competence, capabilities and objectivity of the professional valuer; • test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements; • evaluate the assumptions made by management as to why it considers that land and buildings not revalued in 2022/23 are not materially misstated; and • test the reconciliation between the financial ledger and the asset register.
<p>Valuation of pension fund net liability</p> <p>The Local Government Pension scheme (LGPS) pension fund liability as reflected in the financial statements represents a material estimate. The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • evaluate the instructions issued by management to their management experts (the actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the valuations; • assess the accuracy and completeness of the information

	<p>provided by the Council to the actuary to estimate the liability;</p> <ul style="list-style-type: none"> • test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary; and • assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor's expert) and undertaking any additional procedures required.
<p>Related Parties and Senior Officer Remuneration</p> <p>I judge some of the disclosures in the financial statements, such as related parties and the remuneration of senior officers and councillors, to be material by nature, with a far lower level of materiality. These disclosures are therefore inherently prone to material misstatement.</p>	<p>As for past audits, I will enhance my examination of all areas that I determine to be material by nature, to ensure that they are complete and accurate.</p>
<p>New financial system</p> <p>The Council has implemented a new main accounting system which went live in April 2023. Whilst there is no direct impact on the 2022-23 financial statements given the significance of the main accounting system to our audit, potential audit risks exist, including the ongoing availability and integrity of the 2022-23 financial information within the predecessor system.</p>	<p>We will consider what impact, if any, the introduction of the new financial system has on the 2022-23 financial statements and where appropriate devise audit tests to address any potential audit risks arising.</p>

My audit team is yet to conclude all areas of my risk assessment. Should any further significant financial risks arise on completion of this work, I shall update the Head of Finance / S151 officer and the Governance and Audit Committee Chair and re-issue my Detailed Audit Plan if required.

Financial statements audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2023 Outline Audit Plan	March-April 2023	April 2023
2023 Detailed Audit Plan	April – September 2023	September 2023
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on the Financial Statements	July – November 2023	November 2023

Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

Exhibit 4: key dates for delivery of planned outputs

<p>Assurance and risk assessment</p>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p>	<p>Ongoing</p>
<p>Thematic review – financial sustainability of local government</p>	<p>A review of councils’ financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.</p>	<p>Timescales for individual projects will be discussed with you and detailed within the specific project briefings produced for each audit.</p>
<p>Thematic review – commissioning and contract management</p>	<p>A review focusing on how councils’ arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.</p>	<p>Timescales for individual projects will be discussed with you and detailed within the specific project briefings produced for each audit.</p>
<p>Bespoke local project - Review of the Planning Service’s governance arrangements</p>	<p>A review of the planning service’s governance arrangements to include the planning policy team; the extent the planning service is supporting the Council in the delivery of its overall objectives and the extent it is delivering its own service objectives, and how the planning service reviews and monitors its governance arrangements. We are not reviewing the performance of the planning service.</p>	<p>July 2023 – November 2023</p>

We will provide updates on the performance audit programme through our regular updates to Council officers as well as the Council’s Governance and Audit Committee.

Certification of grant claims and returns, and statutory audit functions

Certification of grant claims and returns

I have also been requested to undertake certification work on the Council's grant claims, which I anticipate will include Housing Benefits, Teachers Pension and NDR returns.

Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee table below. If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee and audit team

In January 2023 I published the [fee scheme](#) for the 2023-24 year as approved by the Senedd Finance Committee. My fee rates for 2023-24 have increased by 4.8% for inflationary pressures. In addition, my financial audit fee has a further increase of 10.2% for the impact of the revised auditing standard ISA 315 on my financial audit approach. More details of the revised auditing standard and what it means for the audit I undertake is set out in **Appendix 1**.

I estimate your total audit fee will be **£362,116**.

Exhibit 5: audit fee

This table sets out the estimated audit fee for 2023, by area of audit work, alongside the audit fee for last year.

Audit area	Proposed fee (£) ²	Actual fee last year (£)
Audit of accounts ³	197,056	171,353
Performance audit work ⁴	105,560	100,968 ⁵
Grant certification work ⁶	59,500	63,924
Total fee	362,116	336,245

We also undertake an independent examination upon the financial statements of the Welsh Church Act Fund. The estimated cost of doing this for 2022-23 is **£1,467** (£1,400 for 2021-22).

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Council.

² The fees shown in this document are exclusive of VAT, which is not charged to you.

³ Payable November 2022 to October 2023.

⁴ Payable April 2023 to March 2024 & the prior year is estimated as work remains to be completed

⁵ This is an estimated fee as we have not completed all the work yet.

⁶ Estimated as payable as work is undertaken.

Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables sets out the expected working paper requirements to support the financial statements and includes timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

Exhibit 6: my local audit team

Name	Role	Contact number	E-mail address
Anthony Veale	Engagement Director	07896 271873	anthony.veale@audit.wales
Steve Wyndham	Audit Manager (Financial Audit)	02920 320664	steve.wyndham@audit.wales
Sara-Jane Byrne	Audit Manager (Performance Audit)	07786 1113285	sara-jane.byrne@audit.wales
Julie Owens	Audit Lead (Financial Audit)	02920 829392	julie.owens@audit.wales
Samantha Clements	Audit Lead (Performance Audit)	07837 825175	samantha.clements@audit.wales

I can confirm that my team members are all independent of the Vale of Glamorgan Council and your officers.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2022](#).



Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

Appendix 1

The key changes to ISA315 and the potential impact on your organisation

Key change	Potential impact on your organisation
More detailed and extensive risk identification and assessment procedures	<p>Your finance team and others in your organisation may receive a greater number of enquiries from our audit teams at the planning stage of the audit. Requests for information may include:</p> <ul style="list-style-type: none">• information on your organisation’s business model and how it integrates the use of information technology (IT);• information about your organisation’s risk assessment process and how your organisation monitors the system of internal control;• more detailed information on how transactions are initiated, recorded, processed, and reported. This may include access to supporting documentation such as policy and procedure manuals; and• more detailed discussions with your organisation to support the audit team’s assessment of inherent risk.
Obtaining an enhanced understanding of your organisation’s environment, particularly in relation to IT	<p>Your organisation may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on:</p> <ul style="list-style-type: none">• IT applications relevant to financial reporting;• the supporting IT infrastructure (e.g. the network, databases);• IT processes (e.g. managing program changes, IT operations); and• the IT personnel involved in the IT processes. <p>Audit teams may need to test the general IT controls and this may require obtaining more detailed audit evidence on the operation of IT controls within your organisation.</p> <p>On some audits, our audit teams may involve IT audit specialists to assist with their work. Our IT auditors may need to engage with members of your IT team who have not previously been involved in the audit process.</p>

Key change	Potential impact on your organisation
<p>Enhanced requirements relating to exercising professional scepticism</p>	<p>Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.</p>
<p>Risk assessments are scalable depending on the nature and complexity of the audited body</p>	<p>The audit team's expectations regarding the formality of your organisation's policies, procedures, processes, and systems will depend on the complexity of your organisation.</p>
<p>Audit teams may make greater use of technology in the performance of their audit</p>	<p>Our audit teams may make use of automated tools and techniques such as data analytics when performing their audit. Our teams may request different information or information in a different format from previous audits so that they can perform their audit procedures.</p>

Through our Good Practice work we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.

Our newsletter provides you with regular updates on our public service audit work, good practice and events, which can be tailored to your preferences.

For more information about our Good Practice work click [here](#).

Sign up to our newsletter [here](#).



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Audit Wales Work Programme and Timetable – Vale of Glamorgan Council

Quarterly Update: 30 June 2023

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in March 2023.	Early 2024	n/a

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2022-23 statement of accounts	Statutory audit of accounts	Certification and publication of the Council's annual accounts is due by 30 November 2023	Draft accounts received 30 June 2023 and our external audit work has commenced.
Audit of grant claims and returns 22-23	Audit of annual grant claims	Various	Our audit certification work commence later this year.

Description	Scope	Timetable	Status
Audit of grant claims and returns 21-22	Audit of annual grant claims	Various	All certification work complete apart from the Housing Benefits subsidy claim. This was due to completion by the end of January 2023 but external audit work has slipped. The claim is due to be certified and submitted to DWP by the end of July 2023.

Performance Audit work

2022-23 Performance audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.		

2022-23 Performance audit work	Scope	Timetable	Status
	<ul style="list-style-type: none"> • Financial position • Capital programme management • Use of performance information – with a focus on service user feedback and outcomes • A consideration of other core arrangements and services 	<p>Ongoing monitoring of financial position</p> <p>September – December 2023</p> <p>February – September 2023</p> <p>April 2022 – March 2023</p>	<p>Ongoing</p> <p>Scoped</p> <p>In progress - fieldwork is being scheduled at each council between March and August 2023</p> <p>This is an ongoing part of our Assurance and Risk Assessment work, but feedback was given to SLT in January 2023</p>

2022-23 Performance audit work	Scope	Timetable	Status
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – July 2023	Fieldwork complete, draft reports scheduled for September.
Thematic review – Digital	A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources.	January – September.	In progress - fieldwork is being scheduled at each council between March and August 2023.
Bespoke local project	A project to consider whether the Council has effective arrangements for ensuring that service areas are applying the sustainable development principle	October 2022 – February 2023	Final report issued to Council March 2023.

2023-24 Performance audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	Ongoing	Ongoing
Thematic review – Financial Sustainability	A review of councils’ financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	To be confirmed	Scoping
Thematic review – commissioning and contract management	A review focusing on how councils’ arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	To be confirmed	Scoping
Review of the Planning Service’s Governance arrangements	A review of the planning service’s governance arrangements to include the planning policy team; the extent the planning service is supporting the Council in the delivery of its overall objectives and the extent it is delivering its own service objectives, and how the planning service reviews and monitors its governance arrangements. We are not reviewing the performance of the planning service.	July 2023 – November 2023	Fieldwork ongoing

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Vale of Glamorgan Council
Building safety	Review of how well local authorities are delivering their responsibilities for building safety	September 2022 – August 2023	Reporting – end of July 2023	Yes – interview with nominated officer at the Council and survey.
Planning for sustainable development – Brownfield regeneration	Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites	October 2022 – September 2023	Reporting – September 2023	Yes – interview with nominated officer at seven councils and survey.
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Evidence gathering – fieldwork due to be completed end of June 2023	No

Study	Scope	Timetable	Status	Fieldwork planned at Vale of Glamorgan Council
Corporate Joint Committees (CJCs)	Assessing CJCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.	September 2022 – August 2023	Draft report has been issued to the four CJCs. Letters to the four individual CJCs will also be issued. Updated summary report due to be published August.	Yes – We explored the Council's perspective via our routine liaison meetings. Fieldwork included interviews with the chief executive, director of finance and chair of each of the four CJCs.

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Wrexham local authority is still in a causing concern category, and we will convene a progress conference in July to evaluate progress against the recommendations from the core inspection. We also undertook a focused link work activity in Powys in May to consider aspects of their work on school improvement, the transformation agenda and financial management in schools. We will inspect Gwynedd in the week beginning 26 June and Carmarthenshire in the week beginning 10 July.

Field work being carried out across local authorities during the summer term includes a focus on how well local authorities are supporting the educational needs of asylum seekers and refugees. This work will be included in HMCI's annual report. Our aim is to describe, acknowledge, and evaluate the experiences of these groups as they engage with education and training in Wales.

Care Inspectorate Wales (CIW)

CIW planned work 2022-23	Scope	Timetable	Status
Programme 2022-23	<p>We have published our updated Code of Practice for our local authority inspection activity Care Inspectorate Wales</p> <p>How we inspect local authority services and CAFCASS Cymru</p>	May 2023	Published
Joint work	<p>We are finalising our thematic reviews programme of work for 2023-2026. Areas for consideration include, adult safeguarding, carers, CLDT and CAMHS.</p> <p>We continue to work with partners, sharing information and intelligence including completing joint reviews.</p>	Current	In progress
		Current	In progress

CIW planned work 2022-23	Scope	Timetable	Status
	<p>We are working in collaboration with HIW for a national review of the stroke pathway. A national report will be published early summer.</p> <p>We continue to work in collaboration with HIW in conducting CMHT inspections.</p> <p>CIW is working with partners to complete a rapid review. The overarching objective of the rapid review is to determine to what extent the current structures and processes in Wales ensure children who are in need of care, support and protection are appropriately placed on, and removed from, the Child Protection Register, when sufficient evidence indicates it is safe to do so. This is a collaborative review.</p>	<p>Current</p> <p>Current</p> <p>Interim findings – Publish 22 June 2023</p> <p>National report – September 2023</p>	<p>In progress</p> <p>In progress</p> <p>In progress</p>
<p>Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23</p>	<p>The <u>2020-21 report</u> was published on 7 February 2021</p> <p>The 2021-2022 report is underway</p>	<p>Published</p> <p>To be confirmed</p>	<p>Published</p> <p>Preparing</p>

CIW planned work 2022-23	Scope	Timetable	Status
<p>National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings</p>	<p>Purpose of the review To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre-proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p>	<p>National report publication October 2023</p>	<p>In progress</p>
<p>Joint Inspection Child Protection Arrangements (JICPA)</p>	<p>Cross-inspectorate approach. Areas to be determined. We will complete a further four multi-agency joint inspections in total. Each local authority will have a published letter post inspection.</p> <p>We will publish a national report in late spring 2023.</p>	<p>April 2023 – April 2024</p>	<p>Delivery</p>

Audit Wales national reports and other outputs published since June 2022

Report title	Publication date and link to report
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023
Digital inclusion in Wales (including key questions for public bodies)	March 2023
Orthopaedic Services in Wales – Tackling the Waiting List Backlog	March 2023
Betsi Cadwaladr University Health Board – Review of Board Effectiveness	February 2023
Welsh Government purchase of Gilestone Farm	January 2023
Together we can – Community resilience and self-reliance	January 2023
A Picture of Flood Risk Management	December 2022
'A missed opportunity' – Social Enterprises	December 2022
Poverty Data Tool	November 2022
'Time for change' – Poverty in Wales	November 2022
Learning from cyber-attacks	October 2022 (distributed privately to audited bodies)

Report title	Publication date and link to report
National Fraud Initiative 2020-21	October 2022
COVID-19 business support in 2020-21 – Memorandum for the Public Accounts and Public Administration Committee	October 2022
Payment to the Welsh Government's Former Permanent Secretary on Termination of Employment	September 2022
Equality Impact Assessments: More than a Tick Box Exercise?	September 2022
Welsh Government – setting of well-being objectives	September 2022
Welsh Government workforce planning and management	September 2022
NHS Wales Finances Data Tool – up to March 2022	August 2022
Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report	August 2022
Public Sector Readiness for Net Zero Carbon by 2030	July 2022
Sustainable Tourism in Wales' National Parks	July 2022
Third Sector COVID-19 Response Fund – Memorandum for the Public Accounts and Public Administration Committee	July 2022
The Welsh Community Care Information System – update and data tool	July 2022

Audit Wales national reports and other outputs (work in progress/planned)^{1, 2}

Title	Indicative publication date
Local Government Financial Sustainability Data tool update	July 2023
NHS finances data tool – to 31 March 2023	July/August 2023
Springing Forward: Managing assets and workforce in local government	July/August 2023
Covering teachers' absence – follow-up	August 2023
NHS quality governance	August/September 2023
NHS workforce planning (data briefing)	August/September 2023
Net zero (pan UK overview)	September 2023
Ukrainian refugee services	October/November 2023

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind. For example, we have been tracking developments with completion of the A465 section 2 road improvement project following our [interim findings report](#) in February 2020.

² We have also published to our website a paper – [Our work programme for 2023-2026](#) – that provides additional detail about our national work (including local thematic reviews). In addition to new work that we will be taking forward in 2023-24, the paper includes details about indicative topics for work to start in 2024-24 or 2025-26.

Title	Indicative publication date
Local government digital strategy review – national summary	October 2023
Local government use of performance information, outcomes and service user perspective – national summary	October 2023
Affordable housing	January/February 2024
Local government capital programme management – national summary	To be confirmed
Active travel	To be confirmed
Cancer services	To be confirmed
Capital planning and programme management	To be confirmed (starting in 2023-24)
Challenges for the cultural sector	To be confirmed (starting in 2023-24)
Homelessness	To be confirmed (starting in 2023-24)
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	To be confirmed (starting in 2023-24)
Rebalancing care and support	To be confirmed (starting in 2023-24)
Tackling NHS waiting lists	To be confirmed (starting in 2023-24)

Title	Indicative publication date
Access to education for children with Additional Learning Needs	To be confirmed (starting in 2023-24)
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (starting in 2023-24)
Governance of Fire and Rescue Authorities	To be confirmed (starting in 2023-24)
The senior public service	To be confirmed (starting in 2023-24)

Good Practice Exchange events and resources

Title	Link to resource
<p>A Wales of vibrant culture and thriving Welsh language: Inspired by the Football Association of Wales journey over the past decade, this event will examine and discuss how going beyond expectations creates an inclusive and positive attitude that becomes self-fulfilling. Working in partnership with the Future Generations Commissioner and the Welsh Language Commissioner, this event will assist and inspire public bodies, and the third sector to embrace the cultural diversity of modern Wales and work beyond compliance and into excellence.</p>	<p>All resources are now available on our website. Blog</p>
<p>Together we can – creating the conditions to empower our communities to thrive: This shared learning event will bring people together from across public services to share ideas, learning and knowledge. We will share the findings of our reports on social enterprises and community resilience, including our recommendations going forward.</p>	<p>20 June 2023 – 10:00 – 12:00 – Online. The recording will be available on our website in one to two weeks.</p>
<p>Podcast: Poverty and Community Resilience Our latest podcast follows our recent reports and events on poverty, social enterprises, and community resilience.</p>	<p>Podcast</p>
<p>Digital Strategy: The Covid pandemic has demonstrated the importance of digital in delivering modern services at pace. We have seen digital acting as a major catalyst in adapting to the challenges we have faced. Public services need to continue with this agile and responsive mind set as the norm and not the exception. This event will help equip public services with the practical tools and knowledge they need to successfully implement a Digital Strategy within their organisations.</p>	<p>21 September 09:00 – 13:00 – Cardiff – To register for Cardiff 27 September 09:00 – 13:00 – North Wales – To register for North Wales</p>

Recent Audit Wales blogs

Title	Publication date
<u>Helping people to help themselves</u>	15 February 2023
<u>A perfect storm – the cost of living crisis and domestic abuse</u>	21 November 2022
<u>Tackling poverty means tackling poverty data</u>	11 November 2022
<u>Cost of living and putting away the bayonet</u>	21 September 2022
<u>Heat is on to tackle Climate Change</u>	18 August 2022
<u>Direct Payments in Wales</u>	15 June 2022
<u>Unscheduled Care in Wales – a system under real pressure</u>	21 April 2022
<u>Skills Competition Wales</u>	18 February 2022
<u>Cyber resilience – one year on</u>	9 February 2022
<u>Helping to tell the story through numbers</u> (Local government financial sustainability data tool)	3 February 2022
<u>Call for clearer information on climate change spending</u>	2 February 2022
<u>Actions speak louder than words</u> (Building social resilience and self-reliance in citizens and communities)	14 January 2022