

Interim Report

An assessment of progress made against our 2022-23 Annual Plan during the period 1 April to 30 September 2022.

November 2022

This Interim Report covers the period from 1 April to 30 September 2022. It has been jointly prepared, and is laid before the Senedd, by the Auditor General for Wales and the Chair of the Wales Audit office, in accordance with the requirements of the Public Audit (Wales) Act 2013.

The Interim Report includes an assessment of the extent to which:

- the exercise of the functions of both the Auditor General and the Wales Audit Office has been consistent with the Annual Plan prepared for 2022-23;
- progress has been made towards achieving the priorities set out in the Plan; and
- progress has been made towards achieving our key performance indicator targets.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions. Audit Wales is not a legal entity. Consequently, in this Report, we make specific reference to the Auditor General or Wales Audit Office in sections where legal precision is needed.

If you require this publication in an alternative format and/or language, or have any questions about its content, please contact us using the details below.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Foreword

The publication in June of Assure, Explain, Inspire: Our Strategy 2022-27 was a great milestone for Audit Wales. Through its development we challenged ourselves as an organisation, sought the scrutiny of others and gained a wealth of insight to help us identify a clear direction and focus for the next five years.

This Interim Report describes the progress we have made to date towards delivering our Annual Plan for 2022-23 against our five-year strategy. In the Report, we focus on progress made over the period 1 April to 30 September 2022 towards delivering our planned programmes of work and associated areas of focus, and on achieving our key performance indicator targets.

Audit quality is always a key focus for us, but especially over the reporting period as leading firms globally have been facing record fines for deficiencies in their audit quality. We have invested in our technical support function and have focused on developing our audit approaches through implementing new risk-based standards for our audit of accounts work and introducing new professional standards for our performance audit work. We are supporting these new approaches with bespoke IT platforms and are providing our audit teams with the learning and development programmes needed to use these tools and approaches to achieve high standards of audit quality.

Alongside our focus on quality, we are committed to ensuring Audit Wales is a model organisation for the Welsh public sector. The impacts of the cost of living, the pandemic and global events mean we are living with a continuing backdrop of uncertainty but no matter how challenging the times, we want Audit Wales to be an organisation where our staff are proud to work and where we do high quality work that makes a difference. To help us towards this end we published our Wellbeing Strategy, developed by staff from across the organisation working together to create something which is meaningful to them and their colleagues, with clear outcomes and measures of success.

We were also proud to publish our [Joint Strategic Equality Plan 2022-2026](#), which sets out a fresh suite of ambitious objectives for equality, diversity and inclusion and reinforces our commitment to being an employer of choice; increasing the diversity of our workplace; ensuring our work is accessible and inclusive and internally providing a culture in which everyone can thrive.

We are pleased to report that nearly all planned work has either been delivered or is progressing to plan. This is a credit to the professionalism, dedication and hard work of our staff and the co-operation we receive from the bodies we audit, and we are committed to building on this momentum for the remainder of the year.



Adrian Crompton

Auditor General for
Wales



Lindsay Foyster

Chair of the Wales
Audit Office

Audit delivery

Core work



Undertaking audit work at over **800** public bodies



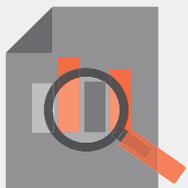
Delivering a programme of **value for money** examinations and studies



Certifying grant schemes worth approaching **£1.5 billion**



Approving around **£1.5 billion** of payments out of the Welsh Consolidated Fund every month



Supporting effective scrutiny including the work of the Senedd Committees



Sharing the **good practice** we see across Wales's public services



Facilitating the **detection of fraud and error** through the National Fraud Initiative



Participating with **observer status** on a range of key policy working groups

- 1 Work is ongoing to complete our audit of accounts work for the 2021-22 accounts. We have been unable to achieve our target of completing all Local Government audits by the end of October for a number of reasons including late submission of draft accounts by some Audited Bodies and ongoing uncertainties regarding the accounting infrastructure in public bodies. We completed our audit work at NHS bodies in June, except for Betsi Cadwaladr University Health Board, which was delayed due to issues identified during our work, and by the end of September, most Central Government 2021-22 audits were complete. A comprehensive list of the public bodies that we audit and the type of audit work carried out is provided in **Appendix 1**.

- 2 Our national work programme retains flexibility to respond to changing circumstances, priorities, and issues of public or parliamentary concern as they arise. Earlier this year we launched [a consultation](#) to help plan an indicative medium-term work programme, including new work that will progress through the rest of 2022-23. When we launched the consultation, the impact of the conflict in Ukraine and cost-of-living pressures was only just beginning to emerge. Our local government study on tackling poverty provides an opportunity for some initial reflection on cost-of-living pressures. We are also considering how we might best shine an audit lens on the response of devolved public services to the needs of Ukrainian refugees.
- 3 An up-to-date list of national value-for-money examinations and studies completed, in progress or planned to commence during the remainder of 2022-23 is provided in **Appendix 2**.
- 4 Our work has continued to play a key role in supporting the work of the Public Accounts and Public Administration Committee (PAPAC) in their consideration of the use of resources and the discharge of public functions in Wales. In **Appendix 3** we provide more detail on how we have supported effective scrutiny and accountability in the first half of 2022-23, including sharing our audit learning with other Senedd committees.

Priority Actions

- 5 In response to our operating environment and to help us in delivering our strategic ambitions, we identified six priority actions for our audit delivery in 2022-23. The progress we have made towards delivering each of these during the first half of the year is summarised in the following table.

| Area of focus | What has been delivered so far |
|--|--|
| <p>Further develop our operating model, including by:</p> <ul style="list-style-type: none"> • establishing new operating structures at local, regional and national levels; • embedding a new research and development function; and • clarifying the necessary adaptations to our ways of working in a post-pandemic world. | <p>The new Research and Development team has been fully recruited to and the team are supporting us in our ambition of delivering a strategic, dynamic and high quality audit programme. Over the reporting period the team has:</p> <ul style="list-style-type: none"> • brought together horizon scanning from across the organisation to inform potential areas where the impact of our work can add value; • analysed the responses to our work programme consultation; and • strengthen existing and build new networks, with academia, think tanks and other bodies to bring together knowledge to help inform the scoping of audit projects. <p>Following the removal of all COVID-19 restrictions in Wales, we have adopted a hybrid working model and clarified how we expected our audit teams to operate. Teams have trialled working in collaborative spaces, in activity settings in our regional offices, in hubs and from home, visiting client premises only when it is appropriate to do so.</p> <p>During May, our NHS account audit teams were the first to return to our three regional offices; the success of these pilots is informing development of future hybrid ways of working and accommodation needs.</p> |

| Area of focus | What has been delivered so far |
|--|--|
| <p>Develop our work programme, to include:</p> <ul style="list-style-type: none"> • setting out a more strategic medium-term programme, considering our current consultation and our response to emerging issues; • consulting on possible changes to our funding model; • adopting best professional standards, and incorporating a new audit quality management model; and • developing our audit outputs to ensure they are engaging and impactful. | <p>Earlier in the year we launched a consultation on the Auditor General’s medium-term work programme. The feedback we received was generally positive with support expressed for many of the potential areas of work identified.</p> <p>The shape of the programme will also be influenced by responses to our consultation on fee scales for 2023-24. In that consultation, we set out proposals to change the way some of our work is funded, with a view to this enabling improved flexibility to examine more cross cutting and whole system issues. The Welsh Government has also launched a consultation on extending the coverage of the well-being duty under the Well-being of Future Generations (Wales) Act 2015, which has potential implications for the design and resourcing of the work programme.</p> <p>Over the reporting period, we have focused on developing our audit approaches through implementing new risk-based standards for our audit of accounts work – in accordance with ISA (UK) 315; and introducing new professional standards for our performance audit work – in accordance with INTOSAI quality standards. These revised audit approaches have been supported by bespoke audit platforms, built using Microsoft 365 functionality. The launch of these new approaches and platforms is being underpinned by extensive learning and development programmes to equip our audit teams with the knowledge and confidence they need to achieve high standards of audit quality.</p> |
| <p>Develop more efficient, accessible and, where appropriate, automated management information processes, including implementation of a new time and resource management system.</p> | <p>During the reporting period, work has progressed on implementing a new software solution – ‘Hubplanner’ – to enable robust and efficient time and resource management; the system will go live on 31 October 2022.</p> <p>We have undertaken a ‘reset’ exercise to check and ensure the accuracy of our resourcing supply and demand data in preparation for the launch of the new system. This data also informed our new ‘One Staff Plan’, which all Audit Services staff can view, to see current information on audit project planning and how resources are being utilised.</p> |

| Area of focus | What has been delivered so far |
|---|---|
| <p>Develop the audit delivery element of our workforce plan so that it more effectively supports the delivery of our work programme and reinforces our learning and development strategy.</p> | <p>Our Audit Wales Workforce Strategy 2020-25 sets out a clear vision for our staff – ‘to develop a capable and diverse workforce that is motivated to deliver our purpose and ambitions and reach our full potential’. Work has commenced within Audit Services to develop a workforce plan that will support the achievement of these ambitions.</p> |
| <p>Maximise opportunities to influence the debate about the future of public audit in the UK and expand our input into other professional audit and accounting developments.</p> | <p>We have worked with other UK audit agencies in the Public Audit Forum (PAF) to share knowledge and experience. Over the reporting period we have:</p> <ul style="list-style-type: none"> • hosted colleagues from the NIAO as part of a joint project to develop a new audit of accounts approach for 2022-23 and beyond; • shared learning on developments in IT audit approaches and IT audit skills; • shared experiences, plans and priorities focused on measuring the impact of audit work and digital communications; and • discussed our respective interest and the role of audit in the ‘net zero’ agenda. <p>The PAF jointly responded to the Department for Business, Energy and Industrial Strategy (BEIS) consultation on the future of the UK audit profession; we have had a series of conversations with the Treasury and the Welsh Government on potential developments, including the possibility of the quality of Audit Wales work becoming subject to oversight by a committee of the Senedd.</p> <p>We continue to build our institute relationships and have staff members sitting on Chartered Institute of Public Finance and Accountancy (CIPFA) Panels, advising on topics including the Code of Practice on Local Authority Accounting for the UK (LASAAC).</p> |

Area of focus**What has been delivered so far**

Use technology and data analytics to continue to modernise the way we deliver our audit work, increase our impact, improve quality, and keep pace with industry expectations.

In April this year, we celebrated our Data Analytics team having been in place for four years. The work of the team is at the heart of our drive to modernise audit of accounts work, improve the way in which we display information and communicate our audit findings to achieve our five-year strategy.

Over the reporting period key developments in data analytics have included:

- Analytics Assisted Audit (AAA) – a suite of tools to enable easier access to external data sources; provide useful visuals and automate onerous tasks for audit of accounts work.
 - an interactive tool to inform health risk assessments at local health boards and trusts; providing access to public datasets and information from NHS agencies.
 - a Community Pharmacy data pilot which investigates large and complex pharmacy datasets to gain insight, including looking for anomalies to help identify potential fraud and areas of high cost.
 - successfully trialled ‘Inflo Collaboration’ at ten audited bodies. A secure digital collaboration portal to collate audit information, requests, responses, and documents all in one place.
 - progressed discussions with relevant stakeholders about the potential for other new data matching activity.
-

◀ Running the business

Core work



Setting the overall budget of **£23.4 million** and charging fees for audit work



Employing around **290 staff** and managing a diverse range of physical and information assets



Providing **strong leadership** and embedding our values and behaviours



Monitoring the exercise of the Auditor General's functions and providing him with advice

- 6 Over the last six months, we have continued to adapt how we work, supporting our staff to work flexibly so they can deliver effective and efficient services.
- 7 The Board, its Committees and the Executive Leadership Team have operated effectively through a hybrid approach, using a combination of online meeting platforms and face to face meetings.
- 8 A key focus for us over the reporting period has been on decisions around our future office accommodation needs and ways of working. We have worked to ensure that we deliver high-quality work efficiently and provide an excellent working and learning environment whilst placing high value on the health and wellbeing of our staff and contributing to a reduction in our environmental impact.

Priority Actions

- 9 In response to our operating environment and to help us in delivering our strategic ambitions, we identified five priority actions for how we run the business in 2022-23. The progress we have made towards delivering each of these during the first half of the year is summarised in the following table.

| Area of focus | What has been delivered so far |
|---|--|
| <p>Determine what our 'new normal' ways of working will be as we move into a pandemic recovery phase, and in doing so continue to prioritise the ongoing health and wellbeing of Audit Wales staff.</p> | <p>Like many organisations, our experience of the pandemic demonstrated that wellbeing does not start and end during the working day. During and since the pandemic, much of our decision making around staff wellbeing has been guided by the principle 'self, family, work' recognising that we have a responsibility to ensure our workplace culture encourages positive behaviours and provides support networks for our employees.</p> <p>Building on this principle, in September, we launched our Wellbeing Strategy, which was developed by Audit Wales staff from across the organisation working together collaboratively to create something which was meaningful to them and their colleagues with clear outcomes and measures of success.</p> <p>The Strategy is designed around three themes of wellbeing that are at the centre of our aims for Audit Wales – Work Well, Live Well and Mean Well.</p> |

| Area of focus | What has been delivered so far |
|--|---|
| <p>Finalise our work on developing a five-year strategy and 'road map' for delivering our overarching ambitions, including ensuring:</p> <ul style="list-style-type: none"> • organisation-wide engagement with the development of the road map; • that priority actions for the strategy are reflected and embedded within other organisation-wide, business unit and team level plans; • appropriate alignment and integration with our risk and performance management arrangements; and • there are clear linkages between the strategy and project and performance objectives agreed for individuals. | <p>In June we published <u>Assure, Explain, Inspire: Our Strategy 2022-27</u>. This is a bold new strategy setting out our five year vision to drive improvement and support Welsh public services as they adapt to the challenges and opportunities of a changing world.</p> <p>The strategy contains three building blocks where we believe we need to prioritise action if we are to achieve our ambitions. These areas of focus and the outcomes for each were developed through a series of staff workshops and engagement activities across the whole organisation; together with feedback from various external stakeholders.</p> <p>The actions and activities required by each team at Audit Wales to deliver against these building blocks have been identified and set out in business plans. Progress is reported to the Executive Leadership Team and Wales Audit Office Board via a revised quarterly integrated performance report which brings together key performance information alongside an analysis of our strategic risks to monitor progress towards delivery of actions that support the strategy.</p> |

| Area of focus | What has been delivered so far |
|---|---|
| <p>Finalise our work on developing proposals for meeting our future accommodation needs, to enable a Board decision later in 2022-23.</p> | <p>In July, the Wales Audit Office Board approved a business case to relocate our Cardiff office to new premises with effect from early 2023. The Senedd Finance Committee subsequently agreed in principle the funding requested to support this move. Work continues to engage with staff on the design of the working space and co-ordinating construction and other related activity.</p> <p>As we continue to evolve our hybrid ways of working post COVID we continue to review all our accommodation needs. We have extended the lease on our West Wales office and have been piloting the use of a Hub in North Wales, alongside the re-opening of an audit room on a client site, to enable staff to work effectively and flexibly.</p> |
| <p>Embed the sustainable development principle to a greater extent in all our decision-making processes, including when:</p> <ul style="list-style-type: none"> • implementing our revised staff travel and subsistence arrangements; • experimenting with and evaluating new, more efficient, and smarter ways of working; • determining our route map to moving towards net zero greenhouse gas emissions. | <p>The Wales Audit Office Board has made a commitment to embed the sustainable development principle in the way it runs the business and makes decisions. We have focused on applying the principle in the development of key plans and strategies; including our new five-year strategy, our revised travel and subsistence arrangements, and our evolving office accommodation needs, including the decision to relocate our Cardiff office, which will in turn support our aspiration to achieve net zero emissions.</p> <p>Our new travel and subsistence arrangements were implemented from 1 April 2022 and included the commitment to develop an organisational travel plan. This plan will look at ways to reduce the need to travel and develop and promote the use of sustainable travel to reduce our impact on the environment and support our commitment to become a net zero carbon organisation by 2030.</p> |

Area of focus**What has been delivered so far**

Publish and implement a revised suite of equality objectives that are fit for purpose and form a key part of our strategy for achieving our overall ambitions.

In September we published our [Strategic Equality Plan 2022-2026](#), which sets out a fresh suite of objectives for equality, diversity, and inclusion. We are committed to being an employer of choice and increasing the diversity of our workforce. We are endeavouring to ensure our work is accessible and inclusive and internally we want to provide a culture in which everyone can thrive.

Reporting on our performance

Key performance indicators

10 The position as of 30 September 2022 in terms of achieving the 18 key performance indicator (KPI) targets set out in our Annual Plan 2022-23 is summarised below.

| No | Indicator | Description | Target | Performance to 30 September |
|----|---------------------|---|--|--------------------------------|
| 1 | Statutory deadlines | Proportion of audit products delivered by the required statutory deadline. | 100% | 93% |
| 2 | On time | Proportion of other key audit products delivered in accordance with the planned timetable for ensuring timely and impactful reporting. | 90% | 82% |
| 3 | Quality | Proportion of reviewed audits that are delivered in accordance with Financial Reporting Council (FRC) quality standards. | 100% of sample assessed as in the highest two audit quality categories | Not yet available ¹ |
| 4 | Credibility | Proportion of stakeholders that consider us to be an independent and authoritative communicator on the governance and stewardship of public money and assets. | At least 90% ² | 95% |

¹ Reviews will be completed in the second half of 2022-23.

² We conducted a survey of Chief Officers of audited bodies in early 2022, seeking their views on the value and impact of our work. Our performance against indicators 4 to 6 is taken from the results of this survey.

| No | Indicator | Description | Target | Performance to 30 September |
|----|------------------------|--|-------------------------------------|-----------------------------|
| 5 | Providing insight | Proportion of stakeholders who said that through our work, they gained useful insight that they would not have acquired otherwise. | At least 80% | 95% |
| 6 | Driving improvement | Proportion of stakeholders who believe our work has led to improvements in the provision of public services. | At least 80% | 91% |
| 7 | Savings identified | Value of potential savings, income, productivity gains and other financial benefits identified through our work. | At least £30 million during 2020-23 | £25.5 million |
| 8 | Good practice events | Proportion of stakeholders who rated our good practice events useful or very useful. | At least 90% | Not available ³ |
| 9 | Website visits | Number of visits to our website where at least one action is performed, eg download a report, click on a video. | 35,000 each year | 20,794 |
| 10 | Social media | Number of social media engagements, ie interactions with our posts such as a like, a comment, or a retweet/share. | 3,000 each year | 1,385 |
| 11 | Sharing audit learning | Number of instances where we present audit learning to key policy working groups or at relevant externally hosted events. | 50 each year | 39 ⁴ |

³ The Good Practice Exchange held two events during this period, both were by invitation only to selected groups. Due to the nature of each event formal feedback was not sought. Informal feedback, however, proved for both to be useful.

⁴ This figure is checked at the end of the year to make adjustments, for example, to ensure repeat attendance as observers at ongoing groups is counted as a single entry.

| No | Indicator | Description | Target | Performance to 30 September 2022 |
|----|-------------------------------|--|--|----------------------------------|
| 12 | Employee engagement | Percent positive annual staff survey engagement index score, aligned with that for the Civil Service People Survey (CSPS). | At least the median score for the latest CSPS | 64% ⁵ |
| 13 | Employee experience | Percent positive annual staff survey thematic employee experience scores. | At least the median scores for the latest key CSPS ⁶ themes | 1 out of 10 |
| 14 | Sickness absence | Average working days lost per member of staff per annum. | Less than six days | 5.95 ⁷ |
| 15 | Financial balance | Level of variance in gross income and expenditure from that set out in our Estimate for the current year. | Within 2% of budget | 0.7% |
| 16 | Cost savings and efficiencies | Value of cost savings and efficiencies identified throughout the business. | £1.4 million | £1.23 million |

5 The return is taken from the 2021 Staff survey, the 2022 survey will be run in October. The CSPS median engagement index score for 2021 was 66%.

6 The key CSPS employee experience themes are: organisational objective and purpose; leadership and managing change; my manager; my work; my team; inclusion and fair treatment; learning and development; resources and workload; pay and benefits; organisational culture.

7 Calculated on a rolling year basis.

| No | Indicator | Description | Target | Performance to 30 September 2022 |
|----|--------------------------|--|---|----------------------------------|
| 17 | Greenhouse gas emissions | Total CO ₂ equivalent emissions. | 20% reduction on a recalculated ⁸ 2021-22 baseline | 212 tonnes |
| 18 | Trainee success rate | Proportion of trainees achieving first-time passes in their Professional and Advanced level examinations with the Institute of Chartered Accountants in England and Wales. | At least 90% | 100% |

8 Which takes account of the latest Welsh Public Sector Net Zero Carbon reporting Guide published by the Welsh Government. The baseline for the purposes of reporting covers direct and indirect emissions, which includes building related emissions (energy, water, waste, and well-to-tank emissions), travel and commuting, and homeworking.

The baseline does not include supply chain emissions associated with the procurement of goods and services. As emission factors for calculating supply chain emissions were discontinued in 2011, the factors are highly uncertain. Since the discontinued factors are multiplied against expenditure to obtain emissions estimates, the Guide states 'This accounting method does not therefore lend itself to setting targets and measuring emission reduction efforts.'. Therefore, these estimates can only be used to consider where to focus emissions reduction effort with suppliers; with the estimates reported to the Welsh Government annually.

Our Strategy 2022-27

- 11 In June 2022, we published [Our Strategy 2022-27](#). The strategy contains three building blocks where we believe we need to prioritise action if we are to achieve our ambitions. Progress to date to support these building blocks is summarised below.⁶

| Building Block | Descriptor | What we have done |
|--|---|--|
| Strategic, dynamic and high-quality audit programme | In addition to delivering our non-discretionary statutory audit work to time, cost and quality, we ensure that we focus our limited remaining resources on issues of greatest strategic importance. | <ul style="list-style-type: none"> • Consulted on our work programme with longer-term perspective. • Gathered feedback from external stakeholders on our Strategy. • Established our Research Development Team. |
| | We apply best professional practice as identified through the AGW Code of Audit Practice to ensure our work is of the highest standard. | <ul style="list-style-type: none"> • Annual Quality Report 2022 will be published shortly. • Begun the review of the AGW Code of Audit Practice. |
| | Our work drives high standards in the use of public resources and organisational governance. | <ul style="list-style-type: none"> • Published Public Interest Reports when significant failings are identified. • Used blogs and social media platforms to share the outcomes of reports in accessible formats. |

| Building Block | Descriptor | What we have done |
|---|---|---|
| Targeted and impactful approach to communications and influencing | Our work is accessed by a diverse range of people. | <ul style="list-style-type: none"> Put systems in place to collate communication statistics and produce data tools. |
| | Our stakeholders recognise that their relationship with Audit Wales staff adds value. | <ul style="list-style-type: none"> Commissioned independent engagement with stakeholders on the impact, value and reach of our work. |
| | Our stakeholders point to examples where Audit Wales work has supported their organisations to deliver better outcomes. | <ul style="list-style-type: none"> Obtained feedback from stakeholders as part of our engagement on the five-year strategy. Planned future engagement with a wider cross section of stakeholders. |
| Culture and operating model that allows us to thrive both now and, in the future | Successful delivery of key strategies and plans. | <ul style="list-style-type: none"> Aligned Annual Plan priorities to Our Strategy 2022-27. Published business plans and progress updates on our internal website. Developed integrated performance reporting approach to the Wales Audit Office Board. |
| | We work collaboratively and manifest a 'One Audit Wales' culture. | <ul style="list-style-type: none"> Undertaken a Mid-Year Review against management response to the outcomes of our last People Survey. Our Audit and Risk Assurance Committee carried out a 'deep dive' consideration of staff morale Launched our new staff newsletter – 'POBL' Promoted our new Strategy internally under the branding |
| | The sustainable development principle shapes behaviour and decision-making. | <ul style="list-style-type: none"> Continued to reflect the Well-being of Future Generations sustainable development principle and guidelines in Board decision making used by the Wales Audit Office Board. Applied the principle in the development of key plans and strategies, including our revised travel and subsistence arrangements and our evolving office accommodation needs. |



Appendices

- 1 Local audit work**
- 2 National value-for-money examinations and studies**
- 3 Supporting effective scrutiny and accountability**

1 Local audit work

The Auditor General carries out local work at most public bodies in Wales. The programme includes audit of accounts, local performance audit work and well-being of future generations work.

| Public body | Audit of accounts | Local performance audit work ⁹ | Well-being of future generations work |
|--|-------------------|---|---------------------------------------|
| Senedd Commission | ✓ | | |
| Welsh Government | ✓ | | ✓ |
| 8 Welsh Government sponsored bodies | ✓ | | ✓ ¹⁰ |
| Welsh Revenue Authority including the tax statement | ✓ | | |
| 4 Welsh Government companies | ✓ | | |
| 8 Commissioners, Inspectorates and Regulators | ✓ | | |
| 7 Local Health Boards | ✓ | ✓ | ✓ |
| 3 NHS Trusts and 2 Special Health Authorities | ✓ | ✓ | ✓ ¹¹ |
| 22 Councils (Unitary Authorities) | ✓ | ✓ | ✓ |
| 4 Police and Crime Commissioners and Chief Constables | ✓ | ✓ | |
| 3 Fire and Rescue Authorities | ✓ | ✓ | ✓ |
| 3 National Park Authorities | ✓ | ✓ | ✓ |
| 9 Pension funds | ✓ | | |
| Corporate Joint Committees | ✓ | ✓ | ✓ |
| City region growth deals | ✓ | ✓ | |
| Several smaller local government bodies including joint committees, drainage districts and harbour authorities | ✓ | | |
| Over 730 Town and Community Councils | ✓ ¹² | | |

9 The Auditor General is not required to conduct a programme of local performance audit work at each central government body. Performance audit work conducted within this sector currently sits within his programme of national value for money examinations and studies.

10 Only for listed bodies under the Well-being of Future Generations (Wales) Act 2015.

11 Only for listed bodies under the Well-being of Future Generations (Wales) Act 2015.

12 On a limited assurance basis.

2 National value-for-money examinations and studies

This programme of work includes value for money examinations, local government studies, and the preparation of summary reports of the findings from local audit work across multiple NHS, central government and/or local government bodies.

It also includes examinations undertaken in response to issues of public concern identified through our audit work or raised with the Auditor General through correspondence. The outputs from much of this programme support the work of the Senedd Public Accounts and Public Administration Committee and other Senedd committees.

We keep our plans under regular review, taking account of our audit priorities, the context of our own resourcing and the capacity of our audited bodies to engage with us. We will be bringing some additional new work into our programme during the rest of 2022-23.

In addition to the work in progress listed, other outputs may also emerge from work we are undertaking in response to issues that have been raised with us. For example, we have been taking forward some work to understand more fully the circumstances leading up to the Welsh Government's purchase of Gilestone Farm (Talybont on Usk) and will decide on the appropriate form and content for any output in due course. Local audit work may also lead to other summary outputs, for example from our ongoing 'whole-system' review work on unscheduled care.

Work completed or substantially completed as of 30 September 2022

| | |
|--|--|
| <u>Direct Payments for Adult Social Care</u> | <u>Unscheduled care – data tool and blog</u> |
| <u>The new Curriculum for Wales</u> | <u>Tackling the Planned Care Backlog in Wales</u> |
| <u>The Welsh Community Care Information System – update</u> | <u>Third Sector COVID-19 Response Fund – Memorandum for the PAPAC</u> |
| <u>Sustainable Tourism in Wales National Parks</u> | <u>Public Sector Readiness for Net Zero Carbon by 2030</u> |
| <u>Public Sector Readiness for Net Zero Carbon by 2030 – Evidence Report</u> | <u>NHS Wales Finances Data Tool – up to March 2022</u> |
| <u>Welsh Government – setting of well-being objectives</u> | <u>Welsh Government workforce planning and management</u> |
| <u>Equality Impact Assessments: More than a tick-box exercise?</u> | <u>Payment to the Welsh Government’s Former Permanent Secretary on Termination of Employment</u> |
| <u>COVID-19 business support in 2020-21 – Memorandum for the PAPAC</u> | |

| Work in progress or soon to get underway | |
|--|--|
| National Fraud Initiative (summary report) | Cyber resilience |
| Complex needs and poverty – the challenge for local government | Flood risk management |
| Orthopaedic services | NHS quality governance |
| Social enterprises | Broadband infrastructure/digital inclusion |
| Building social resilience and self-reliance | Corporate Joint Committees |
| Building safety | Planning for sustainable development – brownfield regeneration |
| Affordable housing | Governance/oversight of National Park Authorities |

3 Supporting effective scrutiny and accountability

Supporting the work of the Public Accounts and Public Administration Committee and other Senedd Committees

Our work plays a key role in supporting the work of the Public Accounts and Public Administration Committee (PAPAC) in its consideration of the use of resources and the discharge of public functions in Wales.

During the reporting period, the outputs from our work supported eight PAPAC meetings, including the [Committee's own inquiry and report on Care Home Commissioning for Older People](#). The Committee also considered most of the work completed during the reporting period outlined in **Appendix 2**.

In May 2022, the Auditor General, Wales Audit Office Board Chair and all three Executive Directors met with members of the Finance Committee in a private session to provide a briefing on the development of our five-year strategy, including proposals for a potential funding switch between fees and estimate, in order to better support the delivery of more impactful cross cutting and themed audit work. The briefing also covered plans to submit two supplementary estimates – the first to make the first repayment in respect of funding previously provided in support of the buyout of the transport allowance that was withdrawn from staff, and the second to support the delivery of our estate strategy including an office move following the expiry of the lease on our Cardiff office in March 2023. We subsequently provided a detailed letter setting out the business case for the office move in August 2022, following which the Committee considered and supported our formal supplementary estimate for funding the office move in September.

We have continued to engage with clerking teams to other Senedd committees to discuss our work where this is of mutual interest, including for example the new Curriculum for Wales (Children, Young People and Education Committee) and Tackling the Planned Care Backlog (Health and Social Care Committee). The Equality and Social Justice Committee has also acknowledged our input to its [inquiry and report on Fuel Poverty and the Warm Homes Programme](#), building on our previous work on these topics, played a crucial part in informing the Committee's own thinking.

We have also responded formally to five consultations launched by the Senedd or its committees, to share learning from our audit work; one example being the Climate Change, Environment and Infrastructure Committee's consultation on 'Decarbonisation of housing: decarbonising the private housing sector'.

Supporting the work of the audit and scrutiny committees of public bodies

Through the interim reporting period, we have attended meetings of the audit and scrutiny committees of the principal bodies that we audit, some of these are being held in person, whilst many have continued to use video communication platforms.

We continue to provide briefings and reports on our audit work together with advice and support to strengthen governance effectiveness.

Supporting the public and their local representatives

We regularly receive correspondence from the public, their local and national elected representatives and others that raises potential concerns about the stewardship of public money and assets.

During the reporting period, we received 33 items of correspondence and ensured that we responded to those concerns in a fair, proportionate, and professional manner. In addition, five individuals contacted us between 1 April and 30 September 2022 indicating that they wished to make a whistleblowing disclosure.



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