

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Annual Plan 2017-18

Including additional information on our  
three-year strategy and priorities



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU



# Foreword from the Auditor General for Wales and the Chair of the Wales Audit Office



This Annual Plan for 2017-18 builds on the feedback we received from a wide range of stakeholders to the recent [Consultation on our draft three-year strategy for 2017-2020](#).

Alongside a number of key revisions to our work programmes, we have provided a description of the factors that we and our stakeholders believe will have greatest influence over the way we deliver our work over the next three years, and have redefined the strategic themes that underpin how we will respond to that environment and achieve our aim and objectives.

One of our key priorities will be developing an approach to effectively deliver the Auditor General's duties under the Well-being of Future Generations (Wales) Act 2015. Another will be adapting our model for the deployment of audit resources in preparation for the introduction of faster closure of local government accounts.

In times of ongoing austerity, we will continue to take steps to support strong public sector financial management, and will be developing proposals for simplifying and improving the cost-effectiveness of our own funding arrangements.

We have also placed particular emphasis in the Plan on the importance of the work we do in supporting effective scrutiny and accountability, both in terms of the work of Assembly committees and the audit and scrutiny committees of public bodies, and when responding to issues of public concern raised through correspondence.

When developing the Plan, our focus has been firmly fixed on ensuring that the Auditor General's work delivers even greater impact, and the Board remains ambitious in its determination that the Wales Audit Office be a well-run and respected organisation that is a great place to work.

**Huw Vaughan Thomas**  
Auditor General for Wales

**Isobel Garner**  
Chair, on behalf of the Wales Audit Office

This Annual Plan of the Auditor General for Wales and the Wales Audit Office for the year ending 31 March 2018, which includes additional information on our three-year strategy and priorities, has been jointly prepared by the Auditor General for Wales and the Wales Audit Office under section 25(1) of the Public Audit (Wales) Act 2013.

It is laid before the National Assembly for Wales by the Auditor General for Wales and the Chair of the Wales Audit Office under section 26 of the Public Audit (Wales) Act 2013.

We have consulted with a broad range of stakeholders in the preparation of this document, including the people of Wales and their representatives, Welsh public bodies and their representatives, and the staff of the Wales Audit Office.

The National Assembly has made provision through Standing Order 18.11(i) for its Finance Committee to be responsible for considering and reporting to the Assembly on the Annual Plan.

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. We welcome correspondence in Welsh and English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

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**This document is also available in Welsh**

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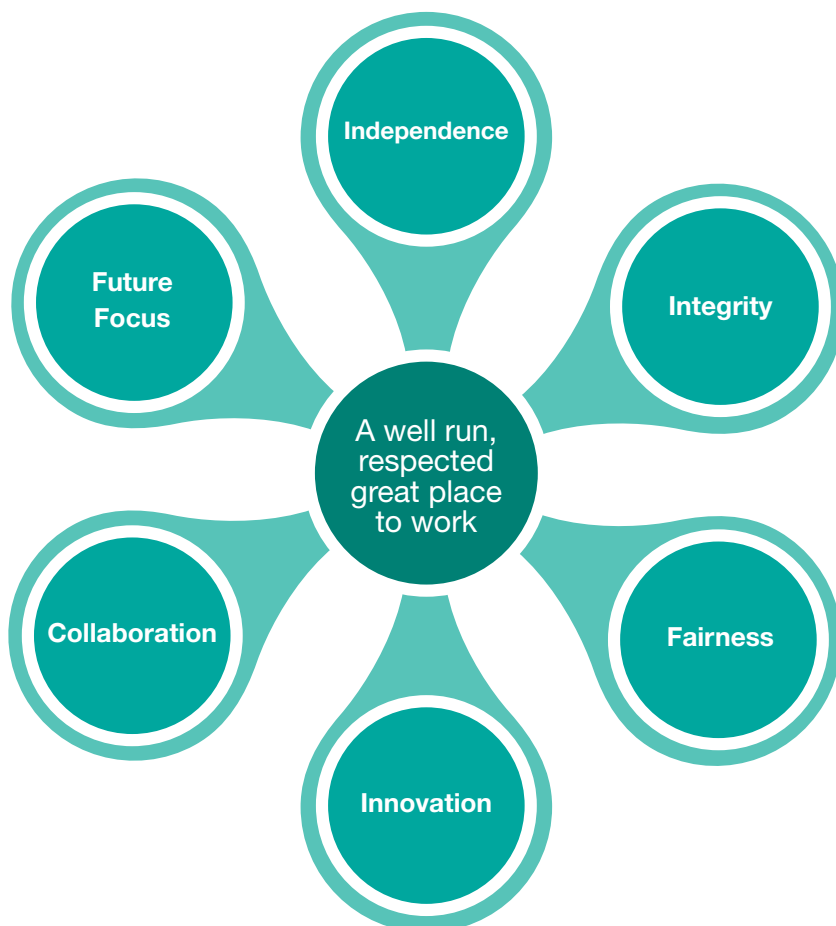
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# Who we are and how we operate

- 1 The Auditor General for Wales is the statutory external auditor of most of the Welsh public sector.
- 2 The Auditor General is responsible for the audit of the majority of public money spent in Wales, including the funds that are voted annually by the National Assembly. Significant elements of this funding are passed by the Welsh Government to the NHS and local government in Wales.
- 3 The Wales Audit Office employs professionally qualified staff and utilises other resources, including additional expertise from private sector accountancy firms, to enable the Auditor General to carry out his functions. The Wales Audit Office currently employs around 250 staff.
- 4 The Auditor General uses the resources provided by the Wales Audit Office to independently examine whether public money in Wales is being managed wisely and is properly accounted for.

## Our values



# What we do

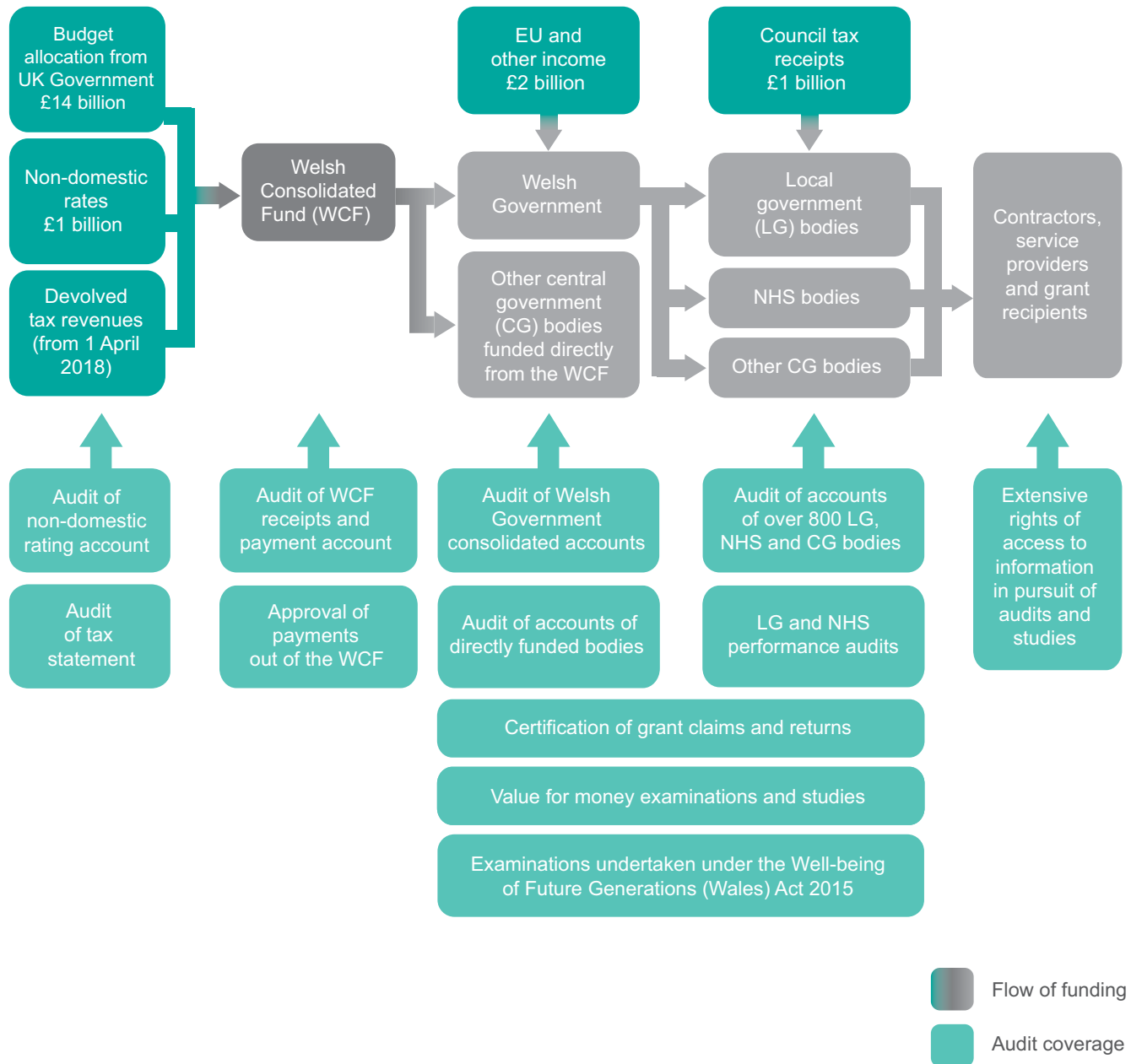
## Public sector audit involves:

- **Providing an opinion on the accounts**
  - **Considering whether public money is being used for approved purposes (regularity)**
  - **Considering how public business is being conducted (propriety)**
  - **Examining whether proper arrangements are in place to secure value for money**
- 5 Each year the Auditor General, using resources provided by the Wales Audit Office, delivers an extensive but proportionate programme of external audit work, alongside certain other functions. The Auditor General also retains a degree of flexibility in his programme in order that he can respond swiftly and effectively to any issues we encounter through our audit work or that are brought to his attention.
  - 6 The Auditor General's functions apply across different types of bodies, to examine public spending irrespective of who delivers the services.
  - 7 We undertake our work in accordance with the Auditor General's **Code of Audit Practice**. The Code prescribes the way in which the Auditor General's audit and certain other functions are to be carried out, and embodies what appears to the Auditor General to be best professional practice.
  - 8 We identify good practice from across the full breadth of the Auditor General's audit work and disseminate this through our **Good Practice Exchange** (a free web-based resource) and other media, including shared learning seminars and webinars.

## The aspects of value for money – economy, efficiency and effectiveness



# How we follow the public pound in Wales

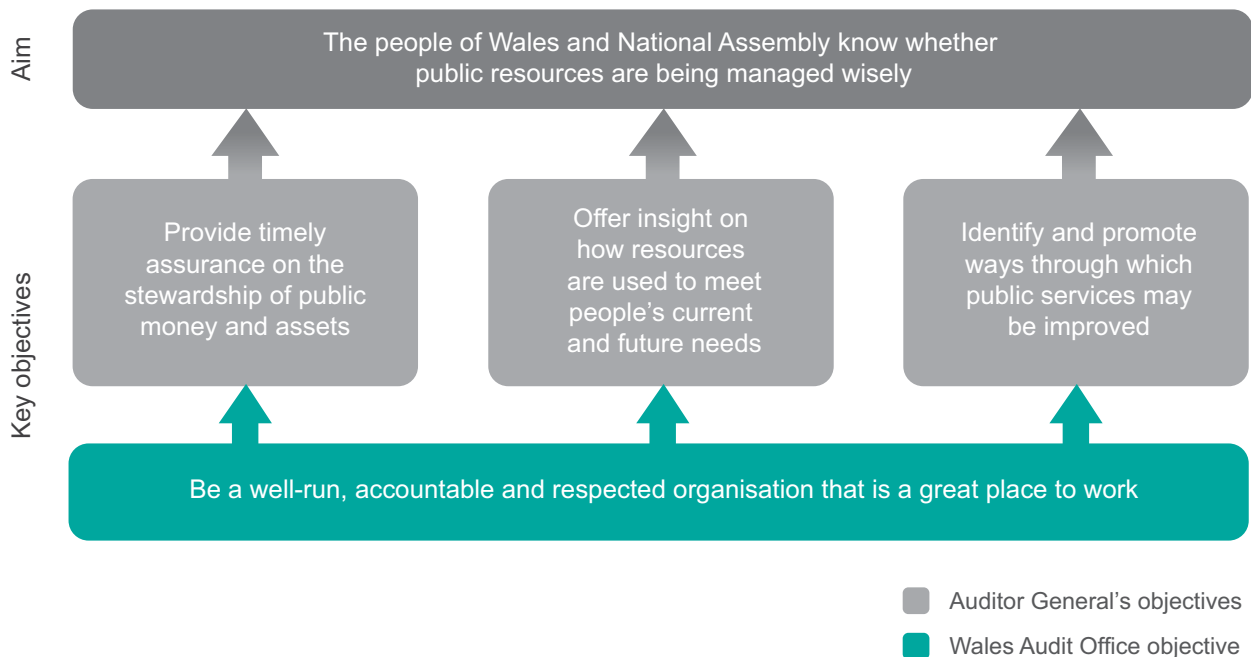




# Our aim and objectives

- 9 Our aim is that the people of Wales and National Assembly know whether public resources are being managed wisely. It is expressed as an outcome to which we are a key contributor due to our wholly independent status, professional expertise and extensive rights of access to information through the Auditor General’s statutory audit powers and functions.
- 10 Our first three objectives focus on effectively achieving what we consider to be the threefold purpose of audit – providing assurance, offering insight and promoting improvement.
- 11 Our fourth objective underpins the first three; in order for the Auditor General to deliver a high-quality audit service, the Wales Audit Office must be an accountable, well-run and respected organisation that delivers value for money and provides a stimulating and rewarding environment in which to work.

## Making public money count



# Our operating environment

- 12 Taking account of responses to the **Consultation on our draft strategy for 2017-2020**, we consider the following factors to be those that will have greatest influence over the way we deliver our work and achieve our aim and objectives over the next three years.

## We remain in a period of financial constraint

- 13 Those charged with delivering public services continue to face real-terms reductions in annual budgets, while seeking to meet rising public expectations and changing demographic demands, and maintain and improve service provision.
- 14 As outlined in our report **A Picture of Public Services 2015**, the financial pressures that public services have faced since 2010-11 are likely to continue over the medium term. Almost all respondents to a survey of public sector leaders carried out as part of that study cited financial pressures as one of their three biggest challenges in the future.
- 15 Public services will need to make radical changes to the way they provide services and engage with service users if they are to build effectively on the increasingly collaborative approach being adopted in Wales. With many public service leaders expecting to make deeper cuts to services, a more holistic and long-term approach is needed to mitigate impacts on the public.

## The political and policy landscape continues to evolve

- 16 A broad range of policy and political factors are likely to influence how we deliver and resource our work over the next few years. These include:

### **Implications of the EU referendum result**

While it is difficult at this stage to fully assess the effect that 'Brexit' will have on the Welsh public finances and our work, we can be fairly sure that there will be a cessation of the current EU agricultural funding and associated audit work.

### **Changes to the devolution landscape**

The Wales Act 2017 changes the form of devolution from a conferred to a reserved powers model, with potential for new public bodies to be created.

### **Fiscal devolution**

Some tax raising and borrowing powers will be transferred from Westminster to Wales by 2018, and the Auditor General will be required to undertake appropriate new audit work.

### **Establishment of Public Services Boards and proposals for regional working in local government**

Alongside the statutory Public Services Boards recently established under the Well-being of Future Generations (Wales) Act 2015, an enhanced level of regional planning has been proposed for local government services in Wales, with associated reforms to funding mechanisms and an increase in the complexity of governance models.

### **Requirement for earlier closure of local government accounts**

The Welsh Ministers intend to bring forward the deadlines for preparing, auditing and publishing the accounts of local government bodies in Wales by 2020-21.

### **Amendments to grant funding and certification arrangements**

Following a recent review of the process for auditing grants made to local authorities in Wales, the Welsh Government and the Auditor General have committed to refocus the audit rationale through placing greater emphasis on the outcomes achieved.

### **Changes to employment law and policy**

Key scheduled developments include the introduction of an apprenticeship levy, gender pay gap reporting regulations, increases to the National Living and Minimum Wages, and new European data protection standards.

## Governance arrangements are now required to have a wider scope

- 17 The National Assembly has placed further legal requirements on the public sector in Wales to strengthen governance arrangements in accordance with a defined sustainable development principle. Each public body listed in the Well-being of Future Generations (Wales) Act 2015 must work to improve the economic, social, environmental and cultural well-being of Wales. To do this they must set and publish well-being objectives that are designed to maximise their contribution to achieving each of the well-being goals, and then take action to make sure they meet those objectives.
- 18 The well-being duties on the 44 listed public bodies, including the Welsh Government, commenced on 1 April 2016. The first well-being objectives of those bodies must be set and published by 1 April 2017. Listed bodies are then required to report annually on progress made towards meeting their objectives.
- 19 Under Section 15 of the Act, the Auditor General must examine the extent to which the listed public bodies have acted in accordance with the Act's sustainable development principle when setting well-being objectives, and when taking steps to meet those objectives.

## We live in an increasingly networked society

- 20 Over recent years, advances in information technology have led to increased digitisation of service delivery, increased public access to data, and new opportunities and ways to interact through social media and other forms of digital communication.
- 21 Digital transformation and inclusion form a central part of the Welsh Government's plans to make public services more accessible and meaningful to their users, and to achieve better outcomes.
- 22 An increasingly networked society does not just have implications for the public bodies that we audit. It also impacts quite profoundly on audit agencies and other external review bodies. We too need to stay abreast of technological developments and the associated opportunities and risks they present, and take advantage of new ways to gather intelligence, report on findings and maximise awareness of and engagement with our work.

# Our strategy

23 In response to our operating environment, our Plan for delivering our programmes of work during 2017-18 and for the three year period 2017 to 2020 is underpinned by five high-level strategic themes.

Report authoritatively on whether public bodies are acting in accordance with the sustainable development principle



Increasingly, our consideration of financial resources, and the way in which public bodies are held to account for their use, will be integrated with a consideration of their stewardship of human and natural resources.

Support strong public sector financial management at a time of austerity



We will place increasing emphasis on the importance of strengthening financial management across the Welsh public sector and improving the effectiveness and efficiency of the use of public resources and assets.

Make more effective use of data and embrace cutting edge technology



We will challenge our existing use of data and technology, through questioning what we normally take for granted and developing solutions for how we might use new technology to transform our audit and communication processes.

Streamline our business processes and strengthen our governance arrangements



Cost efficiency will be a key area of focus, alongside undertaking further work on applying the sustainable development principle to the way we run our business, and on optimising our workforce, ICT, procurement and contracting strategies.

Review and adapt our audit approach



We will review and adapt our audit approach to ensure we can respond effectively to future changes in the public service environment, including through placing greater emphasis on applying an outcomes-focused perspective.

# Our three-year priorities

24 To help ensure we achieve our overall aim and objectives, the Auditor General and Wales Audit Office Board have identified ten priority areas of improvement that we intend to focus on over the next three years alongside, or as part of, the Auditor General's programme of statutory audit work.

Priorities	
1	Develop an approach, through working in collaboration with key stakeholders, to deliver the Auditor General's duties under the Well-being of Future Generations (Wales) Act 2015.
2	Focus on work that examines regional and other partnership working arrangements, including the interface between health and social care provision.
3	Strengthen engagement with our work among Assembly committees, and identify ways to further enhance our work on supporting effective scrutiny and accountability.
4	Enhance the collective impact of external audit, inspection and review in Wales through working more closely with Inspection Wales and other partners and by making better shared use of intelligence and resources.
5	Facilitate strategic transformation of audit, through improving our use of data and technology, and our methods of communication.
6	Revise our model for the deployment of audit resources in preparation for upcoming changes to our operating environment, including in particular the introduction of faster closure of local government accounts.
7	Refresh our people strategy and stimulate culture change within the Wales Audit Office by embedding a new framework of agreed values and behaviours.
8	Formulate and apply action plans aimed at narrowing our overall gender, age and ethnicity pay gaps and ensuring our compliance with the new Welsh language standards.
9	Develop proposals for simplifying and improving the cost-effectiveness of the funding arrangements for the Wales Audit Office, for consideration by the National Assembly.
10	Increase our engagement with stakeholders and our use of external benchmarking to help enhance the impact of our work.

# Our planned programmes of work

25 Our planned programmes of work for 2017-18 can be divided into six sections, which are aligned with our objectives as illustrated below, and are underpinned by our five high-level strategic themes.



26 The first four sections of the Plan relate to the Auditor General's work programme. The Auditor General's priorities for 2017-18 in exercising his functions are outlined in the following appendices:

**Appendix 1 - Audit projects**

**Appendix 2 - Supporting effective scrutiny and accountability**

**Appendix 3 - Good practice work**

**Appendix 4 - Engagement and joint working activity**

27 The remaining two sections of the Plan relate to the Wales Audit Office Board's work programme. The Board's priorities for 2017-18 in exercising its functions are outlined in the following appendices:

**Appendix 5 – Our governance and leadership**

**Appendix 6 – Our use of resources**

28 The resources available, and which may become available to the Wales Audit Office, as per the approved **Estimate of Income and Expenses for the Year Ended 31 March 2018**, are to be used in delivering these work programmes.

# Measuring and reporting on our performance

- 29 In 2017-18 and over the next three years, we will use a combination of quantitative and qualitative methods to measure, report and reflect on our performance and risks. This will include regular reporting to our Management Committee and Board on progress being made in delivering our priorities and achieving our key performance indicator targets. It will also include internal audit reports to our Management Committee and Audit and Risk Assurance Committee. We will place particular emphasis on evaluating our direction of travel and pace of improvement, alongside comparison with appropriate benchmarking.
- 30 We will report on our performance externally through our **Annual Report and Accounts** and **Interim Report(s)**, and by providing evidence at meetings of the National Assembly's Finance Committee.
- 31 Our framework of key performance indicators is centred on the following themes and questions about our activities. Our suite of targets has been developed with reference to current levels of performance, appropriate external benchmarks and our own improvement aspirations. The targets will be subject to further scrutiny and refinement during 2017-18 to ensure they are suitably challenging but achievable within the specified timescales. Over the course of the year, we will also be giving further consideration to the way we gauge the impact of our work.

## **Impact**

To what extent is our work informing the people of Wales and National Assembly, helping public bodies in Wales to succeed, and valued by our stakeholders?

## **Delivery**

Are we delivering our audits on time and to the required quality and professional standards?

## **Leadership**

Are our governance and leadership arrangements operating effectively?

## **Financial**

How well are we managing our finances and assets?

## **Social**

How well are we promoting and supporting equality, well-being and learning?

## **Environmental**

How well are we managing our impact on the environment?

## **Communication**

How well are we raising awareness of and encouraging engagement with our work?

## **Appendix 7 - Key performance indicators and targets**



# Appendix 1 - Audit projects

## Audit work to be carried out at local government bodies

The Auditor General's programme of work in local government covers a broad range of bodies, including unitary authorities, fire and rescue authorities, national park authorities, police and crime commissioners and chief constables, local government pension funds and town and community councils. The programme includes audits of accounts, certification of grant claims and returns, improvement audits and assessments, local government studies and well-being of future generations audit work.

### Audit of accounts

- 22 unitary authorities
- 3 fire and rescue authorities
- 3 national park authorities
- 4 police and crime commissioners
- 4 chief constables
- 8 pension funds
- A number of other smaller local government bodies including joint committees and harbour authorities
- Audits of over 740 town and community councils on a limited assurance basis

### Local government studies

- Strategic commissioning of learning disability services by local authorities
- Improving well-being through housing adaptations
- How local government manages demand (homelessness services)

### Improvement audits and assessments

- 22 unitary authorities (including themed reviews of scrutiny and service user perspective)
- 3 fire and rescue authorities
- 3 national park authorities

### Well-being of future generations audit work

- 22 unitary authorities
- 3 fire and rescue authorities
- 3 national park authorities

### Certification of grant claims and returns

- Up to 20 schemes worth approaching £3 billion and involving around 300 individual claims
- Outcomes-focused reports

## Audit work to be carried out at NHS bodies

The Auditor General's work across NHS Wales covers all seven local health boards and the three NHS Trusts, as well as the work of the Welsh Government's Health and Social Care Department. The Auditor General audits the annual accounts of each NHS body, and reports publicly on the arrangements in place to secure economy, efficiency and effectiveness in their use of resources, and on whether listed bodies are acting in accordance with the sustainable development principle.

### Audit of accounts

7 local health boards  
3 NHS trusts  
Local health board summarised accounts  
NHS trusts summarised accounts

### Structured assessments

7 local health boards  
3 NHS trusts  
All Wales comparison of aspects of governance

### Local performance audit work

7 local health boards  
3 NHS trusts

### Health studies

GP Out-of-Hours services  
Discharge planning  
Primary care services

### Well-being of future generations audit work

7 local health boards  
Velindre NHS Trust  
Public Health Wales NHS Trust

# Audit work to be carried out at central government bodies

The central government sector in Wales covers a diverse range of public bodies, including the Welsh Government and its sponsored bodies, the offices of various statutory commissioners, inspectors and regulators, and the National Assembly Commission.

Unlike for local government and health bodies, the Auditor General is not required to conduct a programme of performance audit work at each central government body, but instead only provides an annual opinion on their accounts and, for listed bodies, undertakes well-being of future generations audit work.

Performance audit work conducted within this sector currently sits within his programme of value for money studies.

## Welsh Government accounts

- Welsh Government consolidated accounts
- Non-domestic rating account
- Welsh Consolidated Fund account
- Whole of Government Accounts
- Approval of payments out of the Welsh Consolidated Fund

## Accounts of Welsh Government sponsored bodies

- Arts Council of Wales
- Arts Council of Wales Lottery Fund
- Social Care Wales
- Higher Education Funding Council for Wales
- National Library of Wales
- National Museums and Galleries of Wales
- Natural Resources Wales
- Sports Council for Wales Main and Trust Accounts
- Sports Council for Wales Lottery Fund
- Local Democracy and Boundary Commission for Wales
- Qualifications Wales

## National Assembly for Wales accounts

- National Assembly for Wales Commission
- Assembly Members Pension Fund

## Accounts of commissioners, inspectors and regulators

- Children's Commissioner for Wales
- Older People's Commissioner for Wales
- Public Services Ombudsman for Wales
- Welsh Language Commissioner
- Estyn
- Education Workforce Council
- Future Generations Commissioner

## Welsh Government companies

- Hybu Cig Cymru
- Careers Choice
- Life Sciences Hub
- Sector Development Wales

## Well-being of future generations audit work

- Welsh Ministers
- Natural Resources Wales
- Higher Education Funding Council for Wales
- Arts Council of Wales
- Sports Council for Wales
- National Library of Wales
- National Museums and Galleries of Wales

## Audit work to be undertaken for consideration by the Public Accounts Committee

This programme of audit work includes value for money examinations, the preparation of summary reports of the findings from audit work across multiple NHS, central government and/or local government bodies, and examinations undertaken in response to issues of public concern identified through our audit work or raised with the Auditor General. The outputs from much of this programme support the work of the National Assembly's Public Accounts Committee and potentially other Assembly committees.

Some, but not all, of the work listed below is already in progress and is due to be reported on in 2017-18. The programme of work retains a degree of flexibility to respond to changing circumstances, priorities and risks, and we are currently engaging with the Public Accounts Committee on priorities for future work with a view to commencing a number of further value for money studies in the second half of 2017-18. There may also be additional outputs in 2017-18 arising from examinations undertaken in response to issues of public concern or from local programmes of audit work where there are issues or learning of wider relevance.

### Value for money studies

- 21st century schools and education programme
- Public procurement landscape review
- Waste management (waste prevention)
- Waste management (municipal recycling)
- Implementation of the NHS Finances (Wales) Act 2014 (integrated medium term planning)
- Supporting People programme
- NHS Wales Informatics Services (NWIS)
- Access to public services with the support of specialist interpretation and translation
- Business finance
- Youth services
- Primary care services
- Waste management (procurement of waste treatment infrastructure)
- Preparations for the implementation of fiscal devolution in Wales (follow-on report for consideration by the Finance Committee)

### Summary reports

- Radiology (linked as appropriate to NWIS reporting)
- Emergency ambulance commissioning arrangements

### Reactive examinations

- Circuit of Wales
- Welsh Government financial support for Carmarthenshire Energy Ltd

# Appendix 2 - Supporting effective scrutiny and accountability

## Supporting the work of the Public Accounts Committee and other Assembly Committees

Our work plays a key role in supporting the work of the Public Accounts Committee in its consideration of matters relating to the use of resources in the discharge of public functions in Wales. Our work can also, where applicable, inform the work of other National Assembly committees whose wider remit includes scrutinising the expenditure and policies of the Welsh Government, holding Ministers to account, and examining proposed legislation.

In 2017-18, we will continue to provide regular briefings to the Public Accounts Committee on the content of the Auditor General's published reports, which will help the Committee determine its subsequent course of action. We will also provide further advice and support to the Committee as required, particularly in relation to:

- a the development of members' briefings for evidence sessions with witnesses from the Welsh Government and other organisations;
- b the development of the Committee's reports; and
- c providing advice on the adequacy of the Welsh Government's formal responses to recommendations in the Committee's reports.

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

Throughout the year, we will attend most meetings of the audit committees of the principal bodies that we audit to provide regular briefings and report on our audit work.

We will also provide further advice and support to audit and scrutiny committees, where applicable, particularly in relation to:

- a providing support and guidance to committee chairs to support them in being more effective in their role; and
- b providing good practice seminar opportunities and awareness raising sessions for committee members on particularly relevant issues.

## Supporting the public and their local elected 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. The Auditor General is also a 'prescribed person' for raising **whistleblowing** concerns about the proper conduct of public business and fraud, value for money, and corruption in relation to the provision of public services.

In 2017-18, we will continue to ensure that we:

- a respond to public concern promptly, and in a fair, objective and professional manner;
- b appreciate the importance of the issues to those who have taken the time to highlight them;
- c issue audit reports where we consider these are merited; and
- d make sure that we do not use public money looking at issues that are not relevant to our audit work, or spend too much time on minor issues.

# Appendix 3 - Good practice work

Our approach to knowledge exchange has been developed and applied with increasing success over recent years. One of the two main strands of our approach is the provision of freely available online resources that enable the public, service users, service providers, policy makers and decision makers to access information that will leave them better informed. In particular, we aim to promote the sharing of this information across organisational, geographical and international boundaries.

Our other strand of activity involves facilitating conversations between service providers and users where the learning from comparative successes and failures is shared face-to-face. Increasingly we are looking to bring the views and experience of global experts to these conversations.

Our Good Practice Exchange programme of seminars and webinars is flexible and further topics will be added during the course of the year. More information on our [Programme of good practice work](#), including our case studies library, can be accessed on our website.

## Shared learning seminars

- Well managed risks
- Improving digital leadership and ownership
- Involving the citizen using social media
- Early closure of local government accounts
- Alternative delivery models
- Public Service Boards - the role of scrutiny
- Hospital discharge planning
- Embedding a Well-being of Future Generations culture

## Shared learning webinars

- Arms length governance
- Open standards
- Measuring outcomes: who's doing it and how
- Workforce planning
- Getting better outcomes from public service procurement

## Good practice guides

- Early closure of local government accounts

## External facilitation of shared learning and community support

- Academi Wales summer school
- Community Housing Cymru
- Future Generations Commissioner
- Good Practice Wales
- Institute of Chartered Accountants in England and Wales
- NHS Wales Finance Directors Network
- Older People's Commissioner for Wales
- One Voice Wales
- Public Health Wales
- Wales Centre for Behaviour Change, Bangor University
- Welsh Language Commissioner
- Welsh NHS Confederation
- Working With Not To co-production practitioner groups

# Appendix 4 - Engagement and joint working activity

The Auditor General and Wales Audit Office are committed to effective stakeholder engagement to inform the development, maximise the relevance, and extend the reach and impact of the Auditor General's work.

We are also committed to working closely with the other UK audit agencies through the Public Audit Forum, and with the other main external review bodies in Wales through the Inspection Wales initiative, to enhance the efficiency and effectiveness of public audit and the collective impact of our work. We are also proud to represent Wales on occasion on the international audit stage.

The Wales Audit Office is able to make arrangements with certain types of bodies for it or the Auditor General to provide services to, or to exercise the functions of those bodies, both in the UK and overseas. But, we are mindful that all such activities should be self-financing and should not be undertaken to the detriment of our core audit work in Wales.

## Joined up delivery

National Fraud Initiative with other UK audit agencies  
Working with Estyn to undertake follow-up inspections of Regional Education Improvement Consortia and support their delivery of improvement conferences  
Annual certification of the accounts of the European Agricultural Funds  
Follow-up joint review with Healthcare Inspectorate Wales of governance arrangements at Betsi Cadwaladr University Health Board  
Development of a memorandum of understanding with the Future Generations Commissioner

## Participation with observer status on external working groups

These include:  
Partnership Council for Wales  
Welsh Revenue Authority Implementation Programme Board  
Finance Minister's Welsh Tax Forum  
CSSIW Local Authority Inspection Framework Board  
Local Government Data Unit Board  
NHS Wales Efficiency, Healthcare Value and Improvement Group  
Public Appointments Working Group

## Membership of external working groups

These include:  
EURORAI  
International Integrated Reporting Council's Public Sector Integrated Reporting Network  
Public Audit Forum  
CIPFA/LASAAC Local Authority Code Board  
ICAEW Public Sector Audit Committee  
CIPFA Audit and Accounting Standards Panel  
Inspection Wales initiative  
DWP Housing Benefit and Welfare Reform UK Inspectorates liaison group  
Financial Reporting Council Public Sector Advisory Group  
Participation in NHS Escalation and Intervention Protocol with Welsh Government and Healthcare Inspectorate Wales

## Commissioned audit work

A range of charity audits  
Chief Auditor to and audit of the accounts of the Government of Anguilla  
Waste management and trade refuse benchmarking groups



# Appendix 5 - Our governance and leadership

As prescribed by the Public Audit (Wales) Act 2013, we are in the position of having not only non-executive and executive members of the Wales Audit Office Board, but also two employee-elected members who provide an extra dimension of insight and experience.

## The Wales Audit Office Board



David Corner  
Non-executive  
Member



Amanda Hughes  
Elected  
Employee  
Member



Kevin Thomas  
Appointed  
Employee  
Member



Steve Burnett  
Non-executive  
Member and  
Senior Independent  
Director



Isobel Garner  
Non-executive  
Chair



Huw Vaughan  
Thomas  
Auditor General  
for Wales and  
Chief Executive



Lindsay Foyster  
Non-executive  
Member



Peter Price  
Non-executive  
Member



Louise Fleet  
Elected  
Employee  
Member

### The Board is responsible for:

- Monitoring the exercise of the Auditor General's functions
- Providing the Auditor General with advice
- Employing staff and providing resources for the exercise of the Auditor General's functions
- Charging fees for work done by the Auditor General
- Preparing jointly with the Auditor General an annual plan and estimate of income and expenses

The Wales Audit Office also has a Management Committee to provide clear lines of reporting and accountability, and to enable the Auditor General's work to inform the public and influence public service delivery in the most efficient and effective way.

## The Wales Audit Office Management Committee



**Huw Vaughan Thomas**

Auditor General,  
Accounting Officer  
and Chief Executive



**Anthony Barrett**

Assistant Auditor  
General and Head  
of Financial Audit



**Gillian Body**

Assistant Auditor  
General and Head  
of Performance  
Audit



**Jane Holownia**

Sector Lead, Local  
Government and  
Criminal Justice



**Mike Usher**

Sector Lead,  
Health and Central  
Government



**Kevin Thomas**

Director of  
Corporate Services



**Steve O'Donoghue**

Director of Finance  
and HR

The key aspects of the Wales Audit Office's programme of work for 2017-18 are to:

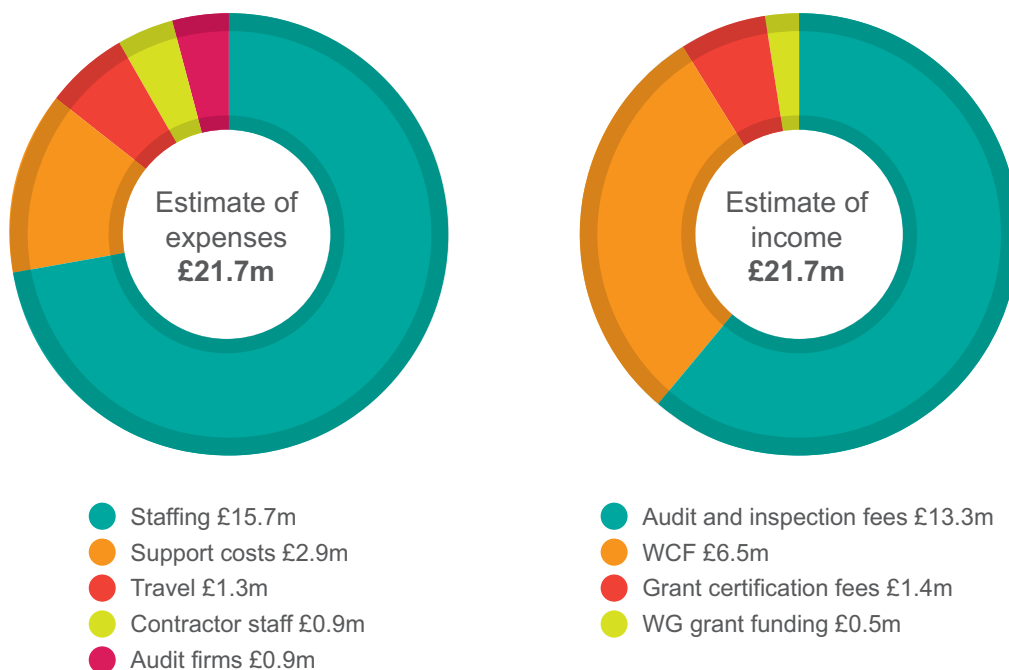
- a provide the Auditor General with the resources needed for delivering the Auditor General's 2017-18 programme of work;
- b make sure that the Wales Audit Office is a well-run, accountable and respected organisation that is a great place to work;
- c ensure that our governance arrangements continue to be embedded within the organisation, and that we respond effectively to the findings and recommendations of an external review of Board effectiveness; and
- d monitor the delivery of this Plan.

# Appendix 6 - Our use of resources

The National Assembly's Finance Committee scrutinises our use of resources, including through consideration of this Plan, our Estimate, **Fee Scheme**, **Interim Report(s)** and **Annual Report and Accounts**.

Approximately two thirds of Wales Audit Office funding comes from fees charged to audited bodies in accordance with a scheme of fees approved by the National Assembly. Most of the remainder comprises approved financing from the Welsh Consolidated Fund, our use of which is subject to scrutiny from the Board at regular intervals during the year.

The key priorities for our use of resources in 2017-18 are laid out in our most recent **Estimate**, which was considered and approved by the National Assembly's Finance Committee in November 2016. £15.6 million of planned expenditure relates to resources to be made available to the Auditor General to carry out his work programme<sup>1</sup>. A further £6.1 million provides a range of corporate enabling services, including accommodation and other support services, such as legal advice, ICT and HR<sup>2</sup>.



As outlined in our recent Estimate and Interim Report, we are in the process of developing proposals for simplifying and improving the cost effectiveness of the funding arrangements of the Wales Audit Office. We will shortly be consulting with stakeholders on our draft proposals and will present the outcomes of that consultation to the Finance Committee.

<sup>1</sup> This is the maximum amount of the resources available, and which may become available, that it is anticipated will be allocated by the Wales Audit Office to the Auditor General for the purpose of undertaking his work programme.

<sup>2</sup> This is deemed as the resources required to support the Wales Audit Office's work programme.

# Appendix 7 - Key performance indicators and targets

## Impact

No.	Indicator	Description	Target
I1	Accepted recommendations	Proportion of recommendations or proposals for improvement that are fully accepted for implementation by audited bodies	90 per cent
I2	Savings identified	Value of potential savings identified through our work	At least £8 million in 2017-18 and £24 million during 2017-2020
I3	Credibility	Proportion of stakeholders who consider the Auditor General to be an independent and authoritative commentator on the governance and stewardship of public money and assets	At least 90 per cent
I4	Insight	Proportion of stakeholders who said that through our work, they gained useful insight that they would not have acquired otherwise	At least 80 per cent
I5	Improvement	Proportion of stakeholders who believe our work has led to improvements in the provision of public services	At least 80 per cent

## Delivery

No.	Indicator	Description	Target
D1	On time	Proportion of key <sup>3</sup> audit products delivered on time	95 per cent
D2	National reports	Number of national reports published	14 per annum
D3	Good practice	Number of good practice products delivered, including seminars and webinars	20 per annum
D4	Quality	Proportion of audits that are delivered in accordance with required quality standards	100 per cent of annual sample
D5	Approval of payments	Proportion of requests to draw from the Welsh Consolidated Fund that are processed within 24 hours of receipt of required information	100 per cent

<sup>3</sup> For financial audit our key audit products are opinions on the accounts of all principal public authorities. For performance audit, our key products exclude only a small number of local audit reports that are not part of wider thematic reviews

## Leadership

No.	Indicator	Description	Target
L1	Confidence	Proportion of stakeholders that said they have confidence in our work	At least 90 per cent
L2	Engagement	Proportion of staff that feel they have a clear understanding of the organisation's purpose	At least 85 per cent
L3	Trust and motivation	Proportion of staff that feel trusted to carry out their job effectively	At least 85 per cent
L4	Continuous improvement	Proportion of staff that feel that the people in their team are encouraged to come up with new and better ways of doing things	At least 80 per cent by 2019-20
L5	Performance management	Proportion of staff that agree their performance is evaluated fairly	At least 95 per cent

## Financial

No.	Indicator	Description	Target
F1	Financial Balance	Level of surplus at year end	Within two per cent of budget
F2	Supplier payments	Proportion of suppliers paid within 10 working days of receipt of invoice	At least 85 per cent
F3	Debt recovery	Value of aged debts aged over 60 days	Less than £300,000
F4	Cost savings and efficiencies	Value of cost savings and efficiencies identified throughout the business	£1 million in 2017-18
F5	Efficiency of estate	Costs including for rent and rates per whole-time equivalent	Less than £3,300 in 2017-18

## Social

No.	Indicator	Description	Target
S1	Sickness absence	Average working days lost per member of staff per annum	Less than 6.5 days
S2	Learning and development	Proportion of staff that feel they are able to access the right learning and development opportunities when they need to	At least 80 per cent
S3	Fair treatment	Proportion of staff that feel they are treated fairly at work	At least 80 per cent by 2019-20
S4	Work-life balance	Proportion of staff that feel they are able to achieve a good balance between their work life and their private life	At least 80 per cent by 2019-20
S5	Welsh language provision	Number of complaints received regarding our Welsh language provision	Nil

## Environmental

No.	Indicator	Description	Target
E1	Environmental management	Level of Groundwork Wales Green Dragon Environmental Standard accreditation	Level 5 (highest level)
E2	Greenhouse gas emissions	Total CO <sub>2</sub> equivalent emissions from sources that we own or control, from consumption of purchased electricity, or that are produced indirectly as a consequence of our activities	Less than 500 tonnes in 2017-18
E3	Waste	Total waste produced	Less than 33 tonnes in 2017-18
E4	Reused, recycled or composted	Proportion of our total waste produced that is reused, recycled or composted	70 per cent in 2017-18
E5	Paper	Paper consumption	Less than 2,200 reams in 2017-18

## Communication

No.	Indicator	Description	Target
C1	Website	Number of page views	210,000 per annum
C2	Press coverage	Proportion of media articles published about our work that have positive or neutral sentiment	At least 90 per cent
C3	Social media	Klout score – a measure of our social media influence by analysing our Twitter account activity	Score of at least 53 out of 100 in 2017-18
C4	Shared learning seminars	Number of attendees at our shared learning seminars	1,000 per annum
C5	Correspondence handling	Number of instances where a full or interim response to concerns about public spending raised through correspondence is not issued within 30 working days of receipt	Nil

