



Interim Report

An assessment of progress made
against our 2021-22 Annual Plan during
the period 1 April to 30 September 2021

October 2021

This Interim Report covers the period from 1 April to 30 September 2021. 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 2021-22;
- 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. 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.

Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Telephone 02920 320 500
Email info@audit.wales
Website www.audit.wales
Twitter [@WalesAudit](https://twitter.com/WalesAudit)

Mae'r ddogfen hon hefyd ar gael yn Gymraeg

Contents

Foreword	4
Audit delivery	5
Running the business	13
Key performance indicators	19
Appendices	
1 Local audit work	24
2 National value for money examinations and studies	25
3 Supporting effective scrutiny and accountability	27

Foreword

This Interim Report describes the progress we have made to date towards delivering our Annual Plan for 2021-22.

In the Report, we focus on progress made over the period 1 April to 30 September 2021 towards delivering our planned programmes of work and associated areas of focus, and on achieving our key performance indicator targets.

During the reporting period, the delivery of our work has been underpinned by our four overarching ambitions. These are to:

- 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.

We confirm that there has been no need to deviate significantly from the work programmes laid out in our 2021-22 Plan, and 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 that we receive from the bodies that we audit.

Guided by our four ambitions and through using our unique remit to follow the public pound, we are committed to building on this momentum for the remainder of the year in our role as a driver of improvement at the heart of Welsh public services.



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



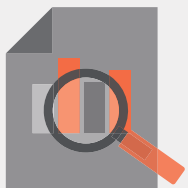
Delivering a programme of **value for money** examinations and studies



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



Approving around **£1 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

Local audit work

- 1 The COVID-19 pandemic has continued to cause interruptions to our on-site audit work, but we have been able to manage the position by adopting flexible working arrangements across teams as well as extending some of our planned completion deadlines. We have continued to work and engage remotely with the public bodies that we audit, primarily using technology and video communication platforms.

- 2 We are pleased to report that we remain on track to deliver our full programme of audit of accounts work in 2021-22. Since the completion of all NHS bodies' 2020-21 accounts audits in mid-June, audit teams have made good progress on both central government and local government accounts work. By the end of September, most central government 2020-21 audits were complete, as well as several local government audits.
- 3 We have also continued to shape our governance and value for money audit plans at individual NHS and local government audited bodies to concentrate on issues of most relevance to the current and evolving situation.
- 4 A comprehensive list of the public bodies that we audit, and the types of audit work carried out at those bodies, is provided in **Appendix 1**.

National value for money examinations and studies

- 5 As outlined in greater detail in our [Annual Plan](#) in March, we consider the following to be the main factors in our operating environment that will influence the way we deliver our work over the next few years:
 - impacts of the COVID-19 pandemic
 - the implications of Brexit
 - climate emergency
 - embedding the sustainable development principle
 - socio-economic challenges
 - an increasingly networked society
- 6 Our national work programme has always retained a degree of flexibility to respond to changing circumstances, priorities, and issues of public or parliamentary concern. With the continuation of the COVID-19 pandemic, we have continued to exercise that flexibility more than ever over the reporting period and have published several reports with a COVID-related primary focus. These include:
 - [Procuring and supplying PPE for the COVID-19 pandemic](#); and
 - [Rollout of the COVID-19 vaccination programme in Wales](#).
- 7 An up-to-date list of work completed, work already in progress and new work that we plan to commence later in 2021-22 as part of our national programme is provided in **Appendix 2**.

Supporting effective scrutiny and accountability

- 8 Our work continues to play a key role in supporting the work of the new Public Accounts and Public Administration Committee (PAPAC) in its consideration of the use of resources and the discharge of public functions in Wales
- 9 Similarly, most public bodies in Wales have adapted to the challenges of the pandemic and we have continued to attend their Audit and Scrutiny Committee meetings using video communication platforms to provide regular briefings and report on our audit work.
- 10 In **Appendix 3**, we provide more detail on how we have supported the PAPAC evidence sessions, other committees and more generally on our support of effective scrutiny and accountability in the first half of 2021-22.

Areas of focus

- 11 In response to our operating environment and to help us in delivering our strategic ambitions, we identified nine areas of focus for our audit delivery in 2021-22. 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>Deliver a programme of relevant and timely audit work that recognises and is sympathetic to the pressures faced by public bodies in their ongoing response to, and recovery from, the coronavirus pandemic.</p>	<p>Over the course of the reporting period, we have continued to monitor, recognise and be sympathetic to the pressures faced by audited bodies. Taking these pressures into account, alongside ongoing constraints to our own capacity arising from the impact of the pandemic, we have adjusted the timetable for delivery of some audit projects.</p> <p>However, our overall audit work programme remains broadly on track and has continued to include coverage of issues relevant to the impact of, and recovery from, the pandemic. This has included, for example, our reports on <u>Personal Protective Equipment</u> and on the <u>Vaccination programme in Wales</u>, and a new 'Springing Forward' project as part of our local government audit programme. Detailed planning and additional scoping work for some of the new national studies set out in our Annual Plan will be undertaken over the autumn/winter period.</p>

Area of focus	What has been delivered so far
<p>Place particular emphasis on the importance of sound financial management and good governance across the public sector, in light of the increased risks associated with public expenditure during the pandemic.</p>	<p>For 2020-21 audits of accounts, we have taken account of new considerations for financial statements arising directly from the pandemic. These considerations have included risk areas such as:</p> <ul style="list-style-type: none"> • potential breakdown in audited body quality monitoring arrangements and the impact of remote working; • appropriate accounting for the increased funding streams and expenditure in 2020-21 to deal with the COVID-19 pandemic; • appropriate accounting for field hospitals; • potential year-end valuation uncertainty of property, plant, and equipment; • estimation of accrued annual leave and bad debt provisions; • verification of existence of property, plant, and equipment inventory; and • fraud, error and regularity risk associated with increased expenditure. <p>In May we published the findings from our review of <u>Governance arrangements at the Welsh Health Specialised Services Committee</u> which included recommendations for both the Welsh Government and the Committee.</p> <p>In June, we published an updated version of our <u>NHS Wales Finances Data-Tool</u>, including details about COVID-19 related expenditure. Similar data featured in the web-based infographic we released in September following completion of the <u>NHS (Wales) Summarised Accounts for 2020-21</u>.</p> <p>We also published a national summary report on the <u>Financial sustainability of local government</u>, which reflected on the impact of the pandemic and future challenges. In addition, our <u>Picture of Public Services</u> outputs (one national report and five supporting sector commentaries) incorporated commentary on COVID-19 spending and on some of the related challenges arising from the pandemic.</p>

Area of focus	What has been delivered so far
<p>Develop a streamlined approach for examining how public bodies have acted in accordance with the sustainable development principle when setting their wellbeing objectives and when taking steps to meet those objectives.</p>	<p>Over the past six months we refreshed our internal guidance for how we approach this work and rolled out training for most of our performance audit staff. We will continue to deliver this training throughout the second half of the year for other staff. In collaboration with the Office of the Future Generations Commissioner for Wales, additional training on understanding the sustainable development principle will also be provided.</p> <p>The Auditor General has written to the relevant Welsh Government sponsored bodies confirming that he intends to embed delivery of sustainable development examinations in this reporting cycle within his wider programme of national value for money studies. This reflects the overall approach we are taking to embed our sustainable development examinations across other sectors within our audit work programmes.</p>
<p>Ensure that the development of our audit approach keeps pace with changes in best professional practice, fully exploits advances in technology and delivers high quality audits that meet the needs of our stakeholders.</p>	<p>During the reporting period, we have restructured and recruited to our Audit Development and Guidance (AD&G) team, who undertake detailed and ongoing horizon scanning and analysis of developments in accounting and auditing quality standards to ensure that we can respond to the significant changes taking place.</p> <p>The AD&G team make sure that our internal guidance, methodologies and learning and development evolves to keep pace with these important changes in the audit profession and, through membership of professional forums and bodies, that we influence, where we are able, the development of accounting standards and codes.</p>

Area of focus	What has been delivered so far
<p>Refine all aspects of the way we collect, analyse and present data, including through sourcing larger quantities on a more regular basis, greater use of automation, and improved methods of visualisation and storytelling.</p>	<p>During the 2021-22 audit of accounts work, we trialled a new electronic accounts platform and, for the first time, used a data analytics application on NHS audits. Through both of these projects, we seek to place data at the centre of our audit of accounts work and maximise our use of technology alongside our approach to developing audit quality.</p> <p>In a related development, we have put in place a data storage solution to securely hold large scale external data and we are also working on a project to assess the feasibility of building an internal data warehouse for greater automation and improved visualisation of our internal management information and data.</p>
<p>Improve how we communicate our audit work to achieve greater impact, including through expanding the range and reach of the channels we use, and the skills with which we equip our staff.</p>	<p>Over the last six months, we have continued to expand our use of different and novel methods of communicating our findings, including through data tools, interactive reports, infographics and blogs. Examples over the reporting period have included:</p> <ul style="list-style-type: none"> • infographics and data tools on the NHS (Wales) Summarised Accounts setting out the combined financial results of all 11 Welsh NHS bodies as at 31 March 2021. • Regenerating Town Centres in Wales data tool. • blogs on Student money worries: key facts and figures, How we'll support Wales in rising to the climate change challenge and Emergency services work best when they work together. <p>Internally, we commenced a review of our end-to-end publishing process, to identify where the biggest impact changes can be made, especially from the perspective of the end users of our products. By streamlining and improving the process we aim to free up resources to develop new and more innovative ways of communicating our audit work.</p>

Area of focus	What has been delivered so far
<p>Proactively engage with the Senedd following the May elections and refresh our relationship with members of the new Public Accounts Committee and other committees to raise awareness of, and seek their views on, our work programmes.</p>	<p>Following the Senedd elections in May 2021, the Auditor General and Audit Wales staff have maintained regular contact with the new Public Accounts and Public Administration Committee (PAPAC) clerking team to discuss our work programme. We supported two formal meetings of the Committee (held via a video communication platform) as it considered its own emerging work programme and ways of working.</p> <p>We have provided responses to five consultations launched by other Senedd scrutiny committees to support consideration of their work programme priorities. In our responses, we drew attention to previous, ongoing and planned audit work that could potentially be relevant to the work of the Committees. As we develop our longer-term five-year strategy and work programme for 2022-23, we anticipate inviting views from committees as part of our wider stakeholder engagement.</p>
<p>Build on lessons from our COVID Learning Project to enhance the way that we share good practice, mainstreaming new approaches to capture learning on an ongoing basis and strengthen support for audit delivery.</p>	<p>During 2020-21, through our <u>Covid Learning Project</u>, we developed a new approach to sharing good practice in a more innovative, inclusive, and accessible way. We have subsequently taken the learning from this project when developing more recent sessions on integrated working and the <u>regeneration of town centres</u> and will continue to build on these approaches to support future events, including our upcoming work on climate change.</p> <p>In addition, a newly constituted steering group for our future programme has been established with colleagues across Audit Wales to identify and maximise learning opportunities at every stage of our audit projects and studies, not just at the end once the final report has been published.</p>

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

Develop a more diverse and effective range of mechanisms for capturing the views of our stakeholders on the value and impact of our work.

In July 2021, Beaufort Research presented their recommendations to the Wales Audit Office Board on our future approach to gathering stakeholder feedback and how we could improve our communication with stakeholders to better gauge the impact of our work. We have subsequently commenced work on broadening the pool of stakeholder organisations that we obtain feedback from, introducing greater flexibility in the methods we utilise for gathering such feedback, and aligning our programme of engagement at key stages in the delivery of our five-year strategy.

Over the first half of this year, we have also considered options for how we can better engage with our stakeholders as users of our audit products. We anticipate that this work will be a key strand of our emerging five-year strategy and will serve to inform the ongoing development of our work programme.

Running the business

Core work



Setting the overall budget of **£22 million** and charging fees for audit work



Employing around **270 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

- 12 Over the last six months, we have continued to closely monitor the evolving COVID-19 situation and operate in accordance with guidance issued by the Welsh Government.
- 13 Our offices reopened from early April 2021 to a limited number of individuals who were prioritised after taking account of safety and wellbeing considerations. We have gradually increased the numbers of staff that may attend an office through such a prioritised return, but most staff continue to carry out the majority of their work remotely from home.
- 14 The Board, its Committees and the Executive Leadership Team have operated effectively over the reporting period using online meeting platforms.
- 15 Our priorities in terms of running the business have continued to include adapting and minimising disruption to our audit work and the operation of our corporate service functions, while ensuring we do the right thing by our people, keeping them safe and monitoring their wellbeing. Throughout the reporting period, our maxim has continued to be 'self, family, work ... in that order'.

- 16 To this end, a new team of wellbeing ‘champions’ was formed earlier in the year, who have subsequently engaged with all teams across the organisation. The insight gathered by this team, alongside that from our longstanding health and safety committee, has informed the recent development of a new Audit Wales Wellbeing Strategy.
- 17 Central to our response to the pandemic has been the use of technologies that allow us to connect, work and collaborate remotely and flexibly among our teams and with the public bodies that we audit.
- 18 Another critical element has been the increased use of a wide variety of media and mechanisms to engage with our employees. These mechanisms have included:
 - weekly messages to all staff from the Auditor General;
 - the posting of regular blogs from staff, members of the Board and Executive Leadership Team;
 - undertaking periodic ‘pulse’ surveys;
 - hosting all-staff briefings and question and answer sessions via video communication platforms; and
 - providing regular information cascades to line managers.
- 19 In addition, at the time of publishing this Report, we are running our annual all-staff survey. We are again using the same core survey questionnaire as used in the Civil Service People Survey to enable effective benchmarking and year-on-year comparison. There is also a short additional section exploring individuals’ experiences of working at Audit Wales during the coronavirus (COVID-19) pandemic.
- 20 Approximately two-thirds of our funding come from fees charged to audited bodies in accordance with a scheme of fees approved by the Senedd. 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 2021-22 were originally laid out in an Estimate, which was considered and approved by the Senedd Finance Committee in November 2020.

Areas of focus

- 21 In response to our operating environment and to help us in delivering our strategic ambitions, we identified six areas of focus for our running of the business in 2021-22. 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>Prioritise ongoing support of the health and wellbeing of Audit Wales staff as we move from a 'response' to a 'recovery' approach with regards to the COVID-19 pandemic.</p>	<p>The health and wellbeing of our staff has been a key priority throughout the pandemic. Consequently, a consistent theme in our staff engagement has been the importance of maintaining a healthy and sustainable balance between work and home life.</p> <p>This theme was formalised in the publication of our new Wellbeing Strategy, which the Board endorsed in July 2021.</p> <p>The Wellbeing Strategy consists of three main strands – 'Work Well, Live Well and Mean Well' – which are each underpinned by a suite of goals which set out in more detail what we are striving to achieve.</p> <p>Managers throughout the organisation have been involved in developing a Wellbeing implementation plan, with outcomes, measures and specific actions to deliver the aims of the strategy and ensure our staff are supported as we move forward.</p>
<p>Undertake a review of the equality objectives set out in our Strategic Equality Plan to ensure they remain fit for purpose and fully align with our overall organisational ambitions.</p>	<p>The review of our equality objectives is scheduled to commence in November 2021.</p>

Area of focus	What has been delivered so far
<p>Realise the benefits of a strengthened senior leadership team by developing enhanced working relationships between the Board and the newly constituted Executive Leadership Team.</p>	<p>Following the establishment of our new Executive Leadership Team (ELT) in March 2021, we have updated its terms of reference to clarify the responsibilities of Executive Directors in terms of decision making and the supportive role played by a newly appointed staff panel. Over the last six months, the ELT has been working with an executive coach to support its early development.</p> <p>All ELT members are now invited to attend all Board meetings. This has supported the development of closer working relationships between ELT and the Board, which have played a key role in shaping our response to the pandemic and the development of a new five-year strategy for the organisation.</p> <p>An independent Board effectiveness review has recently been completed. Its remit included exploring ways in which working relationships between ELT and the Board could be further strengthened and developed.</p>
<p>Finalise our work on developing proposals for meeting our future accommodation needs, to enable a Board decision in 2022-23.</p>	<p>In June, the Wales Audit Office Board took the key decision to extend the lease at our Cardiff office for another year, through to March 2024. This will allow us to manage the uncertainties about how we and our clients will work post-pandemic and to continue working with estate agents to review opportunities in the property market. We are keen that any office space we invest in supports our drive to consider social and circular economy thinking. Revised plans will be considered by the Board in 2022.</p> <p>For now, we continue to participate in the wider discussion across the public sector about the use of one public estate and are taking opportunities to pilot new ways of working, including activity settings and hubs, to help inform decisions on future office needs. To provide further clarity, the Executive Leadership Team has published a set of high-level principles on how we will all work with an underpinning philosophy of 'flexible audit services delivered by a flexible workforce'. By producing a single, simple set of principles managers have autonomy and choice to work with their teams on how best to approach the future use of office space.</p>

Area of focus	What has been delivered so far
<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">• undertaking a review of our staff travel and subsistence arrangements;• experimenting with and evaluating new more efficient and smarter ways of working; and• determining our route map for moving towards net zero greenhouse gas emissions.	<p>The Wales Audit Office Board has made a commitment to embed the principle of sustainable development in the way it runs the business and makes decisions, and to explore how it can further apply the five ways of working to ongoing operations.</p> <p>In practice, applying the five ways of working means using them to develop key plans and strategies, ensuring that they are fully embedded in the thinking underpinning day-to-day operations. We are therefore focusing on applying this principle in the development of our five-year strategy, and to the key corporate projects and processes that will support its delivery.</p> <p>Achieving net zero emissions is one of our key aspirations for our future ways of working. All decisions we make about the future, including those relating to the buildings we occupy and how we manage our commuting and business travel, will take account of our commitment to achieving this goal.</p>

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

Modernise the way we work, including through making better use of digital technology to enable us to be more agile and adaptable in an evolving environment.

Our 'future ways of working' principles are underpinned by a desire to be a progressive, digital organisation, and the pandemic has been a catalyst in many ways for modernising the way we work. During the reporting period, the use of technologies has allowed us to connect, work and collaborate remotely and flexibly both internally and with the public bodies we audit.

This has included:

- increased remote access to client financial systems.
- investment in hybrid laptops to allow staff to continue to work efficiently and effectively.
- developing a digital skills framework to strengthen the core digital skills of all staff.
- completing cyber security improvement on our website.
- placing the various strands of our digital and technological development under the overview of a Digital Steering Group with governance for the whole digital agenda at Audit Wales.

Another critical element of modernising the way we work over the reporting period has been the consideration of proposals for revising our travel and subsistence scheme. Proposals developed by a staff task and finish group were approved by Board and the Executive Leadership Team in July 2021 and since then a series of formal staff and trades' union consultation events have taken place.

Key performance indicators

The position as of 30 September 2021 in terms of achieving our 18 key performance indicator targets is summarised below.

Audit delivery KPIs

No	Indicator	Description	Target	Performance to 30 September
1	Statutory deadlines	Proportion of audit products delivered by the required statutory deadline.	100%	98%
2	On time	Proportion of other key audit products delivered in accordance with the planned timetable for ensuring timely and impactful reporting.	90%	83%
3	Quality	Proportion of reviewed audits that are delivered in accordance with Financial Reporting Council quality standards.	100% of sample assessed as satisfactory or above, and 90% as good or above ¹	Not yet available ²
4	Credibility	Proportion of stakeholders ³ that consider us to be an independent and authoritative communicator on the governance and stewardship of public money and assets.	At least 90%	96%

1 Where 'good' is equivalent to FRC audit quality category 2A, and 'satisfactory' is equivalent to category 2B

2 Reviews will be undertaken in the second half of 2021-22.

3 We conducted a survey of Members of the Senedd in March 2021 seeking their views on the value and impact of our work. 19 Members engaged with and responded to our survey. 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%	89%
6	Driving improvement	Proportion of stakeholders who believe our work has led to improvements in the provision of public services.	At least 80%	84%
7	Savings identified	Value of potential savings identified through our work.	At least £30 million during 2019-2022	£35.6 million
8	Good practice events	Proportion of attendees of our seminars and webinars who rated the events useful or very useful.	At least 90%	96%
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	19,965
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	1,758
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	26 ⁴

⁴ This is a provisional figure which will be validated at the end of the year.

Running the business KPIs

No	Indicator	Description	Target	Performance to 30 September
12	Employee engagement	Percent positive annual staff survey engagement index score, aligned with that for the Civil Service People Survey (CSPS). ⁵	At least the top 10% score for the latest CSPS	70%
13	Employee experience	Percent positive annual staff survey thematic employee experience scores.	At least the top 25% scores for the latest CSPS	2 out of 10 themes scored in top 25%
14	Sickness absence	Average working days lost per member of staff per annum.	Less than six days	7 days
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	0.05%
16	Cost savings and efficiencies	Value of cost savings and efficiencies identified throughout the business.	£1.3 million in 2020-21	£1.55 million
17	Greenhouse gas emissions	Total CO ₂ equivalent emissions from sources that we own or control, from consumption of electricity, and that are produced indirectly through our activities.	300 tonnes in 2020-21	39 tonnes

⁵ The key CSPS employee experience themes are: organisational objective and purpose; leadership and managing change; organisational culture; my manager; my work; my team; inclusion and fair treatment; learning and development; resources and workload; pay and benefits; and taking action.

No	Indicator	Description	Target	Performance to 30 September
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%	Not yet available ⁶

6 No relevant examination results have been received during the reporting period; the next exams take place in November 2021 and the results will be available in December.



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 ¹⁷	Well-being of future generations work
Senedd Commission	✓		
Welsh Government	✓		✓
8 Welsh Government sponsored bodies	✓		✓ ⁸
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	✓	✓	✓ ⁹
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 and City Deals	✓	✓	
Several smaller local government bodies including joint committees, drainage districts and harbour authorities	✓		
Over 730 Town and Community Councils	✓ ¹⁰		

7 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.

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

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

10 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.

Work completed or substantially completed	
<u>Procuring and Supplying PPE for the COVID-19 Pandemic</u>	<u>At your discretion – Local Government Discretionary Services</u>
<u>Welsh Health Specialised Services Committee Governance Arrangements</u> ¹¹	<u>NHS Wales Finances Data Tool – up to 31 March 2021</u>
<u>Rollout of the COVID-19 vaccination programme in Wales</u>	<u>Student Finances</u>
<u>Regenerating Town Centres in Wales</u>	<u>Picture of Public Services</u> ¹²

11 This piece of work was primarily funded by local fees but supplemented with financing from the Welsh Consolidated Fund to support making additional recommendations to the Welsh Government.

12 This is a package of materials. The main report was published on 15 September 2021 and is followed by a series of five sector commentaries on health, social care, local government, schools, higher and further education.

Work completed or substantially completed

Financial Sustainability of Local Government – COVID Impact, Recovery and Future Challenges

Taking Care of the Carers: Supporting NHS staff well-being during the COVID-19 pandemic

Warm Homes Programme – Arbed and Nest

Work in progress or soon to get underway

Unscheduled Care – Whole System Review

Welsh Government grants management

General Equality Duty – Equality Impact Assessments

Emergency services collaboration

Direct payments

Curriculum reform

Orthopaedic services

Welsh Government workforce

Complex needs and poverty – the challenge for local government

Building community resilience and self-reliance

Social enterprises

Summary commentary from local NHS value for money work

NHS waiting times data tool and planned care commentary

Affordable housing

Flood risk management

Broadband infrastructure

COVID-19 response and recovery

Climate change

Welsh Government accounts commentary

Welsh Government setting of wellbeing objectives

Local government financial sustainability data tool

3 Supporting effective scrutiny and accountability

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

Committees are one of the key mechanisms that enable the Senedd to fulfil its statutory and constitutional functions. Following the May 2021 elections, new committees were formed for the sixth session of the Senedd. In July, the Auditor General wrote to the Chairs of nine of these committees to raise awareness and further their understanding of the work of Audit Wales.

Our work plays a key role in supporting the work of the new Public Accounts and Public Administration Committee (PAPAC) in its consideration of the use of resources and the discharge of public functions in Wales. We have maintained regular contact with the PAPAC clerking team throughout the reporting period to discuss our work programme and the Auditor General has met with several individual members. We also supported two meetings of the Committee where it considered its own emerging work programme and ways of working.

In September, the PAPAC considered six reports that we had published over the previous seven months on:

- [In-sourcing of the Welsh Government's ICT service](#)
- [Test, Trace and Protect in Wales](#)
- [Procurement and Supply of Personal Protective Equipment](#)
- [Quality Governance Arrangements at Cwm Taf Morgannwg University Health Board](#)
- [Welsh Health Specialised Services Committee Governance Arrangements](#)
- [Roll Out of the COVID-19 Vaccination Programme in Wales](#)

During July and August 2021, the Auditor General and Wales Audit Office Board Chair also met with the Chair and other members of the new Finance Committee, and in September provided a briefing to the Committee in a private session. The briefing covered areas including the Audit Wales strategy and funding position, our experiences of working through the pandemic, and the pressures and key challenges we currently face, including wider developments in the audit profession.

We have also responded to five consultations launched by other Senedd committees, to support consideration of their future work programme priorities. We drew attention to previous and ongoing or planned audit work that could potentially be relevant to issues that emerge from their consultations.

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

Through the interim reporting period, we have remained unable to attend in person meetings of the audit and scrutiny committees of the principal bodies that we audit. However, public bodies in Wales have adapted to the challenges of the situation and we now routinely attend such meetings using 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 29 items of correspondence and ensured that we responded to those concerns in a fair, proportionate, and professional manner. In addition, nine individuals contacted us between 1 April and 30 September 2021 indicating that they wished to make a whistleblowing disclosure.

Where audit teams need to do further investigative work in response to any concerns raised through correspondence or whistleblowing disclosures, this work is typically taking a little longer than would normally be expected due to the need to work remotely. If we are not able to provide a final reply to the correspondent/discloser within 30 working days, we will provide an interim response, including an estimate of the timescale for providing a full reply where possible.



Audit Wales

24 Cathedral Road

Cardiff

CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

We welcome telephone calls in
Welsh and English.

E-mail: info@audit.wales

Website: www.audit.wales