



Annual Plan 2023-24

Including additional information on
our longer-term ambitions and key
performance indicators

This Annual Plan covers the period from 1 April 2023 to 31 March 2024 and includes additional information on our longer-term ambitions and key performance indicators. 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 Senedd has made provision for its Finance Committee to be responsible for considering and reporting to the Senedd on this Annual Plan.

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 Plan, 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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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.
Ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome correspondence and telephone calls in Welsh and English.
Corresponding in Welsh will not lead to delay.

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

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Foreword

Rydym yn falch o gyflwyno ein Cynllun Blynyddol ar gyfer 2023-24

We are pleased to present our Annual Plan for 2023-24

We are pleased to present our Annual Plan for 2023-24 which sets out our priorities for the next 12 months, in terms of our audit work and the running of the business.

The outlook for public finances in Wales is bleak. High inflation combined with the economic and social impacts of austerity, the pandemic and the departure from the European Union have eroded the spending power of public bodies and individuals alike. The rising cost of living is placing more and more families into poverty and demand for services continues to rise.

In this rapidly changing and complex world, audit plays a vital role in providing the public, politicians, decision-makers and influencers with the information and assurance they need about how well public money is being spent.

With public finances under such strain, our core work auditing the financial statements of public bodies is more important than ever and must be prioritised. It provides assurance, transparency and accountability to taxpayers, the Senedd and other elected representatives. It provides public bodies with accurate and reliable financial information with which to plan and manage their services and finances.

Our value for money work programme will reflect some of the biggest challenges facing the country where Audit Wales can add most value:

- Tackling inequality
- Responding to the climate and nature emergency
- Service resilience and access
- Well-managed public services

Our relentless drive to improve the quality of our work will see the embedding of new international standards for financial and performance audit.

We will look to increase the impact of our audits through enhancements to our products, digital platforms and channels. A programme of Good Practice Exchange (GPX) activities will further increase the impact of our work, bringing people together in person and virtually to share knowledge and ideas.

Audit Wales is not immune to the financial pressures faced by the rest of the public sector. We are undertaking a financial sustainability review to ensure the business is operating in the most efficient and effective way possible.

Our Future Ways of Working project will see us start the year in smaller, more energy efficient, and accessible premises in Cardiff. We will continue to assess how our assets around Wales are enabling us to deliver our best audit work while also making a significant contribution to our net zero ambitions. We will continue to develop our approach to hybrid working to recognise the business and individual benefits of a blend of in-person and remote working.

None of our work is possible without our staff – the highly skilled and motivated teams who make a vital contribution to our national public services. Supporting the wellbeing of our people and making Audit Wales a great place to work will remain, therefore, our highest priority as it underpins all that we do.



Adrian Crompton

Auditor General for Wales

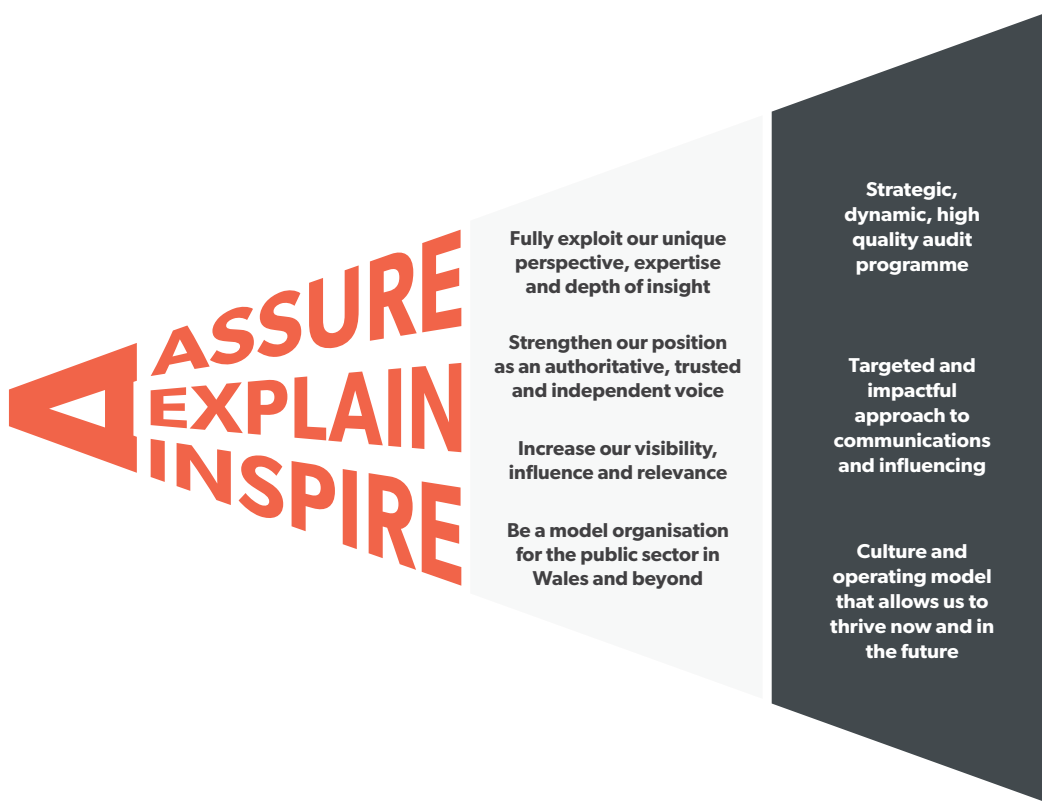


Dr Kathryn Chamberlain

Chair, Wales Audit Office

Our role and purpose

- 1 The Auditor General for Wales is the statutory external auditor of most of the Welsh public sector. The Auditor General is responsible for the audit of most of the public money spent in Wales, including the funds that are voted annually by the Senedd. Significant elements of this funding are passed by the Welsh Government to the NHS and local government in Wales.
- 2 The Wales Audit Office has functions of providing resources, such as staff, for the exercise of the Auditor General’s functions, and of monitoring and advising the Auditor General.
- 3 Together, as Audit Wales, our purpose is at the heart of everything we do – to assure people that public money is being managed well, to explain how that money is being spent and to inspire the Welsh public sector to improve.



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- 4 Assure, Explain, Inspire: Our Strategy 2022-27 describes the path we are taking towards reaching our full potential as a driver of change and improvement at the heart of public services and democratic accountability in Wales. It sets out our vision to increase our impact by:
- fully exploiting our unique perspective, expertise and depth on insight;
 - strengthen our position as an authoritative, trusted and independent voice;
 - increasing our visibility, influence, and relevance; and
 - being a model organisation for the public sector in Wales and beyond.
- 5 Our strategy provides the context for this Annual Plan, which sets out the work programmes of the Auditor General and the Wales Audit Office during the second year of delivering our strategy. Our focus is in three key areas:
- Strategic, dynamic and high-quality audit programme
 - Targeted and impactful approach to communications and influencing
 - Culture and operating model that enables us to thrive both now and in the future

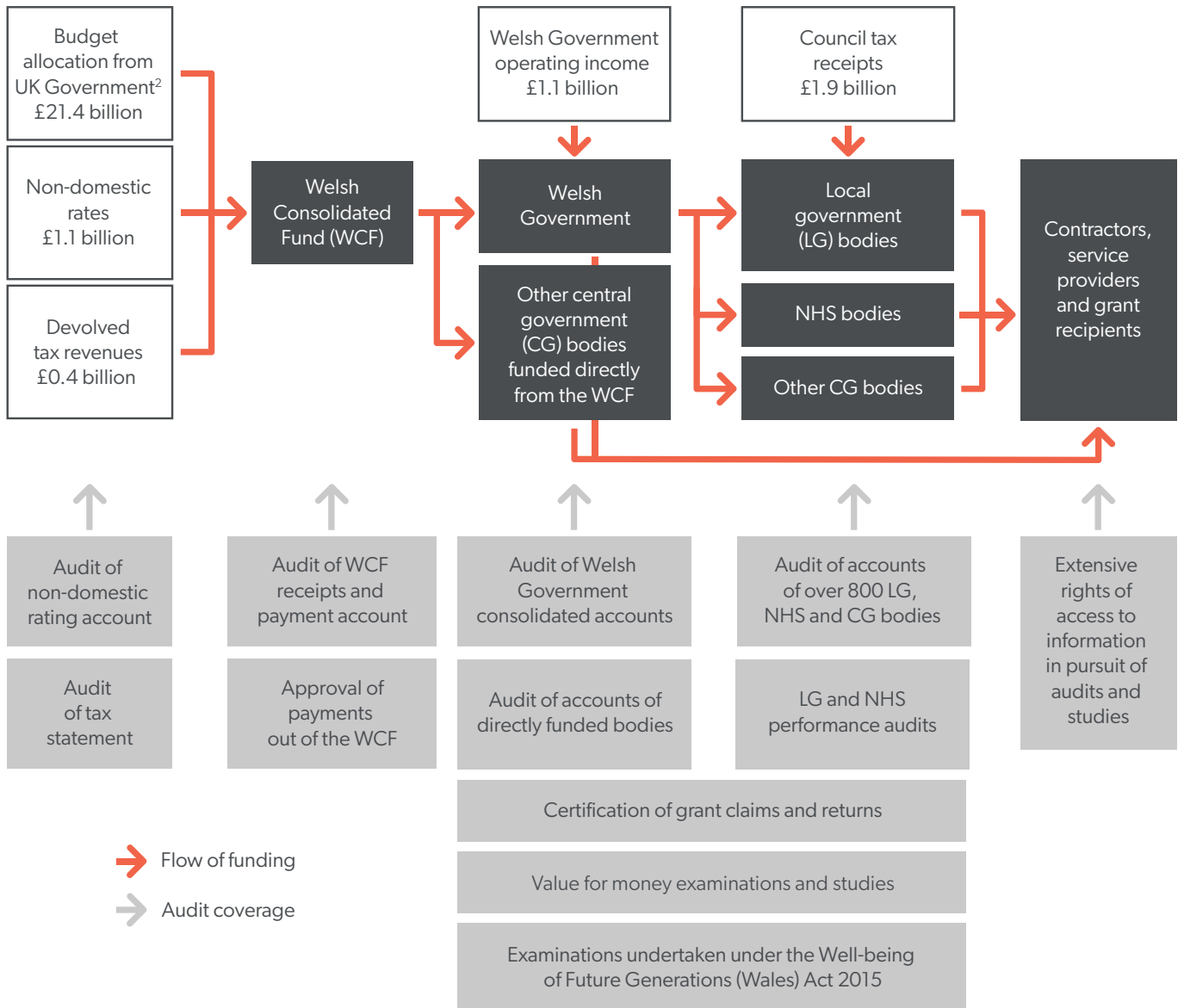


What we do

- 6 On behalf of the people of Wales, we examine public spending and identify ways to improve public services. Our work supports the effective scrutiny of public money by the Senedd and locally elected representatives. We are entirely independent of government.
- 7 The Auditor General's functions include auditing accounts and undertaking local performance audit work at a broad range of public bodies, alongside conducting a programme of national value for money examinations and studies. These functions may be exercised in combination, if necessary, across different types of bodies, to examine public spending irrespective of who delivers the services.
- 8 Increasingly, we are considering the stewardship of human and natural resources alongside our consideration of financial resources and the way in which public bodies account for their use.
- 9 We identify good practice from across the full breadth of our audit work and disseminate this through a range of media, including blogs, podcasts and shared learning seminars and webinars.
- 10 We undertake our work in accordance with the [Auditor General's Code of Audit Practice](#). The Code prescribes the way in which audit and certain other functions are to be carried out and embodies what the Auditor General considers to be best professional practice.
- 11 We also work closely with other UK audit agencies and with the other main external review bodies in Wales to enhance the collective impact of our work.

How we follow the public pound in Wales¹

12 Together, as Audit Wales, we audit nearly £26 billion of income and expenditure, which is over a quarter of Welsh GDP.



1 Funding sources highlighted in exhibit do not include income generation activities at individual public bodies.

2 Includes receipts from the Wales Office, HMRC Distribution from the National Insurance Fund in respect of Social Security, and the Welsh Rate of Income Tax

Our operating environment

- 13 The breadth of our audit work across the Welsh public sector and devolved policy areas, our place as part of a wider UK and international accounting and audit profession, and the impact of wider changes in society, all contribute to the operating environment for Audit Wales.
- 14 We monitor wider developments relevant to our audit work programme and running of the business. This includes consideration of risks to our delivery but also areas of opportunity for our work programme. Issues that have emerged or amplified over the past year and as we head into 2023-24 are set out below.

Resourcing our work

Funding our work

- 15 The way our work is funded means that we must be mindful of our own costs while also managing the impact of inflationary pressures. However, it is vital that we maintain the high quality of our audit work, discharge effectively the various powers and duties placed on the Auditor General and meet the standards that the public and its representatives have a right to expect from an independent national audit body. Meanwhile, the impact of possible changes to the audit profession at a UK level need considering in the devolved context.

Recruitment and retention challenges

- 16 New auditing requirements will require a change in our skill mix for our audit of accounts work and increase the costs of that work (as set out in our [Fee Scheme 2023-24](#)). However, we also face competition from the wider accounting and audit profession where we are seeing evidence of pay rates increasing markedly, particularly in the private sector. This presents significant challenges for our ability to recruit and retain suitably qualified staff within our funding constraints.
- 17 We also face possible further disruption to our resourcing, and our income generation, through any ongoing industrial action involving our staff.

The legacy of the COVID-19 pandemic

Adapting to changes in our ways of working

- 18 Like many public bodies, we have seen a significant and likely permanent change in the way we work and the balance between office-working, home-working, and on-site audit activity at other locations. We will need to continue to adapt as we establish a 'new normal' that supports our organisational efficiency, the wellbeing and development of our staff, and the overall culture we want at Audit Wales.

The impact on our accounts audit timetable

- 19 The pandemic, combined with other resourcing pressures, has impacted on the timetable for the delivery of our annual accounts audit work and we will be dealing with the legacy of this through 2023-24 and beyond. Audited bodies have engaged constructively with us during the pandemic, despite being under significant pressure themselves. However, we have also seen examples of audited bodies taking longer to prepare accounts for audit. In addition, we are still working through a substantial backlog of town and community council audit work that we brought back in-house shortly before the pandemic.

Governance and capacity issues in Welsh public services

- 20 We have already seen the impact that governance failings within the bodies we audit can have on our programmes of work. Any increase in such issues, arising for example from the financial pressure on services, could impact significantly on our own delivery.
- 21 We have also reported previously on capacity pressures across various parts of the public sector. Pressure on audited bodies' staff resources could impact on how they engage with us to support delivery of our work, as could wider industrial action.

Responding to wider societal issues

The climate and nature emergency

- 22 There is a clear role for audit in reporting on how effectively public bodies are responding to the climate emergency, including supporting a just transition. But we also want to demonstrate that we are playing our part through our own net zero and biodiversity plans.

Promoting equality, diversity and inclusion

- 23 Inequality in Wales remains a significant concern and with the cost-of-living crisis presenting additional challenges and risks. Our [Joint Strategic Equality Plan](#) sets out our key commitments for the period 2022-2026 and how we will play our part in helping eliminate discrimination, advance equality of opportunity and foster good relations, both as an employer and through our audit work.
- 24 We also want to embrace the Welsh language. We take pride in providing a bilingual audit service and are committed to implementing and maintaining the [Welsh Language Standards](#). We intend to push beyond our statutory requirements to become a truly bilingual organisation as we implement our Welsh language strategy for 2022-2027.

Digitisation

- 25 Digital opportunities are supporting changes to the way public bodies are delivering services and our own ways of working. However, an increasing reliance on digital approaches presents increasing risks in an environment where cyber-attacks are becoming more sophisticated and aggressive. Maximising these digital opportunities also poses challenges around digital skills and inclusion.

Developments in our audit landscape

New powers, duties and audit coverage


- 26 In 2022-23, the Welsh Government consulted on extending the well-being duty under the Well-being of Future Generations (Wales) Act 2015 to a further eight public bodies. We have been liaising with the Welsh Government about the practical and resource implications of discharging the Auditor General's duties under the Act in the current (2020-2025) reporting period.
- 27 From 2023-24, the Auditor General will be the external auditor for the new [Citizen Voice Body for Health and Social Care](#). We will also be monitoring developments in readiness for our audit work at the new [Commission for Tertiary Education and Research](#) once it is fully operational.

Changes in public funding

- 28 With EU funding programmes coming to an end in December 2023, we will continue to plan for the impact of no longer auditing the EU funds that support farmers and agriculture. Meanwhile, developments around the UK Government's Levelling Up Fund and the Shared Prosperity Fund raise new questions around the flow of funding through to the bodies we audit in Wales and any consideration of how projects supported by that funding are being managed locally and contribute to bodies' wider objectives.

Considering the work of other external review bodies

- 29 As we look to work efficiently, minimise duplication of work and minimise demands on audited bodies, we consider work undertaken or planned by other external review bodies and liaise regularly with those bodies. This includes, for example, Healthcare Inspectorate Wales, Care Inspectorate Wales, Estyn, the various commissioners in Wales and the Public Services Ombudsman. We also liaise with other bodies that focus on public services, such as the Wales Centre for Public Policy and the Wales Governance Centre.



Our work programmes: how we organise and fund our work

- 30 Our planned work for 2023-24 can be broadly divided into two work programmes – audit delivery and running the business.
- 31 Audit delivery comprises the Auditor General’s work programme and priorities for 2023-24 in exercising his functions. The second section on running the business encapsulates the work programme and priorities for 2023-24 of the Wales Audit Office in exercising its functions.
- 32 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 ending 31 March 2024, are to be used in delivering these work programmes.

Audit delivery

Core work



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



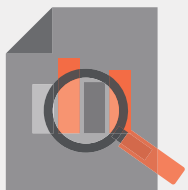
Delivering a programme of **value for money** examinations and studies



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



Approving around **£1.8 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

For further information see:

Appendix 1 – Local audit work

Appendix 2 – National value for money examinations and studies

Appendix 3 – Supporting effective scrutiny and accountability

- 33 Alongside legal and professional requirements, four widely recognised principles underpin our audit delivery:



- 34 The audit work that we do at individual public bodies involves:
- providing an opinion on the accounts;
 - considering how 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; and
 - assessing the extent to which public bodies have acted in accordance with the sustainable development principle when setting and taking steps to meet their well-being objectives.

- 35 We are committed to working closely with the other UK audit agencies through the [Public Audit Forum](#), and with our colleagues at the other main external review bodies in Wales, to enhance the efficiency and effectiveness of public audit and the collective impact of our work. We are proud to represent Wales on occasion on the international audit stage, including at EURORAI events³.
- 36 We can also arrange with certain types of bodies, both in the UK and overseas, to undertake commissioned work⁴. This includes auditing the European funds used to support farmers and agriculture across Wales⁵ and acting as Chief Auditor to, and auditing the accounts of, the Government of Anguilla, work with other regulators and supporting opportunities in Jersey and New Zealand.

Running the business

Core work



Setting the overall budget of **£24.3 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

For further information see:
Appendix 4 – Our Finances

- 3 The ([EURORAI](#)) is a co-operation project among public sector audit institutions across Europe.
- 4 Where we provide services to, or exercise the functions of, those bodies. We are mindful that all such activities should be self-financing and must not be undertaken to the detriment of our core audit work in Wales.
- 5 On behalf of the Comptroller and Auditor General.

- 37 Our Board is responsible for setting and overseeing the strategic direction of the organisation and ensuring we are on track in the delivery of our ambitions. The Board membership includes non-executive and executive members, alongside two employee-elected members and an employee member nominated by the Auditor General, who provide an extra dimension of insight and experience.
- 38 The Executive Leadership Team (ELT), which includes three Executive Directors and is chaired by the Auditor General, advises him in his capacity as Auditor General, Chief Executive and Accounting Officer. A staff perspective to help inform ELT decision making is sought from a panel of staff representatives.
- 39 More detailed information on our governance arrangements can be found in the Governance Statement section of our [Annual Report and Accounts 2021-22](#).

Our priorities and how we plan to achieve them

- 40 Alongside delivery of our core statutory responsibilities, we have identified priority areas for action in 2023-24, achievement of these will support us in realising our strategic ambitions by 2027. Our priorities are organised around three areas of focus:
- Strategic, dynamic and high-quality audit programme
 - Targeted and impactful approach to communications and influencing
 - Culture and operating model that enables us to thrive both now and, in the future
- 41 The next sections provide more information on each of the strategic areas of focus, why they are important, our progress so far and our priority actions for 2023-24. These priority actions are set out in two parts – audit delivery comprises the Auditor General’s work programme and priorities in exercising his functions. Running the business encapsulates the work programme and priorities of the Wales Audit Office in exercising its functions.

Strategic, dynamic and high-quality audit programme

Why it is important

- 42 Many of the challenges we face in Wales today are complex, interconnected and span the remits of a range of organisations. We will continue to explore the opportunity for a change in our funding model to give us improved flexibility to examine more cross-cutting and whole-system issues and as part of this explore how the sustainable development principle and its ‘five ways of working’ are being applied.

- 43 We have developed our thinking, building on feedback from our [work programme consultation in spring 2022-23](#) and our [Picture of Public Services analysis](#) in 2021, to focus an indicative three-year audit programme of work around four key themes:
- Tackling inequality
 - Responding to the climate and nature emergency
 - Service resilience and access
 - Well-managed public services
 - Good governance
 - Workforce, assets, and finance
- 44 Like all public sector organisations, we face financial challenges and need to live within our means. Building on good management practices, we have embarked on a financial sustainability review designed to give clear options on how we will face the future and will take a strategic approach to align our medium-term financial position, our service provision, and the shape of our workforce.
- 45 As the audit landscape changes, Audit Wales must adapt and respond to industry changes including adopting international standards in the delivery of our performance audit work and ensuring the compliance of our audit of accounts work with new requirements. For our accounts work, these changes require us to revisit our workforce planning and funding arrangements to provide an appropriate skill mix. Alongside this, we want to address the slippage in the timetable for our accounts audit work and other backlogs.
- 46 We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. This includes maintaining some flexibility so that we can consider matters of concern that may arise and developments in Welsh Government policy.
- 47 We will enhance our approach to monitoring performance, focusing on a holistic view of our risks, KPIs, impact and delivery of our work programmes, business plans and internal projects, and ensuring that we are able to adapt our approach, maximise opportunities and remain responsive to challenges.

Achievements so far include:

- As we have developed our work programme themes, we have been building on relevant work already published over the past year, including for example on the net zero agenda and flood risk management, the challenge of tackling poverty in Wales, the NHS planned care backlog, cyber resilience and equality impact assessment. We have also been exploring opportunities for additional data-matching work to consider fraud risks, building on our work as part of the UK-wide National Fraud Initiative.
- Audit quality is always a key focus, we have invested in our technical support function and 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. The launch of these new approaches is 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.
- Our Research and Development function is supporting the development of our audit programme, our wider horizon scanning and the development of networks, with academia, think tanks and other bodies to help inform the scoping of audit projects.

Priority areas for action in 2023-24

Audit Delivery

Embed a new- ISA 315⁶ compliant -approach to our audit of accounts work and INTOSAI⁷ standards in the delivery of our Performance Audit work.

Deliver a more dynamic programme of high-quality audit work that reflects the challenges facing the public sector locally and nationally.

Work with key stakeholders to identify, agree and bring forward audit deadlines for our accounts work for 2023 and future years.

Running the Business

Develop our approach to integrated performance management.

Scope our Financial Sustainability Review and begin to implement changes necessary to live within our means in 2023-24 and future years, demonstrating our own commitment to value for money.

6 Revised International Standard on Auditing (ISA 315).

7 International professional standards for public-sector auditing set out by the International Organization of Supreme Audit Institutions, INTOSAI.

Targeted and impactful approach to communications and influencing

Why this is important

- 48 To achieve our vision, it is vital that our work is impactful and that our messages land well and influence decision making. Our ability to achieve this relies on our engagement with a wide range of stakeholders. Managing these relationships well is important to our position as an authoritative, trusted and independent voice and requires us to be proactively engaging with others to communicate key messages from our work and support public services with the challenges they face. It is also vital that we understand how key stakeholders perceive our work and that we respond to the different ways that our audiences want to receive information in the modern world, including through our digital platforms.
- 49 To enhance the impact of our audit products we will place greater emphasis on planning our approach, ensuring that the form and presentation of our work is engaging and inspiring to a wide range of diverse stakeholders. We will continue our drive towards shorter, sharper, and responsive audit products, including real-time commentary on important topical issues, and use our digital platforms and tools to improve visibility of our work and engagement with our stakeholders.
- 50 We intend to place a greater emphasis on thematic reporting, comparisons across audited bodies and the identification and sharing of good practice and shared experience supporting public services to improve. Some of the areas of focus we choose to take forward may lend themselves to different types of output – short briefings, blogs, data tools or facilitating an exchange of ideas and practice through other means – rather than or alongside a full report.

Achievements so far include:

- We are improving how we display information and communicate our audit findings using data analytics and interactive data tools to support our audit reports.
- We have strengthened our relationships and participation with audit institutions, and collaboration with other UK audit agencies in the Public Audit Forum (PAF), providing a joint response to the Department for Business, Energy and Industrial Strategy (BEIS) consultation on the future of the UK audit profession.

- Held a series of Good Practice Exchange events aligned to our strategy and focussed on common challenges across public services including responding to the climate emergency, tackling poverty in Wales and equality impact assessment.
- We regularly participate as keynote speakers at national and international conferences.

Priority areas for action in 2023-24

Audit Delivery

Implement new stakeholder engagement approach to gather independent feedback from our audited bodies.

Refresh our website.

Deliver a refreshed, rolling programme of good practice sharing (GPX), which is aligned to our audit programme and planned in from the outset.

Running the Business

Improve our internal communication arrangements including frequent ELT engagement sessions, sharing stories focused on the quality, impact and interactions we have through our work, and refreshing communications channels including our intranet.

Culture and operating model that enables us to thrive both now and, in the future

Why this is important

- 51 None of our objectives for high-quality public audit can be achieved without having the right staff, culture and resources in place. We are committed to ensuring Audit Wales is a model organisation for the Welsh public sector, one that recognises and values our people within a culture that allows everyone to thrive.

- 52 Our reputation and impact depend upon the quality of work we deliver and the effectiveness of our internal operation. Our People and Organisational Development strategy focuses on attracting and retaining capable and highly skilled staff and prioritising the development of our people to fulfil their roles, grow and perform at their best.
- 53 Our ambition is for Audit Wales to become a modern, forward focused model organisation for Wales. We will ensure that our strategic focus on future workplaces, net zero, digitisation, workforce and financial plans is interconnected and fit for the future – creating synergies and efficiency in their implementation across the organisation.
- 54 We will grasp the opportunity to be a digitally mature, data-driven organisation, while proactively managing the risks of cyber security to ensure that our systems are secure, resilient, and fit for purpose. There is so much happening in this space and we will ensure we are at the forefront of developing new ways of delivering our core business.
- 55 Our commitment to challenging inequality is embedded in our work and we will always challenge ourselves to do more. We recently published our new Strategic Equality Plan with a new set of equality objectives. This stretches our ambitions as does our new Welsh Language Strategy published earlier in 2023. We are proud to be a bilingual organisation and continue to embrace the Welsh language in our activities.

Achievements so far include:

- Staff wellbeing is a significant focus, recognising that we have a responsibility to ensure that our workplace culture encourages positive behaviours and provides support networks for our employees. In September 2022 we launched our Wellbeing Strategy designed around three themes of wellbeing that are at the centre of our aims for Audit Wales – Work Well, Live Well and Mean Well.
- We continue to review all our accommodation needs and evolve our hybrid ways of working post-COVID. We have extended the lease on our West Wales office and relocated our Cardiff office. Staff have been piloting the use of Hubs, alongside the re-opening of a small number of audit rooms on client sites, enabling staff to work effectively, flexibly and in collaboration with others.
- The implementation of our workforce plan that supports the achievement of the vision set out in our People and Organisation Development Strategy – ‘to develop a capable and diverse workforce that is motivated to deliver our purpose and ambitions and reach our full potential’.

- We have invested in the training and development of our audit staff, supporting our trainees to achieve their qualifications, upskilling staff in preparation for the implementation of new professional standards and working practices and continued provision of an extensive L&D programme to further develop capability.
- We published our Strategic Equality Plan 2022-2026, which sets out a fresh suite of objectives for equality, diversity, and inclusion and are committed to being an employer of choice and increasing the diversity of our workforce.

Priority areas for action in 2023-24

Audit Delivery

Embed our new time recording and management (TRM) system so as to provide better management information, ensuring more efficient and effective use of staff skills and supporting more accurate income profiling.

Enhance the capacity and capability of our workforce through implementation of the People & Organisation Development Plan and the Strategic Equality Plan.

Running the Business

Address falling performance on engagement and employee experience.

Embed net zero ambitions through ways of working, travel plan and estates development.

See a return to regular in-person working, as part of a hybrid working model, for all teams in Audit Wales to enhance productivity, quality, and organisational culture.

Deliver and realise benefits of the Wellbeing Strategy.

Embed effective ways of working in new Cardiff office that support productivity, quality, and collaborative organisational culture, and utilise learning across all Audit Wales offices.

Measuring and reporting on our performance

- 56 In 2023-24, we will continue to use a combination of quantitative and qualitative methods to measure, report and reflect on our performance, value for money and risks, and to seek evidence on the impact of our work. This includes regular reporting to our Executive Leadership Team and Board on progress made towards delivering our priority areas of action and achieving our key performance indicator (KPI) targets. It will also include internal audit reports to our Executive Leadership Team and Audit and Risk Assurance Committee.
- 57 For each of our work programmes, we have identified a suite of high-level KPIs that will help us to measure progress made towards delivering our overall ambitions. We will place emphasis on evaluating our direction of travel and pace of improvement, alongside comparison with appropriate benchmarking.
- 58 We will report on our performance externally through our Interim Report and Annual Report and Accounts, and by providing evidence at meetings of the Senedd Finance Committee. It should be noted that our KPIs are part of a broader suite of operational and corporate performance indicators, many of which are also reported on externally in our Annual Report and Accounts and other corporate publications.
- 59 When preparing this Plan, we reviewed our KPI targets with reference to current levels of performance and appropriate external benchmarks, to ensure alignment with our overall ambitions and our strategy for achieving them.

Audit delivery KPIs

Strategic, dynamic and high-quality audit programme

No.	Indicator	Description	Target
1	Statutory deadlines	Proportion of audit products delivered by the required statutory deadline.	100%
2	On time	Proportion of other key audit products delivered in accordance with the planned timetable for ensuring timely and impactful reporting.	90%
3	Quality	Proportion of reviewed audits that are delivered in accordance with <u>Financial Reporting Council (FRC) quality standards</u> .	100% of sample assessed as in the highest two audit quality categories
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%
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%
6	Driving improvement	Proportion of stakeholders who believe our work has led to improvements in the provision of public services.	At least 80%
7	Savings identified	Value of potential savings, income, productivity gains and other financial benefits identified through our work.	At least £30 million during 2023-2026

Targeted and impactful approach to communications and influencing

No.	Indicator	Description	Target
8	Good practice events	Proportion of stakeholders who rate our good practice events useful of very useful.	At least 90%
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
10	Social media	Number of social media engagements, ie interactions with our posts such as a like, a comment, or retweet/share.	3,000 each year
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

Running the business KPIs

Culture and operating model that allows us to thrive both now and in the future

No.	Indicator	Description	Target
12	Employee engagement	Percent positive annual staff survey engagement index score.	At least the median benchmark score for the latest CSPS
13	Employee experience	Percent positive annual staff survey thematic ⁸ employee experience scores.	At least the median benchmark scores for the latest CSPS
14	Sickness absence	Average working days lost per member of staff per annum.	Less than six days
15	Financial balance	Net underspend variance on income and expenditure from that set out in our Estimate for the current year.	Less than 2% of gross expenditure budget
16	Cost savings and efficiencies	Value of cost savings and efficiencies identified throughout the business.	£1.4 million
17	Greenhouse gas emissions	Total CO ₂ equivalent emissions.	20% reduction on a recalculated ⁹ 2019-20 baseline
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%

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

9 Which takes account of the latest [Guidance on net zero carbon reporting published by the Welsh Government](#).



Appendices

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

1 Local audit work

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

Public body	Audit of accounts	Local performance audit work ¹⁰	Well-being of future generations work
Senedd Commission	✓		
Welsh Government	✓		✓
11 Welsh Government sponsored bodies	✓		✓ ¹¹
Welsh Revenue Authority including the tax statement	✓		
5 Welsh Government companies	✓		
6 Commissioners, Inspectorates and Regulators	✓		
7 Local Health Boards	✓	✓	✓
3 NHS Trusts and 2 Special Health Authorities	✓	✓	✓ ¹²
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 and harbour authorities	✓		
Over 730 Town and Community Councils	✓ ¹³		

10 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.

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

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

13 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 (see also **Appendix 3**).

As noted earlier in this Plan, we have been developing an indicative three-year forward work programme under four over-arching themes. These themes will frame all our audit work, including our national studies. We will also continue to make time and space in our work programme for follow-up work on topics we have reported on previously.

The tables below summarise work in progress and other national work that we intend to start during 2023-24, including thematic local work across principal councils and NHS bodies. Other outputs may also emerge during the year and our interim report will provide an update.

Work in progress at 1 April 2023

NHS quality governance	Corporate Joint Committees
Managing assets and workforce in local government	Maximising EU funding
Net zero (pan UK overview – with other UK audit bodies)	Unscheduled care
Covering teachers’ absence – follow up	NHS workforce
Planning for sustainable development – brownfield regeneration	Building safety

Work in progress at 1 April 2023

Ukrainian refugee services	Governance/oversight of National Park Authorities
Digital strategy in local government	Use of performance information in local government
Affordable housing	Cancer services
Active travel	

Other work that we intend to start during 2023-24

Capital planning and programme management	Challenges for the cultural sector
Homelessness	Addressing biodiversity decline
Rebalancing care and support	Tackling NHS waiting lists
Access to education for children with Additional Learning Needs.	Further and higher education funding and oversight – Commission for Tertiary Education and Research
Governance of Fire and Rescue Authorities	The senior public service
Financial sustainability in local government	Commissioning and contract management in local government

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 in the discharge of public functions in Wales. Our work can also, where applicable, inform the work of other Senedd committees whose wider remit includes scrutinising the expenditure and policies of the Welsh Government, holding Ministers to account, and examining proposed legislation.

In 2023-24, we will provide regular briefings to the PAPAC on outputs from the Auditor General's work programme, 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:

- the development of members' briefings for evidence sessions with witnesses from the Welsh Government and other organisations;
- the development of the Committee's reports; and
- the adequacy of the Welsh Government's formal responses to recommendations in the Committee's reports, and those of other bodies.

We will continue to engage with the Committee about the overall content of the Auditor General's work programme and on matters of concern to the Committee. We will also continue to look for opportunities to share audit learning with other Senedd committees through our engagement with other clerking teams and researchers, responding to consultations and, where relevant and requested, briefing other committees on the findings from our work and potentially supporting their own inquiries.

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:

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

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. The Auditor General is also a 'prescribed person' for receiving whistle-blowing disclosures about the proper conduct of public business and fraud, value for money and corruption in relation to the provision of public services.

In 2023-24, we will continue to ensure that we:

- respond to such concerns promptly and in a fair, objective, and professional manner;
- appreciate the importance of the issues to those who have taken the time to highlight them;
- examine issues in more detail where we consider this is merited, and report as appropriate; and
- 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.

4 Our finances

The Senedd Finance Committee scrutinises our use of resources, including through consideration of this Plan, our Interim Report and Annual Report and Accounts.

Approximately two-thirds of our funding come from fees charged to audited bodies in accordance with a [Scheme of Fees](#) approved¹⁴ by the Senedd. Most of the remainder comprises approved financing from the Welsh Consolidated Fund (WCF), our use of which is subject to scrutiny from the Board at regular intervals during the year.

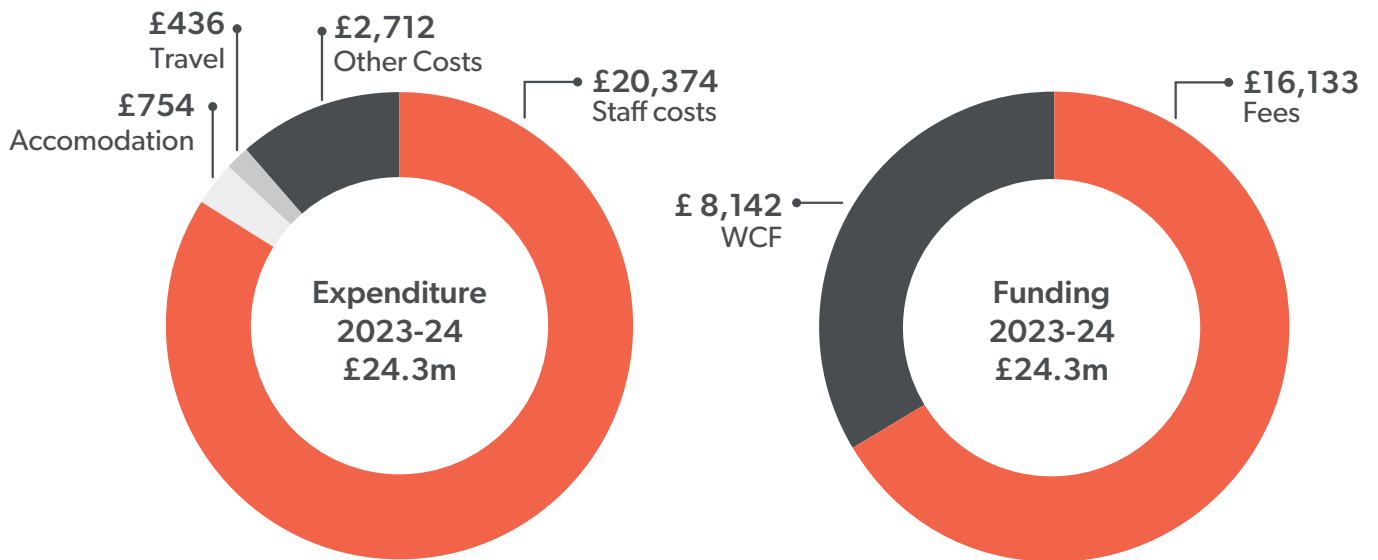
The key priorities for our use of resources in 2023-24 are laid out in our most recent [Estimate of Income and Expenses](#) and [Supporting Information](#), which was considered and approved by the Senedd Finance Committee in November 2022. £20.4 million of our planned expenditure relates to staffing resources to be made available to the Auditor General to carry out his work programme¹⁵. A further £3.9 million provides a range of other services, including accommodation, travel, ICT and professional fees.

The Board reviews our financial performance each time it meets throughout the year. Each month, our Executive Leadership Team considers a risk assessment of our financial health with a view to ensuring value for money and a year-end outturn within budget.

14 Following a consultation exercise with the bodies we audit and other key stakeholders.

15 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 undertaking his work programme.

Our revenue expenditure and funding 2023-24





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