

Management response form

Audited body	Welsh Government
Audit name	The Wales Infrastructure Investment Strategy
Issue date	May 2025

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R1	The Welsh Government should urgently strengthen the overall approach to programme and project management, acting on internal audit recommendations, putting in place effective leadership arrangements, and prioritising capacity to support departments. This should include clarifying the role of, and resources dedicated to, the Office for Project Delivery.	<p>Accept.</p> <p>The Welsh Government is committed to acting on the internal audit recommendations. We have initiated work in the following areas:</p> <ul style="list-style-type: none">• Improved project delivery reporting• Implementation of the Government Online Skills Tool (GOST) for Senior Responsible Owners and delivery teams• Updating project delivery documentation and guidance• Strengthening the assurance framework	Spring 2026	Deputy Director, Infrastructure Strategy and Assurance

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		<p>GOST is critical for the ongoing development of the Project Delivery profession. Office for Project Delivery (OPD) will undertake a number of activities to this end including collecting details of senior responsible owners and project managers across the organisation and their respective project delivery capability. This will enable us to identify capacity and capability to undertake projects in the Welsh Government, and make decisions about deploying resources.</p> <p>Improving assurance and compliance is another important workstream. OPD will improve compliance with risk profile assessments and subsequent assurance activities.</p>		
R2	The Welsh Government should strengthen the role of its Infrastructure Strategy Group to provide robust strategic oversight of infrastructure plans and investments across departments to ensure alignment with the WIIS. This should include ensuring it gets better information on programme delivery, spend, and benefits.	<p>Accept.</p> <p>The Welsh Government has updated the Scheme of Delegation (SoD) to bolster Project Delivery requirements. The SoD requires programmes and projects to produce management information which will contribute to both strategic and operational oversight by various Welsh Government bodies, including Infrastructure Strategy Group (ISG).</p> <p>We commit to strengthening the role of ISG by improving the provision of management information on capital projects. This will include ensuring it gets better information on programme delivery, spend, and benefits, by means of sharing information that OPD prepares for its sponsor group, finance and corporate services sub-committee. However, ISG is not an executive board with decision making powers on spend.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance

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R3	The Welsh Government should commit to carrying out zero-based reviews for any future multi-year IFPs under the WIIS.	<p>Accept.</p> <p>In the Wales Infrastructure Investment Strategy (WIIS) the Welsh Government commits to providing longer term certainty for capital planning, where feasible. The Welsh Government commits to undertake zero-base reviews for multi-year IFPs.</p> <p>Fiscal as well as political cycles, at both Wales and UK level, have recently required Welsh Government to be flexible and move away from the preference of three year IFPs. Specifically, the timing of the UK Government Comprehensive Spending Review meant Welsh Government published a one year IFP alongside the 2025/26 budget. In these cases, a zero-base review would be impractical.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R4	<p>The Welsh Government should strengthen its zero-based review and business case templates and processes to maximise the delivery of benefits by requiring departments to:</p> <p>a) set out in detail how investment areas, programmes and projects will contribute to each of the WIIS strategic outcomes or justify which outcomes they do not expect them to contribute to; and</p>	<p>4a) Accept.</p> <p>The Welsh Government aims to undertake a review of Better Business Case guidance with HM Treasury, who co-own the guidance and BBC standard.</p> <p>The Welsh Government aim to improve zero-base reviews through reviewing the existing processes in order to maximise the delivery of benefits including how investment areas, and through them the underlying projects and programmes, contribute to the outcomes.</p> <p>4b) Accept.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance

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	b) make use of relevant national indicators to demonstrate progress, including alignment with the national well-being indicators, the procurement community benefits tool and carbon reduction measures.	The Welsh Government will consider to what extent the national indicators or relevant metrics are appropriate KPIs for delivering against recommendation 4a.		
R5	The Welsh Government should strengthen evaluation templates to require departments to use a consistent approach to demonstrating progress against the WIIS strategic outcomes and their application of the cross-cutting principles.	<p>Accept.</p> <p>Building on the response to recommendations 4a and 4b, the Welsh Government will review how evaluation templates could be strengthened, including providing further guidance to drive greater consistency across departments, and demonstrate better links to WIIS strategic outcomes and cross-cutting principles.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R6	The Welsh Government should develop options for enabling long-term financial planning beyond the fixed three-year period of an IFP, recognising the current constraints of the fiscal and political cycle.	<p>Accept in Principle.</p> <p>Noting the significant constraints identified by Audit Wales the Welsh Government nevertheless produces the Wales Economic and Fiscal Report (WEFR) which provides insights into the factors influencing and shaping the economic landscape in Wales to 2030 and beyond. The WEFR contains capital budget projections which can be used to inform longer term programme planning by delivery departments. As noted, this is already taking place and is maximising the opportunity for long-term financial planning beyond the period of the IFP.</p>		

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R7	Building on a similar recommendation we made recently in relation to affordable housing, the Welsh Government should expand longer-term financial planning within programmes, especially those where there is a known long-term need. It should draw on learning from the rolling nine-year approach used in the programme for school and college buildings.	<p>Accept.</p> <p>The Welsh Government endeavours to provide as much certainty around financial planning within programmes as is practicable, within the constraints identified in recommendation 6. Welsh Government commits to sharing best practice and lessons learnt through forums such as ISG to allow for the adoption of better ways of working where appropriate.</p> <p>The Welsh Government will also consider the advantages of long-term financial planning that have been afforded through the Mutal Investment Model, and whether additional opportunities may exist.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R8	The Welsh Government should clearly set out the links between the WIIS strategic outcomes and national well-being goals, recognising that some outcomes may contribute to more than one goal. In doing so, it should check that there are no significant gaps in relation to delivery of each well-being goal.	<p>Accept.</p> <p>The Welsh Government recognises that our investments can deliver against multiple outcomes across the well-being goals, as evidenced in the IFP. The Welsh Government will consider how to better demonstrate the relationship between the WIIS strategic outcomes, well-being domains, and well-being goals including identifying any significant delivery gaps, and how those will be implemented. This will be undertaken in conjunction with the work identified under recommendation 4.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance

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R9	The Welsh Government should review the alignment of the WIIS strategic outcomes and cross-cutting principles with a view to minimising duplication and making it easier for department to plan projects and programmes.	<p>Accept.</p> <p>Building on work identified for recommendation 5, the Welsh Government will endeavour to reduce any unintended duplication to reduce complexity and to make it easier for departments to align project and programmes to the WIIS.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R10	The Welsh Government should bring together public reporting on the progress of major programmes and projects, learning lessons from the approach to reporting used by the Infrastructure and Projects Authority in England which covers costs, financial benefits, and delivery confidence.	<p>Accept in Principle.</p> <p>The Welsh Government is currently compiling a Major Projects and Programmes portfolio (MPP), prioritised by risk exposure. As part of this approach, Office of Project Delivery has been engaging with the Infrastructure and Projects Authority, now the National Infrastructure and Service Transformation Authority, and adopting best practice.</p> <p>Further work is needed to strengthen data capture and reporting processes before identifying appropriate options for public reporting on the progress of major programmes and projects. The Welsh Government is content to learn from any examples of best practice to improve our approach.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R11	The Welsh Government should report publicly on overall progress in delivering the WIIS, in particular progress in achieving the strategic outcomes. It should do so following	<p>Accept.</p> <p>The Welsh Government commits to reporting publicly on progress. This is expected to be at the mid-term evaluation stage of the WIIS and at final evaluation of the WIIS.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance

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	each interim evaluation stage and at the final evaluation stage.			