



Interim Report

An assessment of progress made against our 2025-26 Annual Plan during the period 1 April to 30 September 2025.

October 2025

This Interim Report covers the period from 1 April to 30 September 2025. 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 2025-26;
- 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 collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions. Audit Wales is not a legal entity. Consequently, in this Report, we make specific reference to the Auditor General or Wales Audit Office in sections where legal precision is needed.

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

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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 i gyflwyno ein Hadroddiad Interim ar gyfer 2025.

We are pleased to present our Interim Report for 2025.

This Report describes the progress we made during the period 1 April to 30 September 2025 on delivering the programmes of work and key performance indicator targets set out in our [Annual Plan for 2025-26](#). We are unable to report against some of the performance indicators as the data for these annual measures is not yet available.

We made good progress on delivering a comprehensive and impactful programme of audit work. All except one audit of 2024-25 NHS accounts were completed by 30 June 2025. All scheduled audits of central government accounts were completed by 30 September 2025. However, quality issues with some draft 2024-25 local government accounts, along with a deterioration in the quality of working papers and delays in local government bodies' responses to audit queries, mean that successful delivery of all audits in this sector by the 31 October deadline is at risk.

We delivered six national report outputs in the period 1 April to 30 September 2025 from our programme of national studies. We continued to shape our local performance audit work to address the evolving challenges faced by audited bodies.

We have also seen a 77% increase in new correspondence and external whistleblowing cases compared to the same period in 2024. These are routes through which potential concerns about the use of public money can be raised with us by members of the public, their elected representatives and others, to inform our audit work.

In terms of our longer-term business improvement priorities, we made good progress on working with audited bodies to bring the timetable for the delivery of accounts audit work further forward. Next year, the deadline for local government audits will be brought forward by a further month to 30 September. Achieving this deadline will be very much dependent on local government bodies being able to deliver good quality draft accounts to us and respond to audit queries in a more timely manner.

We have made good progress in bringing forward elements of our local performance audit work and placing greater focus on value for money through stronger financial and outcomes analysis, although there is still more to do in this area. We also took forward our response to a review of how effective we are at engaging diverse audiences, including through developing guidance to help further embed inclusion through our communications processes.

For most of the last six months, we ran an initiative to explore the potential use of Microsoft Copilot in enhancing quality, productivity, and digital confidence across the organisation. Several promising use cases were identified through the pilot for further exploration, subject to retaining appropriate levels of human judgement and oversight.

This Interim Report is the last of Adrian's tenure as Auditor General and reports on continued progress towards the delivery of our five-year strategy. We are committed to building on this momentum for the remainder of the year, using our unique perspective and expertise to assure people that public money is being managed well, explain how that money is being spent, and inspire the public sector to improve.



Adrian Crompton

Auditor General for Wales



Dr Ian Rees

Chair of the
Wales Audit Office

Audit delivery



Local Audit Work

- 1 We undertake local audit work at most public bodies in Wales. This mainly consists of audits of accounts and local performance audit work. A comprehensive list of the public bodies that we audit and the type of local audit work carried out at those bodies is provided in our [Annual Plan for 2025-26](#).
- 2 The biggest area of our local work is auditing the accounts of over 800 public bodies across Wales. Our accounts work provides the Senedd, audited bodies and the wider public with an ongoing independent and expert assessment of financial management and resilience across the public sector.
- 3 As of 30 September 2025, work was on-going to complete our audits of 2024-25 accounts across different sectors. With one exception, we completed our accounts work at NHS bodies in June 2025 in line with our delivery plan. The accounts for Powys Teaching Local Health Board were certified on 1 August 2025 due to audit identified issues that required the body to undertake additional work on the draft accounts. By the end of September 2025, all scheduled audits of central government 2024-25 accounts were also complete.
- 4 In local government, delivery of audits of accounts by the 31 October deadline continues to be a challenge. Quality issues with some draft 2024-25 local government accounts, along with a deterioration in the quality of working papers and delays in local government bodies' responses to audit queries, mean that successful delivery of all audits by the 31 October deadline is at risk. We continue to work closely with individual bodies and the wider sector to support timely 2024-25 certification and drive improvements in future delivery. At this stage, the sector's ability to produce high-quality and timely accounts for 2025-26 is a significant concern, with one body still outstanding for 2022-23 and three for 2023-24.

- 5 We continued to shape and deliver local performance audit work to address the evolving challenges faced by our audited bodies, and where relevant and practical to help discharge the Auditor General's sustainable development examination duties.
- 6 So far, this has included:
 - In the NHS, completing our work on financial savings and supporting improvement through a good practice checklist for board members. We have also completed reviews of waiting list backlogs at all health boards and substantially completed our programme of work on urgent and emergency care which has included health and social care factors affecting timely patient discharge. Structured Assessment work and a review of digital transformation are up and running at all NHS bodies and planning work has been completed for our work on the NHS estate and cancer service delivery.
 - Work in all 22 councils on their arrangements for commissioning services has been completed, and a national report is being drafted, outlining factors impacting on the sector's ability to deliver value for money through the application of these arrangements. Fieldwork has commenced across the sector focusing on workforce pressures and how councils are managing recruitment and retention issues. Assurance and risk assessment work is being rolled out to all councils while local bespoke audits are continuing to be delivered.
- 7 In September 2025, we also published a [Report on governance failures and member engagement at Wrexham County Borough Council](#). This follow-up review, which examined values and behaviours at senior level across the Council, found that the Council has not yet fully addressed our previous recommendations.
- 8 Further information on progress made towards addressing a backlog in our local audit work and bringing our large programmes of work back to pre-pandemic timescales is provided in the Business Improvement section of this report.



National Studies

- 9 We carry out an ongoing programme of national studies. These include other NHS and local government focused studies in addition to our local audit programmes in those sectors. We also prepare additional outputs highlighting common themes from our local audit work.
- 10 Our [Annual Plan for 2025-26](#) includes details about national studies that were in progress as of 31 March 2025 and about new work that we planned to start in 2025-26. We have made further information about work in progress available on [our website](#).
- 11 The table below lists six higher-profile national report outputs of various types that we delivered in the period 1 April to 30 September 2025.
- 12 These outputs sit alongside other reports for central government bodies that are part of the wider package of national work described in our Annual Plan but have not been individually press released. Specifically, this includes reports on well-being objective setting at [Medr](#) (the Commission for Tertiary Education and Research), and the [Arts Council of Wales](#). It also includes reports on financial sustainability at the [National Library of Wales](#), [Arts Council of Wales](#), and [Sport Wales](#).
- 13 We continue to keep our programme of studies under regular review, taking account of the evolving external environment, our own resourcing and the capacity of audited bodies to engage with us. We maintain sufficient flexibility so that we can respond effectively to emerging issues of public or parliamentary concern. Additional outputs may also emerge from ongoing research and development work.

National report outputs completed in the reporting period

	 Tackling inequality	 Responding to the climate and nature emergency	 Service resilience and access	 Well managed public services
<u>No time to lose: Lessons from our work under the Well-being of Future Generations Act</u>	✓	✓	✓	✓
<u>The Wales Infrastructure Investment Strategy</u>	✓	✓		✓
<u>NHS cost savings planning</u>				✓
<u>Temporary accommodation, long-term crisis?</u>	✓		✓	✓
<u>The Welsh Government's funding for the failed Porthcawl Maritime Centre</u>				✓
<u>NHS finances and data tool update</u>				✓



Supporting effective scrutiny and accountability

Supporting the work of the Senedd

- 14 During the reporting period, our work continued to play a key role in supporting the work of the Senedd Public Accounts and Public Administration Committee (PAPAC) in its consideration of how resources are used in the discharge of public functions.
- 15 The outputs from our work supported six formal meetings of the Committee. This included briefing the Committee on some of the national report outputs published in the period (from the list above).
- 16 We have continued to engage with clerking and research teams to other Senedd committees to discuss our work where this is of mutual interest. We gave evidence to the Equality and Social Justice Committee in June as part of its inquiry into the implementation of the Well-being of Future Generations Act. And we submitted written evidence over the summer to the Climate Change, Environment and Infrastructure Committee to support its scrutiny of the Welsh Government's Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill.

Supporting the audit and scrutiny committees of public bodies

- 17 Throughout the reporting period, we regularly attended meetings of the audit and scrutiny committees of public bodies in Wales to provide briefings and report on our local audit work.
- 18 We also continued our regular briefings on audit-related matters to the NHS Audit Committee Chairs and Directors of Finance groups, the local government Society of Welsh Treasurers Group and its Chief Accountants Sub-Group, and the Central Government Audit Committee Chairs Group.

Supporting the public and their local representatives

- 19 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 whistleblowing disclosures about the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services.
- 20 During the reporting period, we received 90 items of correspondence and ensured that we responded to those concerns in a fair, proportionate, and professional manner. In addition, 16 individuals contacted us between 1 April and 30 September 2025 indicating that they wished to make a whistleblowing disclosure. In combination, this represents a 77% increase in new cases compared to the same period in 2024.

Business improvement

21 In our [Strategy for 2022 to 2027](#), we identified three areas of focus where we are prioritising actions to help Audit Wales achieve its overall vision.

 <p>A strategic, dynamic, and high-quality audit programme</p>	 <p>A targeted and impactful approach to communications and influencing</p>	 <p>A culture and operating model that enables us to thrive</p>
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22 In our [Annual Plan for 2025-26](#), we set out our business planning priorities for the current financial year, aligned with the strategic areas of focus to which they relate. The following tables set out the progress we have made towards delivering each of those priorities over the period 1 April to 30 September 2025.



A strategic, dynamic, and high-quality audit programme

Priorities

Bring the timetable for the delivery of 2024-25 accounts audit work further forward to 30 June for NHS and 31 October for local government (equivalent 2023-24 accounts deadlines were 15 July and 30 November).

What has been delivered so far in 2025-26

Status: On track

Commentary:

Nearly all NHS and scheduled central government 2024-25 accounts were certified on time. While delivery of the audits of local government sector accounts by the revised 31 October deadline continues to be a challenge, all local government accounts that were prepared on time will be certified by the deadline. We are also continuing to support bodies with prior year accounts open.

Over the last six months, we worked collaboratively with the local government Society of Welsh Treasurers Executive and wider Group through regular meetings, workshops, and participation in key forums such as the Chief Accountants Sub-Group. This work provided a valuable opportunity to share audit insights and reflect on sector challenges, with the aim of achieving earlier completion through timelier and better supported accounts.

We have also arranged two Good Practice events for December 2025, focused on a main theme of 'Working Together to Deliver Quality and Timely Local Authority Accounts'. These events will bring representatives from across the sector together to explore the challenges and opportunities in strengthening financial reporting across Welsh local government.

Priorities

Bring the timeframe for the completion of local performance work further forward, such that a greater proportion is completed within three months of the end of the year to which the audit plan relates.

What has been delivered so far in 2025-26

Status: Improvement required

Commentary:

In the period 1 April to 30 September 2025, we made progress on bringing forward the timeframes for delivery of our in-year local government and NHS work, with significant efforts also being made to reduce the remaining post pandemic backlog.

To accelerate this work, some additional resource had been secured from other teams across the organisation to support delivery of local performance audits, alongside additional relief auditor capacity. However, ongoing resourcing challenges remain and, in some cases, the pace of input from audited bodies has had an impact.

Over the reporting period, we have also progressed project work that will improve the quality and accessibility of management information about the delivery of our local audit projects and programmes.

Priorities

What has been delivered so far in 2025-26

Greater focus on value for money through stronger financial and outcomes analysis in our performance audit work.

Status: On track

Commentary:

In July 2025, we launched a new performance audit reporting template. The template is designed to draw out key facts and figures in a clearer way, including about spending and outcomes. Work is currently ongoing to fully embed the new template approach, including through providing additional training for report reviewers. We have also updated our guidance for auditors around aspects of our local audit work to encourage a greater focus on outcomes.

As part of our recent National Fraud Initiative (NFI) work, we developed a data tool to make it easier to assess bodies' progress in reviewing potential fraud/error data matches and the outcomes being achieved. We are using the data tool to support our engagement with participating bodies and provide briefings for local audit committees. This work will inform our next national NFI report in Autumn 2026 and our thinking on future data matching opportunities. In recent months, we have also largely completed pilot data matching work on NHS GP registrations.

At the end of September 2025, we had largely completed local audit work on urgent and emergency care, and on NHS planned care. We will be sharing national summary messages later this year, including bringing together analysis around potential financial saving opportunities.

Together with other UK audit agencies, we have also taken part in piloting a certificate level CIPFA value for money auditor qualification and developing a new higher-level qualification. Initially, we will be supporting two staff to enrol as part of the first cohort of participants for the higher-level qualification from early 2026.



A targeted impactful approach to communications and influencing

Priorities

Achieve an increase in the reach and awareness of our work and its impact on communities in Wales, by encouraging more people to read, share, and act on our content.

What has been delivered so far in 2025-26

Status: On track

Commentary:

Over the last six months, a new ‘Style Hub’ has been launched internally, providing a one stop shop for all staff on writing and design guidance, including in relation to our new performance audit reporting template. We also recently reviewed our social media channels usage, with a focus on developing our LinkedIn site to increase the volume of use and better promote recruitment opportunities and the impact of our work.

As part of the strategic initiative to explore the potential use of generative AI tools (discussed later in this report) we also ran a series of pilots to determine how AI can potentially enhance the impact and efficiency of our communications. In September 2025, we launched a refreshed external e-bulletin newsletter which goes out to around 1,700 people every month, keeping them informed about the latest news, insights, jobs and stories from Audit Wales.

Towards the end of 2024-25, we commenced an internal review, working in partnership with the communications agency FOLK, to:

- better understand the communication needs of our diverse range of audiences;
- gather stakeholder views on whether relevant and timely coverage is being given to equality, diversity and inclusion matters in our audit programme;
- analyse how effective our existing communications are at engaging diverse audiences and addressing the needs of protected groups; and
- develop guidance to help further embed inclusion through our communications processes.

Following consideration of the recommendations of the review by the Executive Leadership Team, and further engagement with key internal stakeholders, a number of key actions were implemented during the reporting period, including further updates to writing guidance for all staff and a review of imagery used in reports. More detail on the resultant range of improvement actions that are being or planned to be implemented will be provided in our Equality Report for 2025-26 and our Strategic Equality Plan for 2026-2030.



A culture and operating model that enables us to thrive

Priorities

Prepare for the period after completion of our current five-year strategy by giving particular focus to themes we have identified as crucial in shaping the future culture and operating model of Audit Wales:

- Digital developments
- Evolving auditing standards
- The scope of our work including developments in sustainable reporting
- The skills and shape of our workforce

What has been delivered so far in 2025-26

Status: On track

Commentary:

Digital developments

In July 2025, we launched a new Artificial Intelligence (AI) and Digital Initiatives Policy. The Policy provides clear guidance for staff on the day-to-day use of approved AI tools, and on the process for consideration and approval of new AI tools (which is based on the [AI Playbook for the UK Government](#)).

Commencing in March 2025, Audit Wales ran an initiative to explore the potential use of Microsoft Copilot in enhancing efficiency, productivity, and digital confidence across the organisation. The project engaged a diverse cohort of 50 colleagues in a structured pilot to test Copilot capabilities in audit and corporate contexts. As part of this initiative, we took careful account of data protection, ethical and other associated considerations and risks.

Overall, several promising use cases were identified through the pilot for further exploration, subject to retaining human judgement and oversight. Most of the participants in the pilot also reported improved confidence in using digital tools. The pilot project is now at evaluation stage, with provisional recommendations for expansion to consider more opportunities to use AI in a controlled way to help enhance the productivity and efficiency of our work.

Evolving auditing standards and developments in sustainable reporting

There have been no substantive developments in this area during the six-month reporting period. We have continued to proactively monitor upcoming changes as new policy and guidance become available, so that we can evaluate any implications for Audit Wales and respond appropriately.

Priorities

What has been delivered so far in 2025-26

Prepare for the period after completion of our current five-year strategy by giving particular focus to themes we have identified as crucial in shaping the future culture and operating model of Audit Wales:

- Digital developments
- Evolving auditing standards
- The scope of our work including developments in sustainable reporting
- The skills and shape of our workforce

Skills and shape of our workforce

We have continued the delivery of a range of strategic workforce planning activity, including the launch of a new performance management system, identification of skills and action required to support the implementation of the Audit Horizons modernisation project, and the management of the establishment as we continue progress in addressing the audit backlog.

Our Executive Leadership Team has monitored an expanded range of performance measures to determine whether our Workforce Strategy is delivering as intended and has scrutinised how vacancies are managed to ensure recruitment decisions are fully aligned with that Strategy.

Over the last six months, we have worked with the Institute of Chartered Accountants in England and Wales (ICAEW) to map skills pathways for specific accounts audit roles. This work will enable colleagues to better identify learning needs for career progression and has included publishing an updated skills 'catalogue' covering both non-technical and technical skills.

Together with other UK audit agencies we have also taken part in piloting a certificate level Chartered Institute of Public Finance and Accountancy (CIPFA) value for money auditor qualification, and in developing a new higher-level qualification.

Work is also now underway to update our digital skills framework. The project involves a small multi-disciplinary working group and seeks to identify and suitably adapt best practice in digital skills frameworks in operation at other organisations.

Key performance indicators

23 The position as of 30 September 2025 in terms of achieving the 18 key performance indicator (KPI) targets set out in our [Annual Plan for 2025-26](#) is summarised below. In the exhibit, some numbers are rounded to make them easier to read and compare. The KPIs are aligned with the strategic areas of focus to which they relate.



A strategic, dynamic, and high-quality audit programme

No	Indicator	Description	2025-26 Target	2024-25 Performance	Performance to 30 Sep 2025
1	Statutory deadlines	Proportion of accounts audit opinions delivered by the statutory or planned deadline. ¹	100%	● 99%	● 100%
2	On time	Proportion of other key audit products delivered in accordance with the planned timetable for ensuring timely and impactful reporting.	90%	● 81%	● 80%
3	Quality	Number of reviewed audits that are delivered in accordance with Financial Reporting Council (FRC) quality standards .	All audits sampled in the highest two audit quality categories	● 6 out of 8	Annual measure – data not yet available

● On track to achieve our target ● Improvement required ● Significant improvement required

¹ Where accounts are received on time and no public interest report is required.

No	Indicator	Description	2025-26 Target	2024-25 Performance	Performance to 30 Sep 2025
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%	● 76%	Annual measure – data not yet available
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%	● 78%	Annual measure – data not yet available
6	Driving improvement	Proportion of stakeholders who believe our work has led to improvements in the provision of public services.	At least 80%	● 62%	Annual measure – data not yet available
7	Savings identified	Value of potential savings, productivity gains and other financial benefits identified through our work.	At least £30 million during 2023-2026	● £16 million	● £16 million ²

● On track to achieve our target ● Improvement required ● Significant improvement required

² Specific audit work currently in progress will enable us to achieve our target of at least £30 million by 2026.



A targeted impactful approach to communications and influencing

No	Indicator	Description	2025-26 Target	2024-25 Performance	Performance to 30 Sep 2025
8	Good practice outputs	Proportion of stakeholders who rate our good practice outputs as useful or very useful.	At least 90%	● 100%	● 100%
9	Website visits	Number of visits to our website where at least one action is performed, eg download a report, click on a video.	53,000 each year	● 81,000	● 36,900
10	Social media	Number of social media engagements, ie interactions with our posts such as a like, a comment, or a retweet/share.	4,000 each year	● 3,500	● 2,500
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	● 53	● 31 ³

● On track to achieve our target ● Improvement required ● Significant improvement required

³ This figure does not include attendance at meetings as part of our routine audit business. Where we have regularly attended specific groups in relation to a single topic, we have counted these collectively as a single event.



A culture and operating model that enables us to thrive

No	Indicator	Description	2025-26 Target	2024-25 Performance	Performance to 30 Sep 2025
12	Employee engagement	Percent positive annual staff survey engagement index score.	At least the median benchmark score for the latest Civil Service survey	● 71% ⁴	Annual measure – data not yet available
13	Turnover	Proportion of employees who voluntarily leave Audit Wales per annum.	Between 5% and 10%	● 5.8%	● 3.8%
14	Sickness absence	Proportion of total time lost due to sickness absence.	Less than 4%	● 3.9%	● 3.5%
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	● 3.2%	● 1.7%
16	Cost savings	Value of in-year cost savings delivered across the business.	£200,000 as set out in our 2025-2026 Estimate	● Exceeded £400,000 non-pay savings target	● £200,000

● On track to achieve our target ● Improvement required ● Significant improvement required

⁴ The Civil Service People Survey benchmark in October 2024 was 64%.

No	Indicator	Description	2025-26 Target	2024-25 Performance	Performance to 30 Sep 2025
17	Greenhouse gas emissions	Total CO ₂ equivalent emissions. ⁵	Less than 290 tonnes (50% reduction from 2019-2020 baseline)	● 380 tonnes	● 170 tonnes
18	Trainee success rate	Proportion of trainees achieving first-time passes in their Professional and Advanced level examinations with the Institute of Chartered Accountants in England and Wales.	At least 90%	● 85%	Annual measure - data not yet available

● On track to achieve our target ● Improvement required ● Significant improvement required

⁵ Not including supply chain emission estimates which are reported on separately in our annual Sustainability Report.



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