

1 Cwr y Ddinas / 1 Capital Quarter
Caerdydd / Cardiff
CF10 4BZ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

info@audit.wales / post@archwilio.cymru

www.audit.wales / www.archwilio.cymru

Peredur Owen Griffiths MS
Chair of the Finance Committee
Senedd Cymru

Via email

Reference: AC451/caf

Date issued: 12 August 2024

Dear Peredur

Finance Committee Annual Scrutiny of the Wales Audit Office

Further to your report - the *Annual scrutiny of the Wales Audit Office and the Auditor General for Wales* – and our subsequent letter to you dated 1 February 2024, we are writing to provide an update on our response to the Committee's recommendation 18.

Estimate 2024-25

Recommendation 18. The Committee recommends that Audit Wales provides regular updates on:

- **how the funding associated with staff pay awards will be applied across grades;**
- **the budgetary impact of any decisions taken in relation to staff pay;**
- **consultations taking place with Trade Unions and specialist pay review bodies; and**
- **the intended impact of the pay awards on staff turnover.**

For the 2024-25 pay round we did not receive a formal pay claim from our trade union partners PCS and Prospect because of the position relating to national disputes, but we have established and maintained constructive and productive relationships with both, involving fortnightly meetings and information sharing.

We made a formal pay offer to staff based on a flat rate increase in February, and both trade unions advised their members to accept the offer. The vote of union members from both trade unions concluded in April, and overwhelmingly supported the pay offer made by the Board. On a turnout of a total of 73% of union members, 95% voted to accept the offer. Uplifts to pay were processed in time for the April pay run.

The offer made was in line with that indicated in our Estimate for 2024-25 and hence within the available budget.

Our intention with this year's pay award was that we use it to address the shortfall that had arisen over the previous two years in comparison with awards elsewhere and the prevailing rate of inflation, against a backdrop of significant competition from private sector firms and other employers which made it increasingly difficult to retain and recruit staff with the necessary skills to delivery high quality audit work. Whilst the pay award was implemented only 3 months ago, we have already seen an increase in applications for roles in Audit Wales, in terms of both quantity and quality. However, whilst our turnover level has reduced by 2.8% since then, it is still 12.5% which is above our KPI target range of 5-10%, and so there is still work to do to ensure that we can retain and recruit staff with the necessary skills to deliver high quality work.

Please do not hesitate to contact us if there is any further clarification we can helpfully provide.

Yours sincerely



DR IAN REES
Chair, Wales Audit Office



ADRIAN CROMPTON
Auditor General for Wales