



Jocelyn Davies AM
Chair of the Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

24 Cathedral Road / Heol y Gadeiriau
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 20 320500
Fax / Ffacs: 029 20 320600
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference	IG2366
Date	9 July 2015
Pages	1 of 4

Dear Jocelyn

Auditor General for Wales and Wales Audit Office Annual Plan 2015-16

I am now able to respond to the queries raised in your letter of 5 June 2015 regarding our Annual Plan 2015-16, and to provide an update on progress made on the review of our fleet/transport arrangements.

Correspondence from Assembly Members

During 2014-15, I can confirm that the Auditor General received 21 separate pieces of correspondence from Assembly Members, which included specific requests to investigate particular issues or bodies.

Impact analysis following on from good practice events

I attach a selection of 'impact sheets' that are produced following our Good Practice Exchange shared learning seminars. In addition, at the end of each seminar, we ask all delegates to complete a 'Call to Action' Sheet on which they record the steps they plan to take to put their learning into practice. To assist in measuring the impact of our work, six months after each seminar we contact delegates again to request a progress report. Below are examples of feedback from two organisations that have engaged with the Good Practice Exchange, Wrexham and Conwy County Borough Councils:

Conwy County Borough Council

The Council reported that following our Risk Management Webinar it had:

- shared its Risk Management Strategy across North Wales;
- reflected on its processes and implemented a new performance management system that is linked to its programme and project management arrangements; and
- followed up on contacts made through the webinar to enhance its learning.

Following our Governance seminar the Council developed an action plan that includes:

- a proposal for an intranet page on governance for its staff;
- a proposal for an online governance handbook;
- obtaining and using a DVD resource referred to by one of the speakers; and
- using a mapping exercise demonstrated at a workshop to develop an organisational approach to assurance.

Wrexham County Borough Council:

- The Council developed plans for a Multi-Agency Alcohol Treatment Centre in the town centre as part of the 'night-time economy'. This was prompted by exposure to the award winning facility in Cardiff which was demonstrated at the 'Adopting Preventative Approaches' seminars.
- After making contact at our 'Making Better Use of Public Assets' seminar the Council is working with Community Interest Company, Indycube to develop low cost office space / business incubator facilities in surplus Council buildings in Wrexham. .

Work in relation to the NHS preventative agenda

The Auditor General will write separately to the Committee highlighting his latest work carried out in relation to the preventative agenda in the NHS, ahead of this year's budget round.

Unplanned reviews by the Auditor General

As outlined in your letter of 5 June 2015, the sum of £250,000 is notionally allocated within the baseline budget of the Wales Audit Office to allow the Auditor General to undertake unplanned reviews into issues of public concern, without having an impact on our ability to deliver pre-planned national studies.

This funding enables the Auditor General to undertake and resource unplanned work, usually of an investigative nature, in response to concerns that are of material interest and have been raised by, for example, the Public Accounts Committee, Assembly Members or members of the public. The work also includes the preparation of memoranda for the Public Accounts Committee on topics raised during the course of the Committee's deliberations. However, any investigative reviews at individual local government bodies are funded through audit fees rather than using this additional funding provision.

As laid out on page 15 of the [Auditor General's Code of Audit Practice](#), in relation to his examination and study functions, the Auditor General will consider, among other things, the following in deciding what work (including unplanned reviews) to undertake:

- levels of public interest and concern;

- the scale of the issues and the circumstances and risks involved;
- whether the work is timely;
- whether the lessons learned are likely to be transferable; and
- the potential value of the work in terms of monetary savings, improved services and improved management or governance.

Our Annual Report and Accounts for 2014-15 lists reactive studies undertaken in the year, on pages 28 and 29. £220,000 was utilised in undertaking these studies and the balance of £30,000 was returned to the Welsh Consolidated Fund at the year-end.

We will be pleased to update the Finance Committee further on the volume and nature of the Auditor General's unplanned reviews in the first half of 2015-16 through our next Interim Report. This month the Auditor General will be publishing his report on the Regeneration Investment Fund for Wales.

The Auditor General has informed me that the Welsh Local Government Association (WLGA) has shared with him your letter to Councillor Aaron Shotton dated 5 June 2015. In that letter you requested information on the cost to local authorities of diverting staff resource to provide information for unplanned reviews undertaken using additional funding provided in 2013-14. The WLGA asked us for information on which reviews were undertaken using that funding. We informed them that the following reviews were undertaken, as listed on page 38 of the [Auditor General's Annual Report & Accounts 2013-14](#):

- Follow-up joint review with Healthcare Inspectorate Wales of the governance arrangements for Betsi Cadwaladr University Health Board
- Examination of public funding of the Canolfan Cywain Centre in Bala
- Examination of the Welsh Life Sciences Investment Fund (ongoing)
- Memorandum on senior management pay across the Welsh public sector
- Memorandum on the Intra-Wales – Cardiff to Anglesey – Air Service
- Examination of NHS waiting lists and private practice (ongoing)

The Auditor General noted that he would be surprised if any of these reviews resulted in any significant diversion of resources at local government bodies. The WLGA's Director of Finance, Jon Rae, agreed, noting that he doubted that these reviews distract local authorities, and that where they do it is not to a significant level and that local authorities are happy to contribute to work of national importance. The WLGA has informed the Auditor General that Councillor Shotton has replied to your letter in similar terms.

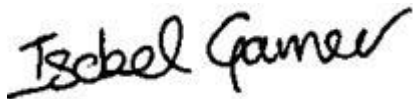
Our published [Fee Scheme](#) provides the basis on which the Wales Audit Office charges fees. Our hourly fee rates for audit staff are equally applicable to routine and unplanned audit work. Where required, we also publish fee scales which quantify total cost ranges for routine audit of local government bodies.

Review of our fleet/transport arrangements

The value for money report from Baker Tilley identified scope for us to strengthen the measurement of value for money in the application of travel and transport policies at the Wales Audit Office. Since the Finance Committee reviewed the report, the Wales Audit Office Board has established a Task and Finish Group to review eligibility criteria for transport allowances and to propose appropriate value for money measures. The Board has recently commissioned the testing of new eligibility criteria alongside requesting that a range of options be further developed to ensure that the essential travel that our staff undertake continues to represent value for money. Proposals will be put to the Board by Management Committee on 1 October 2015, with decisions subject to trade union consultation.

Finally, for the Committee's awareness, our [Annual Report and Accounts for 2014-15](#) was fully published one whole month earlier this year, reflecting what we see as good practice in the early closure of accounts. We also acted on the Committee's recommendation to provide greater transparency of our transport costs in this set of accounts. We look forward to discussing the report with the Committee in due course.

Yours sincerely



Isobel Garner
Chair, Wales Audit Office



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

The Good Practice Exchange
Y Gyfnewidfa Arfer Da



Adopting Preventative Approaches

Welsh public services are increasingly focusing on preventative interventions and policies, offering consideration of the public service as a whole, rather than individual organisations. Prevention and earlier intervention is a key theme of the 2014-15 Budget and investing now to save down the line is a common priority across public services.

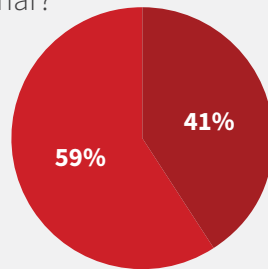
In practice, making this shift presents significant challenges for public services. This seminar facilitated honest conversations about the reality of shifting emphasis and resources, drawing on existing good practice case studies from across Wales and the UK. It is also one of the key principles of the proposed Future Generations Bill.

Arfer Da Cymru
Good Practice Wales

Number of attendees: **67**
Number of organisations represented: **38**

How useful was the seminar?

- Very useful
- Useful
- Not very useful
- Not at all useful



Described by delegates as:



@GoodPracticeWAO
#waoprevent

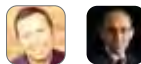


424,140
IMPRESSIONS

42,516
TWITTER REACH

104
RETWEETS

40
CONTRIBUTORS



Seminar tweets on Storify: <http://bit.ly/1zSQd3X>

Seminar partners:



Llywodraeth Cymru
Welsh Government

Links to information from the seminar:

- Web page: www.wao.gov.uk/events/adopting-preventative-approaches
- Blogs: www.goodpracticeexchange.wordpress.com
- Pinterest: www.pinterest.com/goodpracticewao
- Good Practice Wales: www.goodpracticewales.com
- Videos: www.vimeo.com/94662374



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

The Good Practice Exchange
Y Gyfnewidfa Arfer Da



Mirror, Mirror on the wall... reflecting on good governance

Walking away from this seminar, delegates had an understanding of how to take assurance that governance arrangements are working as effectively as they can.

In particular, delegates gained an understanding of:

- The importance of good governance
- Implications of poor governance
- How to obtain assurance that governance arrangements are sound; what to look for, and what to look out for!
- Examples of different approaches to ensure better governance from public and private sector organisations

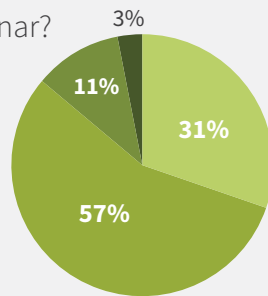
Arfer Da **Cymru**
Good Practice **Wales**

Number of attendees: **192**

Number of organisations represented: **62**

How useful was the seminar?

- Very useful
- Useful
- Not very useful
- Not at all useful



Described by delegates as:



@GoodPracticeWAO
#WAOgov14



23,372

IMPRESSIONS

8,630

TWITTER REACH

RETWEETS

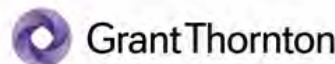
15

CONTRIBUTORS



Seminar tweets on Storify: <http://bit.ly/1OvjWXk>

Seminar partners:



Links to information from the seminar:

Web page:

www.wao.gov.uk/events/mirror-mirror-wall-reflecting-good-governance

Blogs:

www.goodpracticeexchange.wordpress.com

Pinterest:

www.pinterest.com/goodpracticewao/good-governance-llywodraethu-da/

Good Practice Wales:

www.goodpracticewales.com/

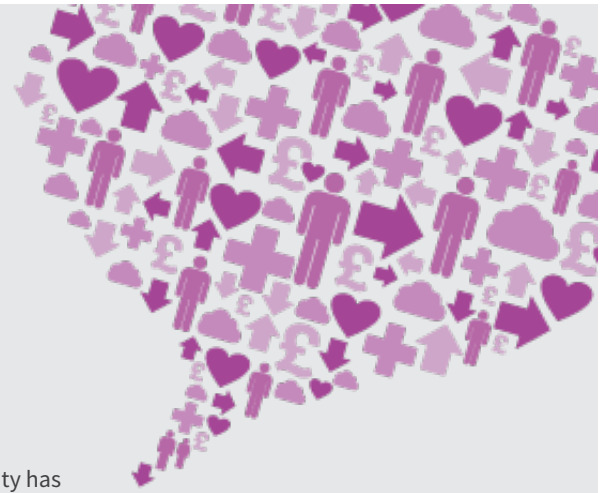
Videos:

www.vimeo.com/115246262



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

The Good Practice Exchange
Y Gyfnewidfa Arfer Da



Housing & Sport: Improving Wellbeing and providing better value for public money

Wellbeing is more than just health. The quality of both housing and physical activity has a major impact. This seminar brought together experts that have combined aspects of housing and physical activity to provide substantial benefits to the wellbeing of the people of Wales which reduces on-going costs.

There are major changes afoot in the public sector, with the Wellbeing of Future Generations Bill meaning that organisations will have to evidence how they are balancing short term and long term needs, taking an integrated approach; involving those with an interest; acting in collaboration; and adopting preventive thinking.

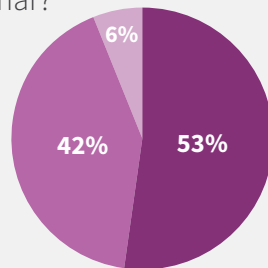
Arfer Da Cymru
Good Practice Wales

Number of attendees: 111

Number of sectors represented: 60

How useful was the seminar?

- Very useful
- Useful
- Quite useful
- Not at all useful



Described by delegates as:



@GoodPracticeWAO
#WAOWellbeing



727,648
IMPRESSIONS

78,793
TWITTER REACH

168
RETWEETS

63
CONTRIBUTORS



Seminar tweets on Storify: <http://bit.ly/1EwHBvD>

Seminar partners:



Links to information from the seminar:

- Web page: www.wao.gov.uk/events/housing-and-sport-improving-wellbeing-and-providing-better-value-public-money
- Blogs: www.goodpracticeexchange.wordpress.com
- Pinterest: www.pinterest.com/goodpracticewao
- Good Practice Wales: www.goodpracticewales.com
- Videos: www.vimeo.com