

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Making public money count

Our Annual Plan for 2018-19, including additional
information on our vision and strategic priorities



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU



This Annual Plan of the Auditor General for Wales and the Wales Audit Office for the year ending 31 March 2019, which includes additional information on our vision and three-year strategic priorities, has been jointly prepared by the Auditor General for Wales and the Chair of the Wales Audit Office under section 25(1) of the Public Audit (Wales) Act 2013.

It is laid before the National Assembly for Wales by the Auditor General for Wales and the Chair of the Wales Audit Office under section 26 of the Public Audit (Wales) Act 2013.

The National Assembly has made provision through Standing Order 18.11(i) for its Finance Committee to be responsible for considering and reporting to the Assembly on the Annual Plan.

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. We welcome correspondence in Welsh and English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

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This document is also available in Welsh.

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Foreword

This Annual Plan sets out our planned programmes of work and priorities for the coming year, alongside our longer-term vision and strategic priorities for the period 2018 to 2021.

The vision statement, which we have developed over the last 12 months, outlines our longer-term aspirations and serves as a guide for all of our future actions. It is accompanied by a set of values which define our organisational culture and core beliefs.

In the Plan, we have provided an updated description of the factors we believe will have greatest influence over the way we deliver our work over the next three years, and have redefined the strategic priorities that underpin how we will respond to that environment and achieve our overall aim and key objectives.

One of these priorities is to utilise emerging technologies to improve how we source, acquire and analyse data and how we present and visualise our findings. Another is to enhance the readability and accessibility of our audit products to maximise their reach and impact.

A third important priority is to deliver a people strategy that responds to the areas of improvement highlighted amongst the very positive results from our recent staff survey, and fully enables our staff to excel in their work.

When preparing the Plan, we have taken the opportunity to review and further refine our framework of key performance indicators and associated targets, to ensure they remain fully aligned with our objectives and are suitably challenging.

Overall, our focus remains firmly fixed on ensuring that our methods of work and audit products are regularly updated. Through reflecting on our stakeholders' expectations we enable the Auditor General's work to continue to offer insightful scrutiny and drive improvement in the Welsh public sector.



Isobel Garner
Chair, Wales Audit Office



Huw Vaughan Thomas
Auditor General for Wales

Summary of our plan

OUR VISION

The people of Wales trust us

Public bodies value our work

Our people excel

OUR AIM

The people of Wales and National Assembly know whether public resources are being managed wisely

OUR VALUES

Independence
Integrity
Fairness
Collaboration
Future focus
Innovation

OUR OBJECTIVES

Provide timely assurance on the stewardship of public money and assets

Offer insight on how resources are used to meet people's current and future needs

Identify and promote ways through which public services may be improved

Be a well-run, accountable and respected organisation that is a great place to work

OUR PERFORMANCE INDICATORS

Delivery and impact indicators
Leadership and culture indicators
Managing the business indicators

OUR STRATEGIC PRIORITIES



OUR OPERATING ENVIRONMENT

We remain in a period of financial constraint
The political and policy landscape continues to evolve
Governance arrangements are now required to have a wider scope
We live in an increasingly networked society

OUR WORK PROGRAMMES

Audit projects

Good practice work

Our people and finances

Supporting effective scrutiny and accountability

Engagement and joint working activity

Our governance and leadership

Who we are

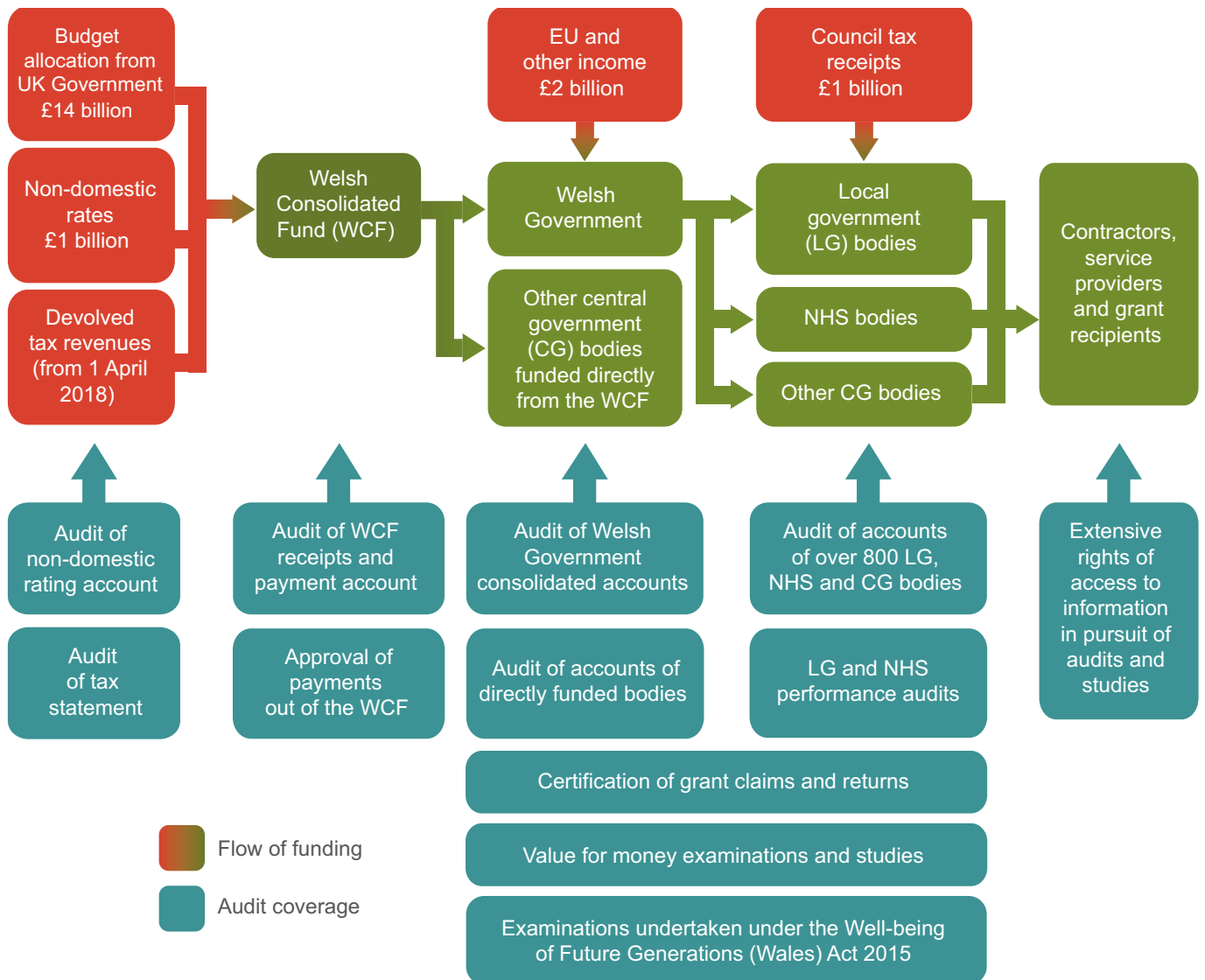
- 1 The Auditor General for Wales is the statutory external auditor of most of the Welsh public sector.
- 2 The Auditor General is responsible for the audit of the majority of public money spent in Wales, including the funds that are voted annually by the National Assembly. Significant elements of this funding are passed by the Welsh Government to the NHS and local government in Wales.
- 3 The Wales Audit Office employs professional staff and utilises other resources, including additional expertise from private sector accountancy firms, to enable the Auditor General to carry out his functions. The Wales Audit Office currently employs around 270 staff.
- 4 The Auditor General uses the resources provided by the Wales Audit Office to independently examine whether public money in Wales is being managed wisely and is properly accounted for.

Public sector audit involves:

- **Providing an opinion on the accounts**
 - **Considering whether 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**
- 5 The Auditor General's functions may be exercised, in combination if necessary, across different types of bodies to examine public spending irrespective of who delivers the services.
 - 6 We identify good practice from across the full breadth of the Auditor General's audit work and disseminate this through our **Good Practice Exchange** and other media, including shared learning seminars and webinars.
 - 7 We also work closely with the other UK audit agencies and with the other main external review bodies in Wales to enhance the collective impact of our work.
 - 8 We undertake our work in accordance with the Auditor General's **Code of Audit Practice**. The Code¹ prescribes the way in which the Auditor General's audit and certain other functions are to be carried out, and embodies what the Auditor General considers to be best professional practice.

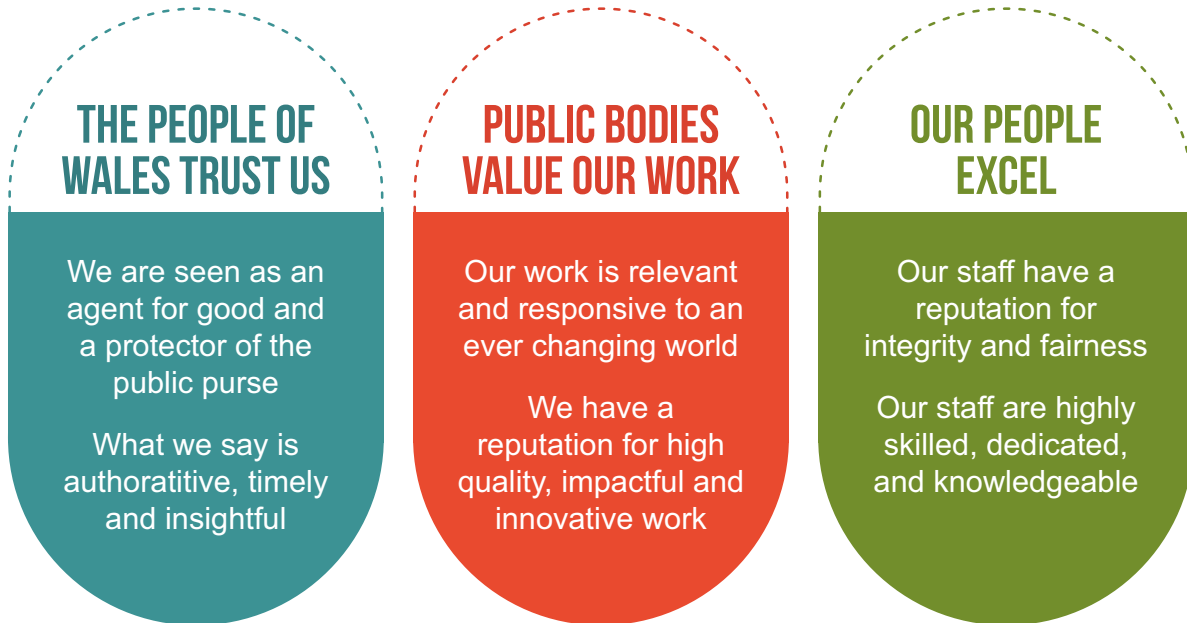
¹ The Auditor General intends to publish a revised Code of Audit Practice by May 2018.

How we follow the public pound in Wales



Our vision and values

Our vision



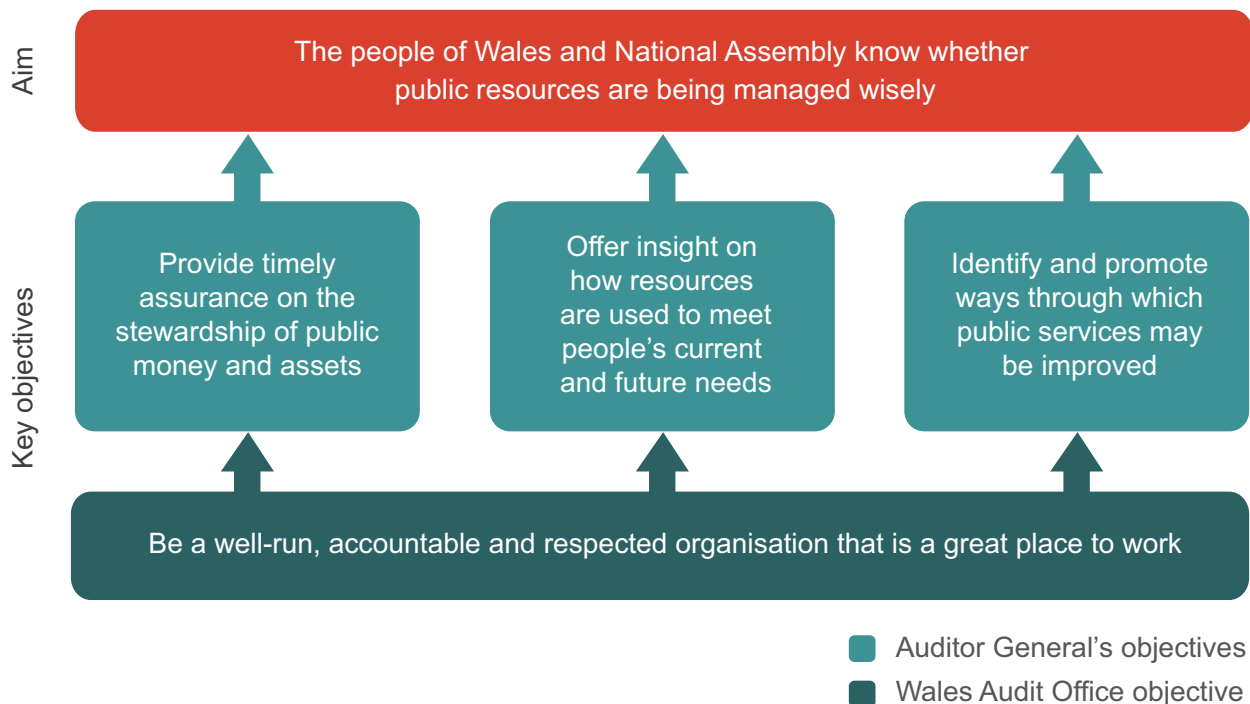
- 9 Over the past 12 months we have developed a vision statement which outlines our aspirations and serves as a guide for all of our future actions, and a set of values which define our organisational culture and core beliefs.

Our values



Our aim and objectives

- 10 Our aim is that the people of Wales and National Assembly know whether public resources are being managed wisely. It is expressed as an outcome to which we are a key contributor due to our wholly independent status, professional expertise and extensive rights of access to information.
- 11 Our first three objectives focus on effectively achieving what we consider to be the threefold purpose of audit – providing assurance, offering insight and promoting improvement.
- 12 Our fourth objective underpins the first three; in order for the Auditor General to deliver a high-quality audit service, the Wales Audit Office must be an accountable, well-run and respected organisation that is a great place to work.



Our operating environment

- 13 We consider the following factors to be those that will have greatest influence over the way we deliver our work and achieve our aim and objectives over the next three years.

We remain in a period of financial constraint

- 14 Those charged with delivering public services continue to face real-terms reductions in annual budgets, while seeking to meet rising public expectations and an appetite for greater user involvement in service design, address changing demographic demands, and maintain and improve service provision.
- 15 Public services need to make radical changes to the way they provide services if they are to build effectively on the increasingly collaborative approach being adopted in Wales. With many public service leaders expecting to make deeper cuts to services, a more holistic and long-term approach is needed to mitigate impacts on the public.

The political and policy landscape continues to evolve

- 16 A broad range of policy and political factors are likely to influence how we deliver and resource our work over the next few years. These include:

Implications of Brexit

- 17 It remains difficult to fully assess the effect that 'Brexit' will have on the Welsh public finances and our work. However, it now appears likely that the current EU arrangements for agricultural funding and associated audit work will continue beyond the next three years.

Fiscal devolution

- 18 **Fiscal devolution** refers to the transfer of certain tax raising and borrowing powers from Westminster to Wales. The Welsh Revenue Authority will commence collecting the two new devolved Welsh taxes from 1 April 2018 and the Welsh rate of income tax will be introduced in April 2019. The Auditor General will be auditing these new arrangements, liaising closely with the National Audit Office where appropriate.

Proposals for local government reform

- 19 On 20 March 2018, the Cabinet Secretary for Local Government and Public Services launched a consultation Green Paper which outlines the Welsh Government's ambitions for strengthening local government, including through merging and creating larger unitary authorities. Taken alongside the statutory Public Services Boards established under the Well-being of Future Generations (Wales) Act 2015, governance challenges are increasing in local government in Wales.

Requirement for earlier closure of local government accounts

- 20 The deadlines for preparing, auditing and publishing the accounts of local government bodies in Wales will be brought forward by 2020-21.

Introduction of the General Data Protection Regulation (GDPR)

- 21 The GDPR introduces new requirements for personal data processing across the EU for all public bodies, including the Auditor General and the Wales Audit Office. The UK Government has incorporated the GDPR into UK law, which comes into force on 25 May 2018.

Developments in Health and Social Care

- 22 The Social Services and Well-being (Wales) Act requires audited bodies to deliver health and social care services in fundamentally different ways. Our future audit work in health and social care will also need to take full account of the Welsh Government's response to the Parliamentary Review of Health and Social Care that was published in January 2018.

Governance arrangements are now required to have a wider scope

- 23 The National Assembly has placed legal requirements on the public sector in Wales to strengthen governance arrangements in accordance with a defined sustainable development principle. Each public body listed in the Well-being of Future Generations (Wales) Act 2015 must work to improve the economic, social, environmental and cultural well-being of Wales. To do this they must set and publish well-being objectives that are designed to maximise their contribution to achieving each of the well-being goals, and then take action to make sure they meet those objectives.

- 24 The well-being duties on the 44 listed public bodies, including the Welsh Government, commenced on 1 April 2016. The first well-being objectives of those bodies were set and published by 1 April 2017. Listed bodies are required to report annually on progress made towards meeting their objectives.
- 25 Under Section 15 of the Act, the Auditor General must examine the extent to which public bodies listed in the Act have acted in accordance with the sustainable development principle when setting wellbeing objectives, and when taking steps to meet those objectives.

We live in an increasingly networked society

- 26 Significant advances in information technology are leading to the increased digitisation of many aspects of service delivery, increased public access to data, and new opportunities and ways to interact and engage through social media and other forms of digital communication.
- 27 Digital transformation and inclusion form a central part of the Welsh Government's plans to make public services more accessible and meaningful to their users, and to achieve better outcomes.
- 28 An increasingly networked society does not just have implications for the public bodies that we audit. It also impacts quite profoundly on audit agencies and other external review bodies. We too need to stay abreast of technological developments and enhance the quality of our work by taking advantage of new ways of gathering data and intelligence, reporting on our findings and maximising awareness of and engagement with our work.

Our strategic priorities

29 In response to our operating environment, our Plan for delivering our programmes of work during 2018-19 and for the three year period 2018 to 2021 is underpinned by the following strategic priorities.

Strategic priorities

	Integrate the Auditor General's duties under the Well-being of Future Generations (Wales) Act 2015 into the delivery of our audit work programmes.
	Examine the integrated delivery of public services in Wales from the perspective of people who use the services.
	Strengthen engagement with our work among Assembly committees and identify ways to further enhance our work on supporting effective scrutiny and accountability.
	Enhance the collective impact of external audit, inspection and review in Wales by making better shared use of intelligence and resources.
	Engage with other audit agencies in the UK and internationally, to share and inform best practice and intelligence.
	Enhance the readability and accessibility of our audit products to maximise their reach and impact.
	Utilise emerging technologies to improve how we source, acquire and analyse data and how we present and visualise our findings.
	Adopt new ways of working to provide an efficient and fit-for-the-future audit service as our operating environment changes.
	Deliver a people strategy that responds to the results of our staff survey, helps us to achieve our equality objectives and enables our staff to excel in their work.
	Improve our management of knowledge and data, including through effectively responding to the introduction of the General Data Protection Regulation.

Our planned programmes of work

30 Our planned programmes of work for 2018-19 can be divided into six sections, which are aligned with our objectives as illustrated below, and are underpinned by our strategic priorities.



31 The first four sections of the Plan relate to the Auditor General's work programme. The Auditor General's priorities for 2018-19 in exercising his functions are outlined in the following appendices:

Appendix 1 - Audit projects

Appendix 2 - Good practice work

Appendix 3 - Supporting effective scrutiny and accountability

Appendix 4 - Engagement and joint working activity

32 During the first half of the year, we will be seeking views from the public and a range of stakeholder organisations to inform our thinking on the content of the Auditor General's work programme beyond 2018-19.

- 33 The remaining two sections of the Plan relate to the Wales Audit Office's work programme. The Wales Audit Office Board's priorities for 2018-19 in exercising its functions are outlined in the following appendices:

Appendix 5 – Our governance and leadership

Appendix 6 – Our people and finances

- 34 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 Ended 31 March 2019**, are to be used in delivering these work programmes.

Measuring and reporting on our performance

- 35 In 2018-19 and over the next three years, we will use a combination of quantitative and qualitative methods to measure, report and reflect on our performance and risks. This will include regular reporting to our Management Committee and Board on progress being made in delivering our priorities and achieving our key performance indicator targets. It will also include internal audit reports to our Management Committee and Audit and Risk Assurance Committee.
- 36 We will place particular emphasis on evaluating our direction of travel and pace of improvement, alongside comparison with appropriate benchmarking.
- 37 We will report on our performance externally through our Annual Report and Accounts and Interim Report(s), and by providing evidence at meetings of the National Assembly's Finance Committee.
- 38 We have reviewed and revised our framework of key performance indicators when preparing this Plan, which is now more clearly aligned with our overall objectives.



- 39 Our suite of targets has been developed with reference to current levels of performance, appropriate external benchmarks and our own improvement aspirations. The targets will be subject to further scrutiny and refinement during 2018-19 to ensure they are suitably challenging but achievable within the specified timescales.

Appendix 7 – Key performance indicators and targets

Appendix 1 – Audit projects

Audit work carried out at local government bodies

The Auditor General’s programme of work in local government covers a broad range of bodies, including unitary authorities, fire and rescue authorities, national park authorities, police and crime commissioners and chief constables, local government pension funds and town and community councils. The programme includes audits of accounts, certification of grant claims and returns, improvement audits and assessments, local government studies and well-being of future generations audit work.

Audit of accounts

22 unitary authorities
3 fire and rescue authorities
3 national park authorities
4 police and crime commissioners
4 chief constables
8 pension funds
A number of other smaller local government bodies including joint committees and harbour authorities
Audits of over 735 town and community councils on a limited assurance basis

Local Government studies

Services to rural communities
Use of data
Tackling violence against women, domestic abuse and sexual violence
Value for money of planning services
Social Services and Well Being Act 2014
Cross-cutting review of the Integrated Care Fund

Improvement audits and assessments

22 unitary authorities
3 fire and rescue authorities
3 national park authorities

Well-being of future generations audit work

22 unitary authorities
3 fire and rescue authorities
3 national park authorities

Certification of grant claims and returns

Up to 22 schemes worth approaching £3 billion and involving around 175 individual claims

Audit work carried out at NHS bodies

The Auditor General's work across NHS Wales covers all seven local health boards and the three NHS Trusts, as well as the work of the Welsh Government's Health and Social Care Department and the newly-created Special Health Authority, Health Education and Improvement Wales. The Auditor General audits the annual accounts of each NHS body, and reports publicly on the arrangements in place to secure economy, efficiency and effectiveness in their use of resources, and on whether listed bodies are acting in accordance with the sustainable development principle.

Audit of accounts

7 local health boards
3 NHS trusts
Local health board summarised accounts
NHS trusts summarised accounts
Health Education and Improvement Wales

Structured assessments

7 local health boards
3 NHS trusts
All Wales comparison of aspects of governance
Health Education and Improvement Wales

Local performance audit work

7 local health boards
3 NHS trusts
Health Education and Improvement Wales

Health studies

Orthopaedic Services (follow up)
Clinical coding (follow up)
Cross-cutting review of the Integrated Care Fund

Well-being of future generations audit work

7 local health boards
Velindre NHS Trust
Public Health Wales NHS Trust

Audit work carried out at central government bodies

The central government sector in Wales covers a diverse range of public bodies, including the Welsh Government and its sponsored bodies, the offices of various statutory commissioners, inspectors and regulators, and the National Assembly Commission.

Unlike for local government and health bodies, the Auditor General is not required to conduct a programme of performance audit work at each central government body, but instead only provides an annual opinion on their accounts and, for listed bodies, undertakes well-being of future generations audit work. Other performance audit work conducted within this sector currently sits within his programme of value for money studies.

Welsh Government accounts

Welsh Government consolidated accounts
Non-domestic rating account
Welsh Consolidated Fund account
Approval of payments out of the Welsh Consolidated Fund

Accounts of Welsh Government sponsored bodies

Arts Council of Wales
Arts Council of Wales Lottery Fund
Higher Education Funding Council for Wales
National Library of Wales
National Museums and Galleries of Wales
Natural Resources Wales
Sports Council for Wales Main and Trust Accounts
Sports Council for Wales Lottery Fund
Local Democracy and Boundary Commission for Wales
Qualifications Wales

National Assembly for Wales accounts

National Assembly for Wales Commission
Assembly Members Pension Fund

Non-Ministerial Departments

Welsh Revenue Authority

Welsh Government companies

Hybu Cig Cymru
Careers Choice
Life Sciences Hub
Sector Development Wales

Accounts of commissioners, inspectors and regulators

Children's Commissioner for Wales
Older People's Commissioner for Wales
Public Services Ombudsman for Wales
Welsh Language Commissioner
Estyn
Education Workforce Council
Future Generations Commissioner
Social Care Wales

Well-being of future generations audit work

Welsh Government
Natural Resources Wales
Higher Education Funding Council for Wales
Arts Council of Wales
Sports Council for Wales
National Library of Wales
National Museums and Galleries of Wales

Audit work undertaken for consideration by the Public Accounts Committee

This programme of audit work includes value for money examinations, the preparation of summary reports of the findings from audit work across multiple NHS, central government and/or local government bodies, and examinations undertaken in response to issues of public concern identified through our audit work or raised with the Auditor General. The outputs from much of this programme support the work of the National Assembly's Public Accounts Committee and other Assembly committees.

The programme of work retains a degree of flexibility to respond to changing circumstances, priorities and risks. There may also be additional outputs in 2018-19 arising from follow-up work on previous audit topics, from examinations undertaken in response to issues of public or parliamentary concern, or from local programmes of audit work where there are issues or learning of wider relevance.

Value-for-money studies

Access to public services with the support of specialist interpretation and translation
Waste management (municipal recycling)
Waste management (waste prevention)
Waste management (procurement of waste treatment infrastructure)
The 2014-2020 European Structural Funds programmes
Business finance
The 2014-2020 Rural Development Programme
The cross-cutting review of the Integrated Care Fund
Fiscal devolution in Wales (follow-on report for consideration by the Finance Committee)
Improving the well-being of young people
Primary care services

Summary reports and outputs

Radiology
GP Out of Hours services
Outpatients appointments (follow up)
Well-being of future generations audit work (year one commentary)
National Fraud Initiative 2016-17

Reactive examinations

NHS agency costs
Pinewood Studios Wales

Appendix 2 – Good practice work

Through our **Good Practice Exchange** we provide freely available online resources that enable the public, service users, service providers, policy makers and decision makers to access information that will leave them better informed.

A key focus of our good practice work involves facilitating conversations between service providers and users where the learning from comparative successes and failures is shared face-to-face. Increasingly we are looking to bring the views and experience of global experts to these conversations.

Our programme of shared learning seminars and webinars is flexible and further topics will be added during the course of the year.

Shared learning seminars

- Using digital to improve the lives of individuals
- Building resilient communities
- Partnership working between voluntary bodies and public sector bodies
- Alternative delivery models
- Preventing hospital admissions
- Youth - the experiences of 16-25 year olds when accessing and using public services in Wales

Shared learning webinars

- Sustainable procurement
- Moving from outputs to outcomes
- Adverse childhood experiences
- Using data effectively
- Financial audit – early closure of local government accounts
- Cybersecurity – governance arrangements

Good practice guides

- Grants management

External facilitation of shared learning and community support

- Academi Wales summer school
- Community Housing Cymru
- Future Generations Commissioner
- Good Practice Wales
- Institute of Chartered Accountants in England and Wales
- NHS Wales Finance Directors Network
- Older People's Commissioner for Wales
- One Voice Wales
- Public Health Wales
- Wales Centre for Behaviour Change, Bangor University
- Welsh Language Commissioner
- Welsh NHS Confederation
- Working With Not To co-production practitioner groups

Appendix 3 – Supporting effective scrutiny and accountability

Supporting the work of the Public Accounts Committee and other Assembly committees

Our work plays a key role in supporting the work of the Public Accounts Committee in its consideration of matters relating to the use of resources in the discharge of public functions in Wales. Our work can also, where applicable, inform the work of other National Assembly committees whose wider remit includes scrutinising the expenditure and policies of the Welsh Government, holding Ministers to account, and examining proposed legislation.

In 2018-19, we will continue to provide regular briefings to the Public Accounts Committee on the content of the Auditor General's published reports, 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:

- a the development of members' briefings for evidence sessions with witnesses from the Welsh Government and other organisations;
- b the development of the Committee's reports; and
- c providing advice on the adequacy of the Welsh Government's formal responses to recommendations in the Committee's reports.

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:

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

Supporting the public and their local elected 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 raising whistleblowing concerns about the proper conduct of public business and fraud, value for money, and corruption in relation to the provision of public services.

In 2018-19, we will continue to ensure that we:

- a respond to such concerns promptly, and in a fair, objective and professional manner;
- b appreciate the importance of the issues to those who have taken the time to highlight them;
- c issue audit reports where we consider these are merited; and
- d 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.

Appendix 4 – Engagement and joint working activity

The Auditor General and Wales Audit Office are committed to effective stakeholder engagement to inform the development, maximise the relevance, and extend the reach and impact of the Auditor General's work.

We are also committed to working closely with the other UK audit agencies through the Public Audit Forum, and with the other main external review bodies in Wales through the Inspection Wales initiative, to enhance the efficiency and effectiveness of public audit and the collective impact of our work. We are also proud to represent Wales on occasion on the international audit stage.

The Wales Audit Office is able to make arrangements with certain types of bodies for it or the Auditor General to provide services to, or to exercise the functions of those bodies, both in the UK and overseas. But, 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.

Joined up delivery

These include:

- National Fraud Initiative with other UK audit agencies
- Working with Estyn to undertake follow-up inspections of Regional Education Improvement Consortia and support their delivery of improvement conferences
- Annual certification of the accounts of the European Agricultural Funds
- Application of a memorandum of understanding with the Future Generations Commissioner

Participation with observer status on external working groups

These include:

- Partnership Council for Wales
- Welsh Revenue Authority Implementation Programme Board
- Finance Minister's Welsh Tax Forum
- Local Government Data Unit Board
- NHS Wales Efficiency, Healthcare Value and Improvement Group
- Public Appointments Working Group
- Health Education and Improvement Wales Implementation Programme Board
- National Procurement Service and Value Wales – Review Oversight Board

Membership of external working groups

These include:

- EURORAI
- International Integrated Reporting Council's Public Sector Integrated Reporting Network
- Public Audit Forum
- CIPFA/LASAAC Local Authority Code Board
- ICAEW Public Sector Audit Committee
- CIPFA Audit and Accounting Standards Panel
- Inspection Wales initiative
- DWP Housing Benefit and Welfare Reform
- UK Inspectorates liaison group
- Financial Reporting Council Public Sector Advisory Group
- Participation in NHS Escalation and Intervention Protocol with Welsh Government and Healthcare Inspectorate Wales
- OECD Auditor Alliance

Commissioned audit work

- A range of charity audits
- Chief Auditor to and audit of the accounts of the Government of Anguilla
- Waste management and trade refuse benchmarking groups

Appendix 5 – Our governance and leadership

As prescribed by the Public Audit (Wales) Act 2013, we have non-executive and executive members of the Wales Audit Office Board, alongside two employee-elected members who provide an extra dimension of insight and experience

THE BOARD IS RESPONSIBLE FOR...

- Monitoring the exercise of the Auditor General's functions
- Providing the Auditor General with advice
- Employing staff and providing resources for the exercise of the Auditor General's functions
- Charging fees for work done by the Auditor General
- Preparing jointly with the Auditor General an annual plan and estimate of income and expenses

The Board has also established two committees which operate in an advisory capacity: an Audit and Risk Assurance Committee and a Remuneration and HR Committee.

The Wales Audit Office has a Management Committee to provide clear lines of reporting and accountability, and to enable the Auditor General's work to inform the public and influence public service delivery in the most efficient and effective way.

The priorities for the Wales Audit Office's programme of work for 2018-19 in terms of its governance and leadership are to:

- a put arrangements in place to ensure an effective handover of the office of Auditor General for Wales and Chief Executive of the Wales Audit Office following the retirement of Huw Vaughan Thomas;
- b use the Board's new assurance map, which aligns relevant controls and sources of assurance with the Board's information requirements, to ensure that governance is comprehensive and robust;
- c oversee the delivery of key organisational transformation projects, exploring whether changes can be made to:
 - i the way we traditionally undertake our work;
 - ii the way we utilise emerging technologies;
 - iii the way we handle and manage data; and
 - iv the way we communicate the findings of our work;
- d launch a new Strategic Equality Plan and make arrangements to ensure that good progress is made in the first year of the Plan towards achieving our revised equality objectives; and
- e examine how we can maximise our contribution to achieving the seven Welsh well-being goals.

Our Board



Alison Gerrard
Non-executive
member



Amanda Hughes
Elected employee
member



Bill Richardson
Non-executive
member



**Huw Vaughan
Thomas**
Auditor General,
and Chief Executive



Isobel Garner
Chair of the Board



Kevin Thomas
Appointed
employee member



Lindsay Foyster
Non-executive
member



Louise Fleet
Elected employee
member



Steven Burnett
Non-executive
member

Our Management Committee



Anthony Barrett
Assistant Auditor
General



**Huw Vaughan
Thomas**
Auditor General,
Accounting
Officer and Chief
Executive



Jane Holownia
Sector Lead,
Local Government
and Criminal
Justice



Kevin Thomas
Director of
Corporate
Services



Mike Usher
Sector Lead,
Health and
Central
Government



**Steve
O'Donoghue**
Director of
Finance and HR

Appendix 6 – Our people and finances

Our people

In April 2018 we will launch a new people strategy, entitled 'GREAT together', to help us achieve our overall vision, aim and objectives. The strategy is underpinned by the Wales Audit Office desired behaviours: being genuine, respectful, energetic, adaptable and trustworthy.

During October 2017, we ran a new staff survey to try to gain a better understanding of the employee experience at the Wales Audit Office and identify where we need to improve. We used the same core survey questionnaire that was used in the 2017 Civil Service People Survey (CSPS). For the majority of survey themes, responses from staff were more positive than the CSPS average, and more typical of (and in some cases significantly better than) a CSPS high performing organisation. While the results from the survey were very encouraging, they also identified a number of areas for further improvement that we intend to address through delivery of the strategy.

The key priorities for our work in terms of our people in 2018-19 are to:

- a develop a work programme to ensure effective and efficient delivery of the newly-launched people strategy;
- b respond effectively to the outcomes from our October 2017 staff survey;
- c evaluate the learning from our recently-held staff 'unconference'; and
- d undertake scoping work for a project aimed at challenging and transforming the way we traditionally undertake our work.

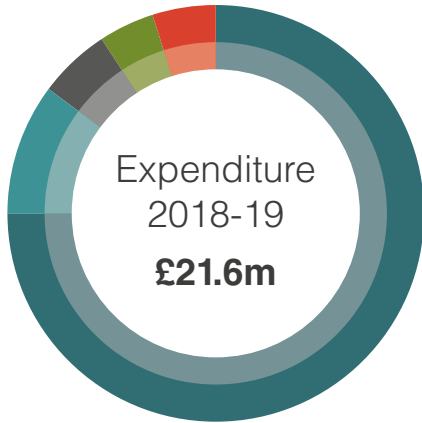


Our finances

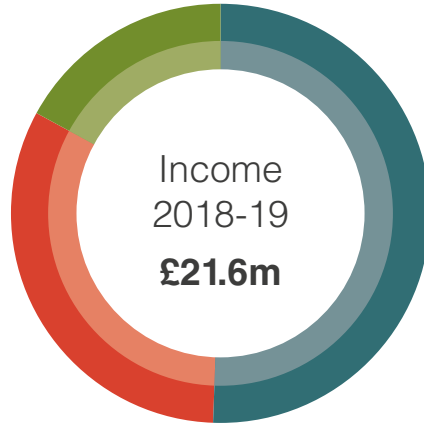
The National Assembly’s Finance Committee scrutinises our use of resources, including through consideration of this Plan, **our Estimate, Fee Scheme, Interim Report(s) and Annual Report and Accounts.**

Approximately two thirds of Wales Audit Office funding comes from fees charged to audited bodies in accordance with a scheme of fees approved by the National Assembly. Most of the remainder comprises approved financing from the Welsh Consolidated Fund, 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 2018-19 are laid out in our most recent Estimate, which was considered and approved by the National Assembly’s Finance Committee in November 2017. £16.4 million of planned expenditure relates to resources to be made available to the Auditor General to carry out his work programme². A further £5.2 million provides a range of corporate enabling services, including accommodation and other support services, such as legal advice, ICT and HR³.



- Staff costs - £16.2m
- Other costs - £2.2m
- Travel - £1.2m
- Private sector Firms - £1.0m
- Accommodation - £1.0m



- Financial Audit Fees - £10.9m
- WCF - £7.0m
- Performance Audit Fees - £3.7m

² 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 the purpose of undertaking his work programme.

³ This is deemed as the resources required to support the Wales Audit Office’s work programme.

Appendix 7 – Key performance indicators and targets

DELIVERY AND IMPACT

No.	Indicator	Description	Target
DI1	Accepted recommendations	Proportion of recommendations or proposals for improvement that are fully accepted for implementation by audited bodies	90%
DI2	Savings identified	Value of potential savings identified through our work	At least £30 million during 2018-2021
DI3	Making a difference	Percent positive stakeholder survey score for how well we are perceived to be delivering the Auditor General's objectives	At least 85%
DI4	On time	Proportion of key audit products delivered on time	95%
DI5	National reports	Number of national reports published	14 per annum
DI6	Attendees of good practice events	Number of attendees at our shared learning seminars and webinars	1,000 per annum
DI7	Satisfaction with good practice events	Proportion of attendees of our good practice exchange events who rated the events useful or very useful overall	At least 90%
DI8	Website visits – proportion	Proportion of website visits where at least one action is performed e.g. download a report, click on a video	At least 50%
DI9	Website visits - number	Number of website visits where at least one action is performed	30,000 per annum
DI10	Social Media	Klout score - a measure of our social media influence by analysing our Twitter account activity	At least 55 out of 100
DI11	Correspondence handling	Number of instances where a full or interim response to concerns about public spending raised through correspondence is not issued within 30 working days of receipt	Nil

LEADERSHIP AND CULTURE

No.	Indicator	Description	Target
LC1	Employee engagement	Percent positive annual staff survey (aligned with the Civil Service People Survey) engagement index score	At least the 9th decile score for the latest Civil Service People Survey (CSPS)
LC2	Organisational objectives and purpose	Percent positive annual staff survey score for 'organisational objectives and purpose' theme	At least the 7th decile score for the latest CSPS
LC3	Leadership and managing change	Percent positive annual staff survey score for 'leadership and managing change' theme	At least the 8th decile score for the latest CSPS
LC4	Organisational culture	Percent positive annual staff survey score for 'organisational culture' theme	At least the 9th decile score for the latest CSPS
LC5	My manager	Percent positive annual staff survey score for 'my manager' theme	At least the 9th decile score for the latest CSPS
LC6	Inclusion and fair treatment	Percent positive annual staff survey score for 'inclusion and fair treatment' theme	At least the 9th decile score for the latest CSPS
LC7	Learning and development	Percent positive annual staff survey score for 'learning and development' theme	At least the 9th decile score for the latest CSPS
LC8	Resources and workload	Percent positive annual staff survey score for 'resources and workload' theme	At least the 9th decile score for the latest CSPS



MANAGING THE BUSINESS

No.	Indicator	Description	Target
MB1	Sickness absence	Average working days lost per member of staff per annum	Less than 6 days
MB2	Financial balance	Level of variance in gross expenditure from that set out in our Estimate for 2018-19	Within 2% of budget
MB3	Supplier payments	Proportion of suppliers paid within 10 working days of receipt of invoice	At least 90%
MB4	Cost savings and efficiencies	Value of cost savings and efficiencies identified throughout the business	£250,000
MB5	Efficiency of estate	Costs including for rent and rates per whole-time equivalent	Less than £3,300
MB6	Welsh language provision	Number of complaints received and upheld regarding our Welsh language provision	Nil
MB7	Environmental management	Level of Groundwork Wales Green Dragon Environmental Standard accreditation	Level 5 (highest level)
MB8	Greenhouse gas emissions	Total CO ₂ equivalent emissions from sources that we own or control, from consumption of purchased electricity, or that are produced indirectly as a consequence of our activities.	Less than 450 tonnes

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