

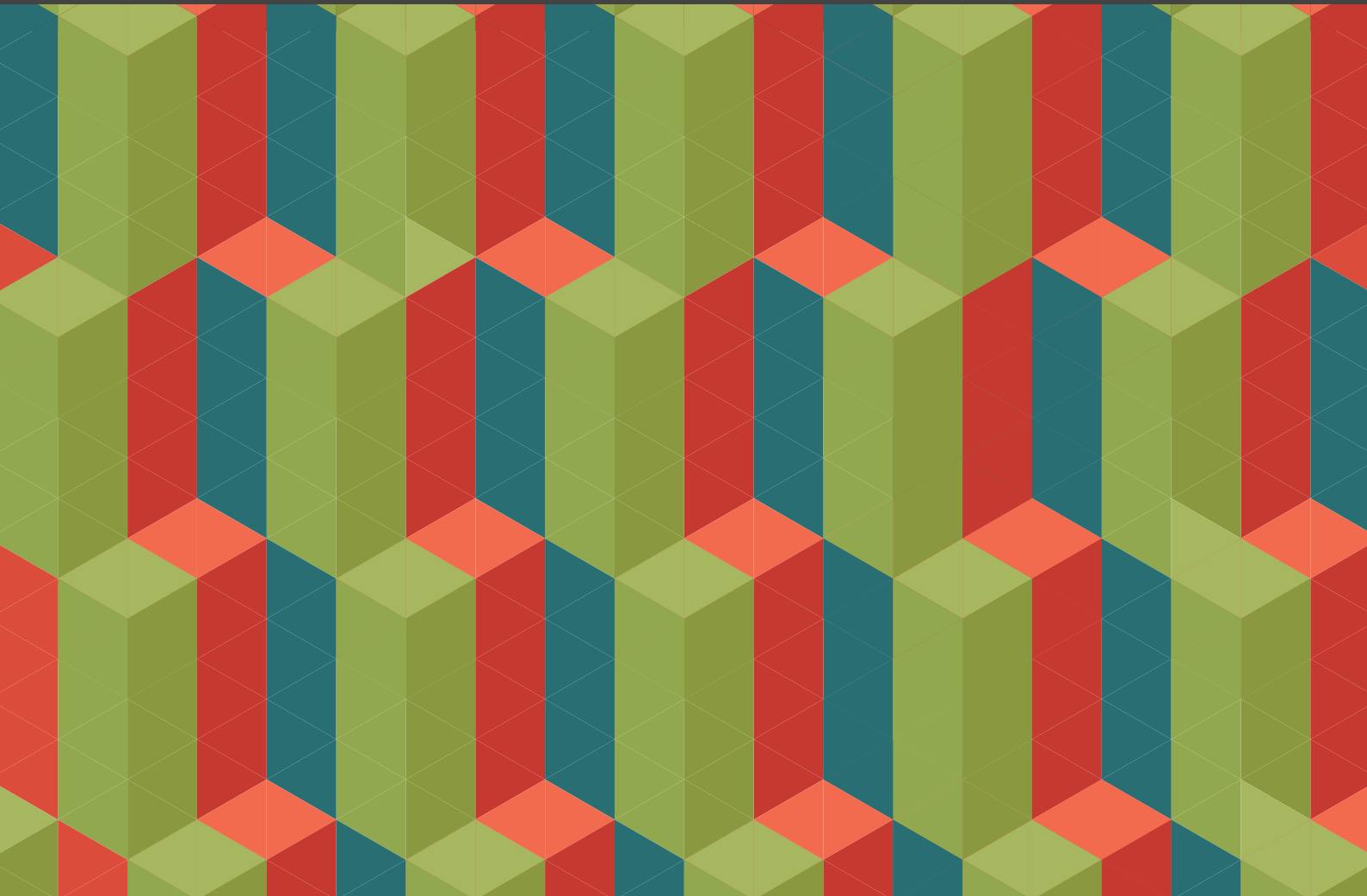
Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Interim Report

An assessment of progress made against our 2019-20  
Annual Plan during the period 1 April to 30 September 2019



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU



This Interim Report covers the period from 1 April to 30 September 2019. It has been jointly prepared, and is laid before the National Assembly for Wales, 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 2019-20 under section 25 of the Public Audit (Wales) Act 2013;
- progress has been made toward achieving the priorities set out in the Plan; and
- progress has been made towards achieving our key performance indicator targets.

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.

# Foreword

This Interim Report describes the progress we have made to date towards delivering our [Annual Plan for 2019-20](#).

In the Report, we focus on progress made over the period 1 April to 30 September 2019 towards delivering our planned programmes of work and associated change commitments, and on achieving our key performance indicator targets.

During the reporting period, the delivery of our work has been underpinned by our four new ambitions. These are to:

- fully exploit our unique perspective, expertise and depth of insight;
- strengthen our position as an authoritative, trusted and independent voice;
- increase our visibility, influence and relevance; and
- be a model organisation for the public sector in Wales and beyond

We confirm that there has been no need to deviate significantly from the work programmes laid out in our 2019-20 Plan. All planned work has either been delivered, or is progressing to plan, which is a credit to the professionalism, dedication and hard work of the staff of the Wales Audit Office and the co-operation that we receive from the bodies that we audit.

Guided by our new ambitions and through using our unique remit to follow the public pound, we are committed to building on this momentum for the remainder of the year in our role as a driver of improvement at the heart of Welsh public services.



**Adrian Crompton**  
Auditor General for  
Wales



**Isobel Everett**  
Chair of the Wales  
Audit Office Board

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# Overview

During the period 1 April to 30 September 2019, the exercise of the functions of the Auditor General for Wales and the Wales Audit Office has been consistent with the [Annual Plan prepared for 2019-20](#).

There has been no need to deviate significantly from the priorities set out in the Plan; all of our planned work for 2019-20 has either been delivered or is progressing to plan.

Our work over the first half of this year has been driven by our four new ambitions for unleashing our full potential as a driver of improvement at the heart of Welsh public services.



## Fully exploit our unique perspective, expertise and depth of insight

- Maximise the power of our unique insight through more integrated team working and knowledge sharing.
- Search proactively for synergies and trends within the information that we hold.
- Focus on what matters most and will make the biggest difference to the public and public bodies.



## Strengthen our position as an authoritative, trusted and independent voice

- Bring trusted commentary and evidence to the fore on the right issues at the right time.
- Ensure we clearly lay out the facts and concisely explain why we have arrived at a particular conclusion or interpretation.
- Be alert and responsive to new opportunities to share audit knowledge and insight where it can add value.



## Increase our visibility, influence and relevance

- Have an overtly outward focus and engage in a way that resonates with a wide range of audiences.
- Influence the thinking and behaviour of others and shape the wider public debate.
- Seek and be receptive to ideas and lines of thought from outside Wales and outside the public sector.



## Be a model organisation for the public sector in Wales and beyond

- Since we form audit judgements on others, make sure we consistently practise what we preach.
- Provide clear, consistent and authentic leadership and increase the pace of our decision making.
- Empower people throughout the organisation to come up with new ideas and effect positive change.

In our Annual Report and Accounts for 2019-20, we will include a selection of case study examples to illustrate how our work over the course of the year has been guided by these ambitions.

# Performance analysis

Within our 2019-20 Annual Plan, our planned work is broadly divided into three sections:



The first two elements comprise the Auditor General’s work programme for 2019-20 in exercising his functions.

The third element encapsulates the work programme for 2019-20 of the Wales Audit Office in exercising its functions.

For each section, a small number of key change commitments were identified to support us in the delivery of our ambitions over the current year.

The progress we have made towards delivering each of these commitments during the first half of the year is summarised in the following pages.

The appendices to this report then provide more detailed information on the programmes of work carried out by the Auditor General and the Wales Audit Office from 1 April to 30 September 2019.

Alongside our overall change commitments, the work of the Wales Audit Office Board and Executive Leadership Team (ELT) on running the business in 2019- 20 is being shaped by the thematic priorities listed in [Appendix 5](#) of our Annual Plan. In our Annual Report and Accounts for 2019-20, we will set out in our Governance Statement how the work of ELT and the Board over the course of the year has been guided by these priorities.

## Audit projects

### Core work



Undertaking audit work at over **800** public bodies



Delivering a programme of **value for money** examinations and studies



Certifying grant schemes worth approaching **£3 billion**



Approving around **£1 billion** of payments out of the Welsh Consolidated Fund every month

## Change commitments


Commitment	What has been delivered so far
<p>Improve how we source, acquire and analyse data and how we visualise and communicate our findings.</p>	<p>We are in the process of implementing a three-year data analytics strategy and work programme. Developments and key outputs in the first half of this year have included:</p> <ul style="list-style-type: none"> <li>• designing and using software that automatically sources and collates evidence for our Brexit-related work, thereby helping the audit team in compiling its findings;</li> <li>• publishing an interactive data tool which brings together statistics and other information from a series of audit reports on the <a href="#">Well-being of young people</a> into a single, accessible resource;</li> <li>• incorporating a dashboard into our report on <a href="#">The 'front door' to adult social care</a> which allows users to explore and compare carers' views and the results of our website review, both at a local and national level;</li> <li>• preparing an <a href="#">NHS Wales Finances Data Tool</a>, containing a range of information about the financial position of NHS Wales bodies and showing trends over time; and</li> <li>• producing a similar tool to support our report on <a href="#">The effectiveness of local authority planning authorities in Wales</a>.</li> </ul> <p>We have also introduced word limits for all new reports and new report titles, as part of our efforts to improve accessibility and readability.</p>

Commitment	What has been delivered so far
<p>Place greater emphasis on the views and perspectives of service users, including 'harder to reach' groups, when considering the effectiveness of public service delivery.</p>	<p>We are:</p> <ul style="list-style-type: none"> <li>• developing comprehensive training and guidance materials for staff on ways of gathering the views of service users, including 'harder to reach groups';</li> <li>• continuing to engage with people that represent the interests of protected groups on our forward work programme, as outlined in our <a href="#">Equality Report for 2018-19</a>;</li> <li>• incorporating more studies and reviews into our programme which consider, in greater detail, the views and perspectives of service users. These include examinations of: <ul style="list-style-type: none"> <li>– <a href="#">Public Service Boards and the effectiveness of partnership working (Phase 1)</a>;</li> <li>– Tackling violence against women, domestic abuse and sexual violence (due to be published in November 2019); and</li> <li>– The <a href="#">Well-being of young people</a>.</li> </ul> </li> </ul>
<p>Examine more closely the effectiveness of arrangements for integrated and collaborative service delivery.</p>	<p>This year, our programme of audit work contains a suite of projects designed to examine more closely the effectiveness of arrangements for integrated and collaborative service delivery. This includes reviews of:</p> <ul style="list-style-type: none"> <li>• City Deal governance arrangements in <a href="#">Cardiff</a>; Swansea and North Wales;</li> <li>• <a href="#">the Integrated Care Fund</a>;</li> <li>• <a href="#">the 'front door' to adult social care</a>;</li> <li>• <a href="#">Review of Public Service Boards</a>;</li> <li>• tackling violence against women, domestic abuse and sexual violence; and</li> <li>• the extent to which public bodies have acted in accordance with the sustainable development principle.</li> </ul>

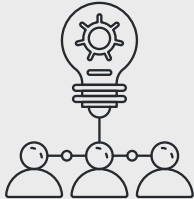


## Increasing our impact and value


**Core work**




**Supporting effective scrutiny**  
including the work of the National Assembly Committees



Hosting **shared learning** events for over **1,100** attendees



Facilitating the **detection of fraud** and error through the National Fraud Initiative



Participating with **observer** status on a range of key policy working groups

## Change commitments

Commitment	What has been delivered so far
<p>Ensure the National Assembly is fully sighted of the outcomes of our work when undertaking all aspects of its public spending scrutiny function.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>worked with the National Assembly to identify further opportunities to raise awareness of the coverage of our forward work programme and the outcomes of our work, including the possibility of briefing the Committee Chairs Forum;</li> <li>more proactively reviewed draft Bills laid before the Assembly and UK Parliament, Committee inquiries<sup>1</sup> and consultations issued by the Welsh Government, to ensure we are responding in all instances where we can have an impact; and</li> <li>developed software, in partnership with the National Assembly, that enables us to proactively monitor and analyse the extent to which our work is being considered and referenced in Assembly Plenary and Committee proceedings</li> </ul>


<sup>1</sup> Including the [Finance Committee review of the Public Audit \(Wales\) Act 2013](#).

Commitment	What has been delivered so far
<p>Explore different and new ways of influencing the thinking and behaviour of others and shaping the wider public debate.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>• consulted with the co-ordinator of the newly-established Welsh Youth Parliament about the best ways to raise awareness and understanding of our work among its Members, including in particular the findings of our report on <a href="#">The well-being of young people in Wales</a>;</li> <li>• expanded our staff training programme to include additional opportunities for the development of influencing and engagement skills;</li> <li>• commenced a review of engagement with our work among different audiences with a view to refreshing our organisational identity and branding and extending our reach and impact; and</li> <li>• ran good practice events in north and south Wales, providing opportunities for cross sector engagement, debate, learning and networking.</li> </ul>
<p>Be more proactive in our approach to supporting Welsh public bodies in their fight against fraud and corruption.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>• hosted<sup>2</sup> a series of shared learning seminars entitled <a href="#">Working in partnership to combat fraud</a> aimed at sharing investigation techniques and intelligence and exploring the use of data analytics in fraud prevention and detection;</li> <li>• published an overview for the Public Accounts Committee of <a href="#">Counter-fraud arrangements in the Welsh Public sector</a> as a follow-up to our report summarising the findings of the <a href="#">National Fraud Initiative in Wales</a>; and</li> <li>• supported the Public Accounts Committee in delivering a counter-fraud stakeholder workshop and presented to the Local Government Directors of Finance Group on the outcomes and benefits of the National Fraud Initiative.</li> </ul>


<sup>2</sup> With support and input from the NHS Counter Fraud Service, the Cabinet Office and the Information Commissioner's Office.

## Running the business


**Core work**



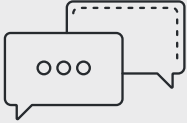
Setting the overall budget of  
**£21 million**  
and charging fees for audit work



Employing around  
**270 staff**  
and managing a diverse range of physical and information assets



Providing  
**strong leadership**  
and embedding our values and behaviours



**Monitoring**  
the exercise of the Auditor General's functions and providing him with advice

## Change commitments

Commitment	What has been delivered so far
<p>Introduce new and smarter ways of working to help ensure we deploy our resources in the most efficient and effective way and can adapt to internal and external change.</p>	<p>We have commenced work on:</p> <ul style="list-style-type: none"> <li>• implementing a new Estate Strategy to make best use of our office space and support new and more flexible ways of working;</li> <li>• restructuring our financial audit teams to better support delivery of our future work programme and more integrated team working; and</li> <li>• consolidating existing resourcing plans into a single pan-Wales plan for the delivery of all audit projects.</li> </ul>

Commitment	What has been delivered so far
<p>Improve and enhance our internal management of knowledge and data.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>• implemented a new cloud-based data management system which supports more efficient and effective data analysis and knowledge sharing;</li> <li>• accelerated our work on the archiving and destruction of our paper and electronic records, and provided revised guidance and training for all information asset owners; and</li> <li>• developed more streamlined systems for the collection, analysis and reporting of our management information including interactive reports on our key performance indicators, strategic risks and change commitments for our Executive Leadership Team and Board.</li> </ul>
<p>Refresh our leadership and governance structure and processes to ensure alignment with our ambitions.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>• consolidated the work programmes of three of our previous management-tier committees into a newly established Director Team to ensure consistent and more joined-up strategic leadership;</li> <li>• reconstituted our Executive Leadership Team (ELT) with a refreshed membership including Employee Members to ensure that a broader range of views and insight informs our corporate decision making; and</li> <li>• held a series of focus groups through which all staff were invited to put forward suggestions and proposals directly to the Auditor General for how we can best achieve our new ambitions.</li> </ul>

# Key performance indicators

The position as of 30 September 2019 in terms of achieving our 20 key performance indicator targets is summarised below.

Where appropriate, we assess our level of performance on a rolling annual basis. For performance measures where this applies, the figures describe our performance for the period 1 October 2018 to 30 September 2019.


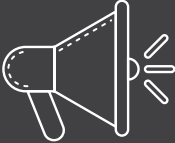


 <p>Fully exploit our unique perspective, expertise and depth of insight</p>	 <p>Strengthen our position as an authoritative, trusted and independent voice</p>	 <p>Increase our visibility, influence and relevance</p>	 <p>Be a model organisation for the public sector in Wales and beyond</p>
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Table listing the key performance indicators that relate to our first three ambitions.

No.	Indicator	Description	Target	Performance to 30 September
1	On time	Proportion of key audit products delivered on time.	95%	92%
2	National reports	Number of national reports published.	18	24
3	Accepted recommendations	Proportion of recommendations or proposals for improvement that are fully accepted for implementation by audited bodies.	90%	99%
4	Savings identified	Value of potential savings identified through our work.	At least £30 million during 2018-2021	£17.7 million
5	Making a difference	Percent positive stakeholder survey score for how well we are perceived to be delivering our ambitions.	85%	89%
6	Attendees of good practice events	Number of attendees at our shared learning seminars and webinars.	1,100 per annum	1,307
7	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%	92%
8	Website visits – proportion	Proportion of website visits where at least one action is performed, eg download a report, click on a video.	At least 50%	38%
9	Website visits – number	Number of website visits where at least one action is performed, eg download a report, click on a video.	30,000	21,431
10	Correspondence handling	Number of instances where a response to concerns about public spending raised through correspondence is not issued within 30 working days of receipt.	Nil	1 out of 41

● Achieved our target    
 ● Close to achieving our target    
 ● Improvement required    
 ● Significant improvement required

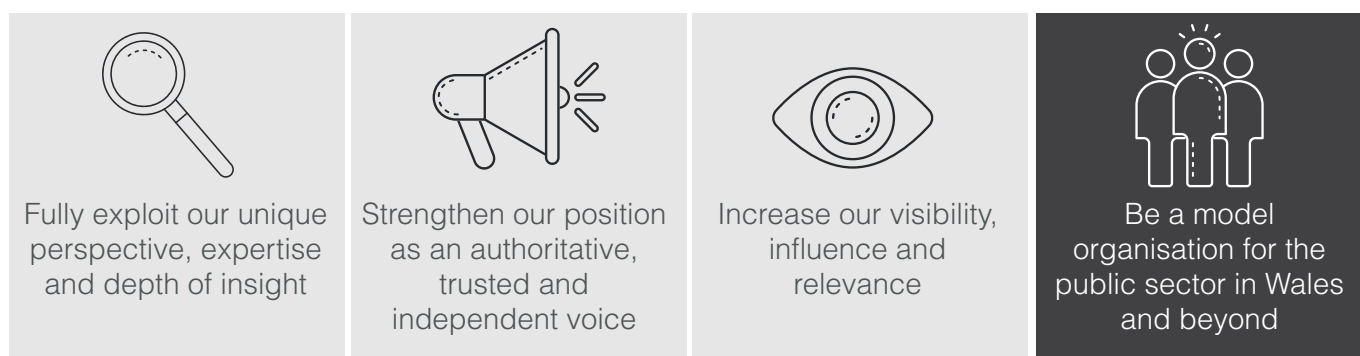


Table listing the key performance indicators that relate to our fourth ambition of being a model organisation for the public sector in Wales and beyond.

No.	Indicator	Description	Target	Performance to 30 September
11	Employee engagement	Percent positive annual staff survey (aligned with the Civil Service People Survey) engagement index score <sup>3</sup> .		
12	Employee experience	Percent positive annual staff survey thematic scores.		
13	Sickness Absence	Average working days lost per member of staff per annum.	Less than 6 days	5.2
14	Financial balance	Level of variance in gross expenditure from that set out in our Estimate for 2019-20.	Within 2% of budget	0.01%
15	Supplier payments	Proportion of suppliers paid within 10 working days of receipt of invoice.	At least 90%	84%
16	Cost savings and efficiencies	Value of cost savings and efficiencies identified throughout the business.	£574,000	£574,000 <sup>4</sup>
17	Efficiency of estate	Costs including for rent and rates per whole-time equivalent.	Less than £3,300	3,425
18	Welsh language provision	Number of complaints received and upheld regarding our Welsh language provision.	0	0
19	Environmental management	Level of Groundwork Wales Green Dragon Environmental Standard accreditation.	5	5
20	Greenhouse gas emissions	Total CO <sub>2</sub> 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	385

● Achieved our target    
 ● Close to achieving our target    
 ● Improvement required    
 ● Significant improvement required

<sup>3</sup> The last staff survey was run in October 2018 with the results published in our Annual Report and Account; it will run again in November 2019 and the outcomes will be published in our Annual Report and Accounts for 2019-20.

<sup>4</sup> This is an anticipated figure at the time of publication, the exact figure won't be known until November 2019.

# Appendix 1 – Local audit work

The Auditor General carries out local work at most public bodies in Wales. The programme includes audit of accounts, local performance audit work and well-being of future generations work.

Table listing the public bodies audited by the Auditor General and showing the type of local work carried out at those bodies.

Public body	Audits of accounts	Local performance audit work <sup>1</sup>	Well-being of future generations work
National Assembly for Wales	✓		
Welsh Government	✓		✓
8 Welsh Government sponsored bodies	✓		✓ <sup>2</sup>
The Welsh Revenue Authority including the tax statement	✓		
4 Welsh Government companies	✓		
8 Commissioners, Inspectorates and Regulators	✓		
7 Local Health Boards	✓	✓	✓
3 NHS Trusts and a Special Health Authority	✓	✓	✓ <sup>3</sup>
22 Councils (Unitary Authorities)	✓	✓	✓
4 Police and Crime Commissioners and Chief Constables	✓	✓	✓
3 Fire and Rescue Authorities	✓	✓	✓
3 National Park Authorities	✓	✓	✓
9 Pension Funds	✓		
Several smaller local government bodies including joint committees, internal drainage districts and harbour authorities	✓		
Over 730 Town and Community Councils	✓ <sup>4</sup>		

## Notes:

- 1 The Auditor General is not required to conduct a programme of local performance audit work at each central government body. Performance audit work conducted within this sector currently sits within his programme of national value for money examinations and studies.
- 2 Only for listed bodies under the Well-being of Future Generations (Wales) Act 2015.
- 3 Only for listed bodies under the Well-being of Future Generations (Wales) Act 2015.
- 4 On a limited assurance basis.

## Appendix 2 – National value for money examinations and studies

This programme of work includes value for money examinations, local government studies, and the preparation of summary reports of the findings from local audit work across multiple NHS, central government and/or local government bodies. It also includes examinations undertaken in response to issues of public concern identified through our audit work or raised with the Auditor General through correspondence.

The outputs from much of this programme support the work of the National Assembly's Public Accounts Committee and other Assembly committees. Further information on our programme of examinations and studies is available on [our website](#).

The table below lists work in progress, alongside work completed or substantially completed as at 30 September 2019. The Annual Plan 2019-20 includes other studies that are yet to commence.



### Work in progress

- NHS clinical coding
- Tackling violence against women, domestic abuse and sexual violence
- Well-being of future generations
- Collaborative arrangements for managing local public health resources
- Asbestos removal programme at Ysbyty Glan Clwyd – Betsi Cadwaladr UHB
- Public Service Boards (phase 2)
- Quality governance arrangements in NHS bodies
- Orthopaedic services
- Commercialisation in local authorities
- Impact of austerity on local authority discretionary services
- Welsh Government management of European Agricultural Funds for Regional Development (EAFRD) funding
- Counter-fraud arrangements in the Welsh public sector



### Work completed or substantially completed

- The effectiveness of local planning authorities
- NHS finances data-tool
- Counter-fraud arrangements in the Welsh public sector (overview for PAC)
- Integrated Care Fund
- Front door social care
- Well-being of young people
- Preparations in Wales for a 'no deal' Brexit (follow-up)
- Public spending trends in Wales
- Fuel poverty
- Public Service Boards (phase 1)
- A465 (Section 2) road improvement – interim findings
- Primary care services



# Appendix 3 – Supporting effective scrutiny and accountability

## Supporting the work of the Public Accounts Committee and other Assembly Committees

Our work continues to play a key role in supporting the work of the Public Accounts Committee in its consideration of the use of resources and the discharge of public functions in Wales. During the interim reporting period, the outputs from our work supported 11 meetings of the Committee, including evidence sessions on [Primary Care Out-of-Hours Services](#), [Waste Management](#), [Counter-Fraud Arrangements in the Welsh Public Sector](#), [management of outpatients](#), [the effectiveness of local planning authorities](#) and the [Integrated Care Fund](#).

Our work has also informed 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. During the last six months, this has included a follow-up paper on [Preparations in Wales for a 'no-deal' Brexit](#) being considered by the External Affairs and Additional Legislation Committee.

## Supporting the work of the audit and scrutiny committees of public bodies

Throughout the interim reporting period we have continued to attend most meetings of the audit and scrutiny committees of the principal bodies that we audit, providing regular briefings and reports on our audit work together with advice and support to strengthen governance effectiveness.

## Supporting the public and their local representatives

We regularly receive correspondence from the public, their local and national elected representatives and others that raise potential concerns about the stewardship of public money and assets. During the interim reporting period we received 41 items of correspondence and ensured that we responded to those concerns promptly and in a fair, proportionate and professional manner. In addition, 11 individuals contacted us between 1 April and 30 September 2019 indicating that they wished to make a whistleblowing disclosure.

## Appendix 4 – Good practice work

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

Our programme of shared learning seminars and webinars is flexible and further topics are added during the year. More information on our Programme of good practice work, can be accessed on [our website](#).

**Table listing the shared learning seminars and webinars delivered during the interim reporting period.**

Topic	Event <sup>5</sup>
Working together in partnership to combat fraud in Wales (in partnership with CIPFA Wales)	Seminar
Internal audit arrangement at Town and Community Councils – sharing learning from our review of internal audit arrangements	Webinar
Key issues for Regional Partnership Boards	Webinar
Innovative approaches to delivering public services in rural communities	Seminar
Future proofing public services	Webinar
Making an 'Equal Wales' a reality	Seminar

**5** Our seminars are delivered at two venues, in Cardiff and Llanrwst.



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