

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Interim Report

An assessment of progress made against  
our 2018-19 Annual Plan during the period  
1 April to 30 September 2018



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU



This Interim Report covers the period from 1 April to 30 September 2018 and 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 2018-19 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.

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# Foreword

This Interim Report describes the progress we have made to date towards delivering our **Annual Plan 2018-19: Making public money count**.

In the Report we focus on progress made against our three-year priorities and key performance indicator targets, which are aimed at enhancing the impact of public sector audit in Wales and are underpinned by our overall vision:

- The people of Wales trust us
- Public bodies value our work
- Our people excel

We confirm that there has been no need to deviate significantly from the work programmes laid out in our 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.

The last six months have been a period of significant internal change at the Wales Audit Office, and we have worked hard to ensure an effective handover of the office of Auditor General for Wales and Chief Executive Officer, following the retirement of Huw Vaughan Thomas, while maintaining the delivery of our work programmes.

Through using our unique remit to follow the public pound, we are committed to building on this momentum in the second half of 2018-19, through giving further consideration to our changing operating environment and positioning ourselves to ensure we remain fit-for-the-future.



**Isobel Garner**  
Chair, Wales Audit Office



**Adrian Crompton**  
Auditor General for Wales

# Summary of our Annual Plan 2018-19

## 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

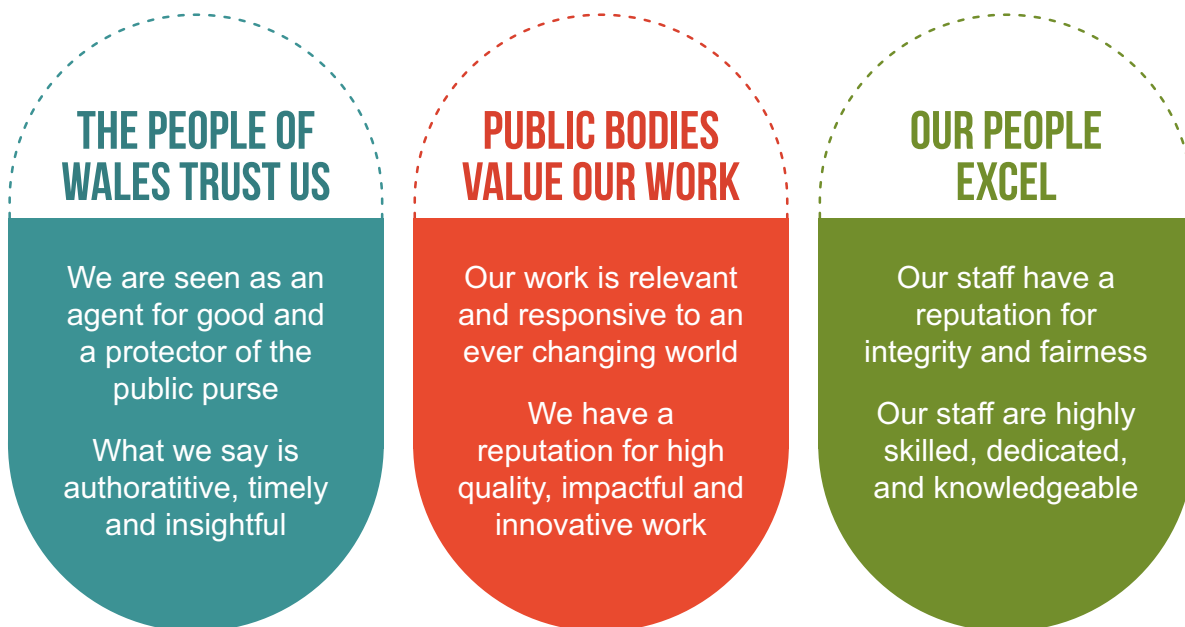
## OUR WORK PROGRAMMES

Audit projects	Good practice work	Our people and finances
Supporting effective scrutiny and accountability	Engagement and joint working activity	Our governance and leadership

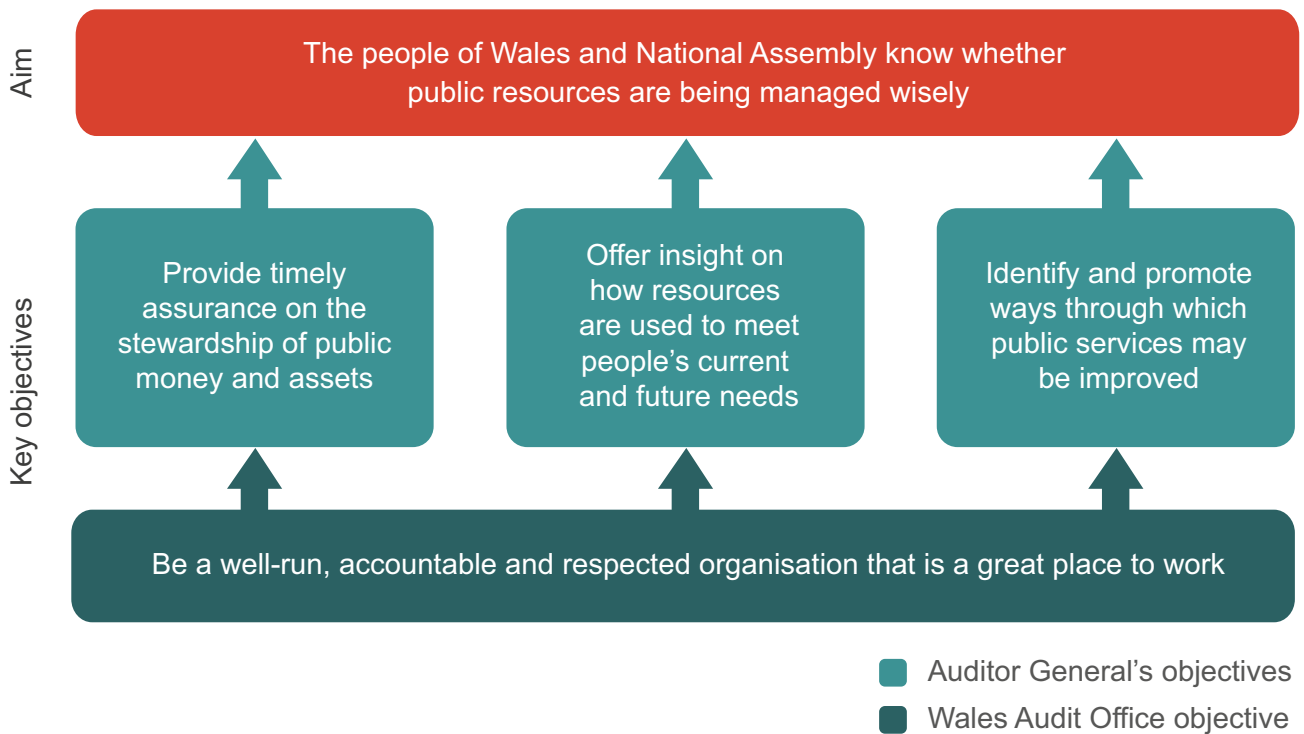
# Overview

During the period 1 April to 30 September 2018, the exercise of the functions of the Auditor General for Wales and the Wales Audit Office has been consistent with the vision and objectives laid out in our Plan

Over the past six months we have ensured that our new vision statement, which captures our ongoing aspirations, serves as a guide for everything that we do.



All of the work that we have undertaken during the interim reporting period has been firmly focused on achieving our overall aim – that the people of Wales and National Assembly know whether public resources are being managed wisely – through delivering our key objectives of providing timely assurance, offering insight, identifying and promoting improvement and being a well-run organisation.



# Performance analysis

## **There has been no need to deviate significantly from the planned work programmes of the Auditor General and Wales Audit Office**

All of our planned work for 2018-19, as laid out in our **Annual Plan** has either been delivered, or is progressing to plan.


The appendices to this report provide detailed information on the programmes of work carried out by the Auditor General and the Wales Audit Office from 1 April to 30 September 2018.


In the Plan, we indicated that the programme of audit work undertaken for consideration by the Public Accounts Committee retains a degree of flexibility to respond to changing circumstances, priorities and risks, and that the plans for certain value-for-money studies were under review. Since publishing our Plan, changes have been made to some studies as the scope of the work has become more clearly defined.



## We have made good progress towards achieving our three-year priorities and key performance indicator targets



As of 30 September 2018, we have made good progress towards achieving the ten three-year priorities set out in our [Annual Plan](#) for 2018-19. Exhibit 1 provides a brief commentary on progress made to date towards achieving each priority.



### Exhibit 1 – Commentary on progress made towards achieving our three-year priorities



Priority	Commentary
<p>Integrate the Auditor General’s duties under the Well-being of Future Generations (Wales) Act 2015 into delivery of our audit work programmes.</p> 	<p>In May 2018 we published <a href="#">Reflecting on Year One</a>, our assessment of how public bodies in Wales have responded to the requirements placed on them by the Act. The report was particularly designed to support organisations during this early transition phase.</p> <p>In partnership with the Future Generations Commissioner’s Office, we also held a well-attended <a href="#">stakeholder conference</a> to share and discuss the findings from the report.</p> <p>As outlined in the appendices to this Interim Report, relevant audit work has subsequently been integrated into our health and local government work plans for 2018, and into our studies programme, to meet the Auditor General’s duties under the Act.</p>

Priority	Commentary
<p>Examine the integrated delivery of public services in Wales from the perspective of people who use the services.</p> 	<p>We place particular emphasis on the importance of understanding the perspectives of service users when considering the effectiveness of service delivery arrangements.</p> <p>During the reporting period we completed our review of local authority services to rural communities, which included carrying out telephone and face-to-face surveys with over 1,500 people living in rural Wales.</p> <p>In addition, as part of our current <b>Social services and well-being study</b>, we are interviewing carers to understand the level of care and support they receive and how well their needs are being addressed.</p> <p>Our ongoing review of <b>Planning services</b> also includes a public survey (which we launched at the Royal Welsh Show) to gather views on how well local planning authorities are supporting the long-term wellbeing of their communities.</p> <p>In July 2018, we published a summary of our local audit findings on <b>Primary Care Out-of-Hours Services</b>. Our work included a survey of patients that had recently contacted out-of-hours services. To further understand how it feels to be a patient using these services, the study team also undertook a ‘mystery shopping’ exercise to assess the effectiveness of information on GP phone lines and websites. The findings from both the patient survey and mystery shopping exercise helped shape our recommendations at both the local and national levels.</p>

Priority	Commentary
<p>Strengthen engagement with our work among Assembly committees and identify ways to further enhance our work on supporting effective scrutiny and accountability.</p> 	<p>In addition to our usual extensive engagement with the Public Accounts Committee, we briefed the Assembly’s Culture, Welsh Language and Communications Committee on the findings of our review of the <b>Welsh Government’s relationship with Pinewood</b>.</p> <p>During the reporting period, we also published a <b>Guide to Welsh Public Finances</b> for those involved in scrutinising public services. Target audiences include elected politicians who sit on scrutiny committees, independent members of public boards and committees, academics, civil society organisations and the media.</p> <p>Further information on how we have supported effective scrutiny and accountability over the last six months is provided in <b>Appendix 3</b> of this report.</p>
<p>Enhance the collective impact of external audit, inspection and review in Wales by making better shared use of intelligence and resources.</p> 	<p>In spring 2018, the first biannual meeting was held between Estyn, Care Inspectorate Wales and the Wales Audit Office, aimed at bringing greater consistency to the approach adopted by <b>Inspection Wales</b> partners to sharing information and intelligence about individual authorities.</p> <p>During the reporting period, meetings have also been held between operational staff of all Inspection Wales partners in the North Wales region. It is planned that, following the North Wales pilot, these meetings will be replicated at all regional clusters, thereby providing an opportunity for colleagues to discuss issues of mutual interest and ensure greater alignment of work plans.</p> <p>Alongside our ongoing programme of joint working with Estyn on local education authority reviews, the Wales Audit Office and Health Care Inspectorate Wales have worked closely together over the last six months on facilitating a series of events for relevant practitioners to share learning about how the hospital discharge service can provide better outcomes for individuals.</p>

Priority	Commentary
<p>Engage with other audit agencies in the UK and internationally, to share and inform best practice and intelligence.</p> 	<p>Over the last six months we have maintained our regular and ongoing engagement with other audit agencies, including through working groups of the <b>Public Audit Forum</b>. We have considered topics such as the exploration of a reciprocal secondment programme, benchmarking of performance and sharing intelligence on key issues such as the General Data Protection Regulation (GDPR) and Brexit.</p> <p>We have also built and maintained links with overseas audit offices, including through our membership of <b>EURORAI</b>, and hosted a study visit from the Auditor General of Malta in September 2018.</p>
<p>Enhance the readability and accessibility of our audit products to maximise their reach and impact.</p> 	<p>In early 2018, an internal task-and-finish project was established to explore ways through which we can transform the way we communicate and increase engagement with our work. In July 2018, the project group made a range of recommendations to management, including for improving the readability of our reports, and gaining a better understanding of the different needs of our audiences. Consideration is currently being given as to how best these recommendations can be implemented.</p> <p>We have also continued to work hard to ensure that our website is accessible to a wide audience and to ensure a better experience for all users. Our website was <b>accessibility accredited</b> by the Digital Accessibility Centre in March 2017, and we have recently procured a further assessment by the Shaw Trust which will be completed by the end of the financial year.</p> <p>In addition, we have carried on making greater use of webinars and podcasts as additional and effective methods of facilitating the sharing of learning and emerging ideas on <b>Good Practice</b> between public service providers.</p>

Priority	Commentary
<p>Utilise emerging technologies to improve how we source, acquire and analyse data and how we present and visualise our findings.</p> 	<p>Through the <b>Estimate</b> process, we secured additional funding in 2018-19 to progress data analytics projects across various areas of the business, including through recruiting dedicated staff, purchasing relevant software licenses and procuring specialist training. In particular, over the reporting period we have developed: a portal for collating NHS data from numerous sources; a financial audit sampling tool; a geospatial mapping app; and an online library enabling staff to share tools, techniques and tips on using analytics in their work.</p> <p>Collaboration is also a key element of our work in this area. In May 2018, members of our data analytics team met with colleagues from the other UK audit agencies to identify how we can better collaborate and share good practice on innovations. We are currently exploring further collaborative options, including with Data Cymru, the Office for National Statistics and the Welsh Government’s Chief Statistician.</p>
<p>Adopt new ways of working to provide an efficient and fit-for-the-future audit service as our operating environment changes.</p> 	<p>We continue to explore new and more innovative ways of undertaking and presenting the findings of our audit work. Over the interim reporting period, this has included piloting the approach we will take to deliver the Auditor General’s duties under the Well-being of Future Generations (Wales) Act, and making greater use of ‘facts only reporting’ such as our report on the <b>Welsh Government’s Relationship with Pinewood</b>.</p> <p>We have also recently launched our latest task-and-finish project looking at challenging some of our more ‘traditional’ ways of working. Areas of investigation for this project include: striking the right balance between the flexible working needs of individual staff and the demands of the overall business; considering whether our current premises are configured in the most effective way; and exploring what kind of offices we are likely to need in the future.</p>

Priority	Commentary
<p>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.</p> 	<p>We launched our <b>People Strategy</b> in April 2018, setting out our four priorities for the period 2018 to 2021 to help ensure that the Wales Audit Office is a great place to work. The priorities in the Strategy were informed by the areas of improvement highlighted in our 2017 staff survey (as reported in our <b>Annual Report and Accounts for 2017-18</b>) and the analysis of employment information published in our <b>2016-17 Equality Report</b>. Over the reporting period we have commenced and carried out work on a number of the projects that will contribute to delivering the overall Strategy.</p> <p>Several of the projects underpinning our People Strategy are also aligned with and will serve to assist us in achieving the equality objectives laid out in our new <b>Strategic Equality Plan</b>.</p>
<p>Improve our management of knowledge and data, including through effectively responding to the introduction of the General Data Protection Regulation.</p> 	<p>We have now completed the key stages of our General Data Protection Regulation (GDPR) implementation programme, including developing a guide for staff on data protection law and delivering a comprehensive training programme to all staff.</p> <p>We have also published a <b>Privacy Notice</b> on our website outlining what to expect when the Wales Audit Office collects personal information and explaining how we protect the privacy of individuals.</p> <p>In May 2018, we wrote to all audited bodies about fair processing and the secure transfer of information. In the letter we outlined that the Auditor General's access rights are not affected by GDPR, and requested that fair processing notices issued by those bodies to employees, contractors and service users include reference to the collecting and sharing of data with the Auditor General in connection with his audit work.</p>

In 2018-19 we reviewed and revised our framework of key performance indicators when preparing the **Annual Plan** to more clearly align our measures with our strategic objectives. We use a combination of quantitative and qualitative methods to measure, report and reflect on our performance and risks.



The overall position as of 30 September 2018 in terms of achieving our 27 key performance indicator targets is summarised in **Exhibit 2**.

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 2017 to 30 September 2018.

Exhibit 2 – Position as of 30 September 2018 in terms of achieving our key performance indicator targets

## DELIVERY AND IMPACT

	98% our recommendations were fully accepted for implementation	
	£0 potential savings identified through our work	
	89% of stakeholders perceived that we are delivering the Auditor General's objectives	
	89% of key audit products were delivered on time	
	1,326 people attended our shared learning seminars and webinars	
	98% of attendees at our good practice exchange events rated them useful	
	32% of website visits resulted in an action e.g. download of a report	
	10,338 website visits where at least one action was performed	
	Klout score reflecting our social media reach *	
	1 instance where a response to a concern raised about public spending was not issued within 30 days	
	19 National reports published	

\*The Klout score measure has been discontinued. We are currently seeking an alternative to provide a meaningful insight on our levels of engagement across all social media platforms.
















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

## LEADERSHIP AND CULTURE

	70% of staff felt a strong emotional connection and commitment to the organisation	
	83% of staff felt positive about our organisational objectives and purpose	
	52% of staff felt positive about our leadership and change management	
	77% of staff felt positive about our organisational culture	
	74% of staff felt positive about the effectiveness of their manager	
	82% of staff felt they were treated fairly and inclusively	
	61% of staff felt positive about our learning and development arrangements	
	81% of staff felt positive about the resources available to them and their workload.	

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

## MANAGING THE BUSINESS

	7.9 days were lost per member of staff per annum	
	1.5% variance in gross expenditure that was set out in our 2018-19 Estimate	
	Proportion of suppliers paid within 10 working days*	
	£0.25m of cost savings and efficiencies identified throughout the business	
	£3,340 estate costs per full-time equivalent member of staff	
	0 complaints were received and upheld regarding our Welsh language provision	
	Level 4 Accredited to Level 4 of the Green Dragon Environmental Standard	
	402 tonnes of CO <sub>2</sub> equivalent emissions produced	

\*We are currently unable to report against this KPI due to transition over to a new finance system.

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

# 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 audit of accounts, certification of grant claims and returns, improvement audits and assessments, local government studies and wellbeing of future generations audit work.

<p>Audit of accounts</p>	<p>Improvement audits and assessments</p>
<p>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</p>	<p>22 unitary authorities 3 fire and rescue authorities 3 national park authorities</p>
<p>Studies completed or substantially completed</p>	<p>Well-being of future generations audit work</p>
<p>Strategic Commissioning of Accommodation Services for Adults with Learning disabilities Services to rural communities Use of data</p>	<p>22 unitary authorities 3 fire and rescue authorities 3 national park authorities Reflecting on Year One – How have public bodies responded to the Well-being of Future Generations (Wales) Act 2015</p>
<p>Certification of grant claims and returns</p>	<p>Ongoing studies</p>
<p>Up to 22 schemes worth approaching £3 billion and involving around 175 individual claims</p>	<p>Tackling violence against women, domestic abuse and sexual violence Planning Services Social Services and Well-being (Wales) Act 2014 Cross-cutting review of the Integrated Care Fund Town and community councils' internal audit arrangements</p>

## 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 Services Department. The Auditor General audits the annual accounts of each NHS body, and reports 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

### Ongoing studies

Primary care  
Integrated care fund  
Clinical coding  
Orthopaedics

### 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, and instead only provides an annual opinion on their accounts and, for listed bodies, undertakes wellbeing of future generations audit work. Performance audit work, conducted within this sector currently sits within the Auditor General's 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 potentially 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 throughout 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 performance of audit work where there are issues or learning of wider relevance.

In addition to the reports described in this section, in June 2018 the Auditor General provided the Public Accounts Committee with an update letter on NHS finances to support the Committee's scrutiny of the Welsh Government and NHS bodies. During July, Huw Vaughan Thomas provided his valedictory reflections and observations to the Committee; giving his personal perspective on the challenges, risks and opportunities facing all those who strive to improve the governance, scrutiny and delivery of public services in Wales.

Value-for-money studies, summary reports or reactive examinations completed

Picture of Primary Care

Speak my language: Overcoming language and communication barriers in public services

Reflecting on year one - How have public bodies responded to the Well-being of Future Generations (Wales ) Act 2015

The Welsh Government's relationship with Pinewood

Primary Care Out-of-Hours Services

Guide to Welsh Public Finances

Timber Sales Contracts awarded by Natural Resources Wales (memorandum)

Managing the impact of Brexit on EU Structural Funds

Summary reports in progress

Radiology

Outpatients appointments (follow up)

National Fraud Initiative 2016-17

Ongoing value-for-money studies and reactive examinations

Waste management (procurement of waste treatment infrastructure)

Waste management (waste prevention)

Waste management (municipal recycling)

The My Travel Pass scheme

Business finance

The 2014-2020 Rural Development Programme

NHS agency costs

Fiscal devolution in Wales (follow-up report for consideration by the Finance Committee)

Improving the well-being of young people

The cross-cutting review of the Integrate Care Fund

Primary care services

A465 (Section 2) road improvement

Preparedness for exiting the European Union

## Appendix 2 – Good practice work

### Good Practice Exchange

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 experiences of global experts to these conversations.

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

#### Shared learning seminars delivered

Using digital to improve the lives of individuals  
Partnership working between voluntary bodies and public sector bodies  
Alternative delivery models

#### Shared learning webinars delivered

Sustainable procurement  
Moving from outputs to outcomes  
Adverse childhood experiences

#### Good practice guides delivered

Grants management

External facilitation of shared learning and community support

Futures Generations Commissioner  
Good Practice Wales  
Public Health Wales (ACE's Hub)  
Regional Centres of Expertise, Bangor University  
Measuring the Mountain  
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 continues to play 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. During the interim reporting period the outputs from our work supported 13 meetings of the Committee, including evidence sessions on NHS informatics, the 21st century schools and education programme, housing adaptations, NHS finances and Natural Resources Wales, as well as ongoing work on topics including the Supporting People Programme and the Circuit of Wales project.

Our work can also 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. During the last six months this has included our report on the [Welsh Government's relationship with Pinewood](#) being used by the Assembly's Culture, Welsh Language and Communications Committee to support their inquiry into Film and TV production in Wales. Our study team briefed the committee members on our audit findings, and then supported two oral evidence sessions with Welsh Ministers.

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

Throughout the interim reporting period we have continued to attend most meetings of the audit committees of the principle bodies that we audit, providing regular briefings and reports on our work. This has included presenting the findings of our 2017 NHS Structured Assessment work on financial savings at a meeting of the Chairs of audit committees of NHS Wales and presenting on the role and work of the Auditor General to the newly-formed Board of Health Education and Improvement Wales.

## 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. During the interim reporting period, we received 37 such pieces of correspondence, and took steps to ensure that we responded to such concerns promptly and in a fair, proportionate and professional manner.

In addition, 9 individuals contacted us between 1 April 2018 and 30 September 2018 indicating that they wished to make a whistleblowing disclosure.

## Appendix 4 – Engagement and joint working activity

Over the reporting period, the Auditor General and the Wales Audit Office have continued to exercise their commitment to effective stakeholder engagement to inform the development, maximise the relevance, and extend the reach and impact of the Auditor General's work.

We have also worked closely with 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 able to make arrangements with certain types of bodies for it or the Auditor General to provide services to, or 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 should 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
- 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 Establishment Programme Board
- National Procurement Service and Value Wales - Review Oversight Board
- NHS Bridgend Change Transition Board
- NHS Wales Informatics Review Governance Group

### 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
- Working with the NAO and Commonwealth Parliamentary Association on providing support to the Auditor General's office in Montserrat on introducing a new financial audit process.

# Appendix 5 – Our governance and leadership

During the first half of 2018-19, we made good progress on delivering the priorities for the Wales Audit Office's programme of work in terms of its governance and leadership. In particular, we:

- Put arrangements in place that ensured an effective handover of the office of Auditor General for Wales and Chief Executive Officer of the Wales Audit Office to Adrian Crompton, following the retirement of Huw Vaughan Thomas.
- Continued to 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.
- Monitored the delivery of key organisational transformation projects, exploring whether changes can be made to:
  - the way we traditionally undertake our work;
  - the way we utilise emerging technologies;
  - the way we handle and manage data; and
  - the way we communicate the findings of our work.
- Launched a new **Strategic Equality Plan** and made arrangements to ensure that good progress is made in the first year of the Plan towards achieving our revised equality objectives.

In the second half of the year, we will be turning our focus more fully to the remaining priority set out in our Plan: examining how we can maximise our contribution to achieving the seven Welsh well-being goals.

## Appendix 6 – Our people and finances

Over the first six months of 2018-19, we made good progress on delivering the priorities for our work in terms of our people and finances.

### Our people

- We launched our **People Strategy** in April 2018 and have since developed a three-year work programme to ensure effective and efficient delivery of the Strategy. Good progress has been made to date under each of the Strategy priority areas, with ongoing oversight from three staff delivery groups chaired by members of the Senior Leadership Team and with specific interests in organisational culture, people development, and equality and diversity.
- The content of the People Strategy delivery plan was also heavily informed by the areas of improvement highlighted in our 2017 staff survey (as reported in our **Annual Report and Accounts for 2017-18**), the learning from the all-staff ‘unconference’ held in February 2018, and the analysis of employment information published in our **2016-17 Equality Report**.
- Scoping work is currently underway for a project aimed at challenging and transforming the way we traditionally undertake our work, including through inviting staff to offer their views and ideas around flexible working, work locations, digital working and supporting systems. The project group is scheduled to be making its recommendations to the Board in spring 2019.
- During October 2018, we are also running our 2018 staff survey focused on further improving our understanding of the employee experience at the Wales Audit Office and identifying areas where we need to improve. We are again using the same core survey questionnaire that is being used in the 2018 Civil Service People Survey, to enable effective benchmarking of our results.

## Our finances

- Our financial position to the end of September 2018 was broadly in line with our planning assumptions for the period. Our forecasts confirm we are on track to ensure compliance with our **Assembly-approved budget ambits**, to deliver our annual efficiency savings target of £250,000 in 2018-19, and to achieve our outturn-on-budget performance indicator target for the financial year.
- As outlined in our Estimate for the year, areas of particular financial focus for the reporting period have been:
  - improving our use of data analytics, including the use of computer coding to automate aspects of our data analysis, and the use of data visualisation software to present the outputs from our work in more insightful ways to achieve greater impact and understanding;
  - preparing for the introduction of earlier closure of Welsh local government accounts;
  - developing, designing and launching a new public sector accounting apprenticeship scheme for Wales;
  - facilitating the biennial running of the National Fraud Initiative in Wales;
  - supporting a range of capital investment projects linked to our IT strategy, including a rolling programme of PC/IT equipment renewal to ensure business continuity and that equipment remains reliable and up-to-date, video conferencing infrastructure renewal and refreshing the data network infrastructure associated with our offices.
- In addition, we successfully introduced a new finance IT system on 1 April 2018 and, during the first half of the year, focused on embedding the new system and making the necessary revisions to our supporting processes. The improved functionality of the new system has also enabled us to respond robustly and effectively to internal audit recommendations to strengthen our purchase order processes.

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