



Annual Plan 2021-22

Including additional information on
our longer-term ambitions and key
performance indicators

This Annual Plan covers the period from 1 April 2021 to 31 March 2022 and includes additional information on our longer-term ambitions and key performance indicators. It has been jointly prepared, and is laid before the Senedd, 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 Senedd has made provision for its Finance Committee to be responsible for considering and reporting to the Senedd on this Annual Plan.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions. Audit Wales is not a legal entity. Consequently, in this Plan, we make specific reference to the Auditor General or Wales Audit Office in sections where legal precision is needed.

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.

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.
Ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome correspondence and telephone calls in Welsh and English.
Corresponding in Welsh will not lead to delay.

[Mae'r ddogfen hon hefyd ar gael yn Gymraeg.](#)
[This document is also available in Welsh.](#)




Contents

Summary of our plan	4
Foreword	6
Who we are and what we do	8
Our ambitions	11
Our operating environment	12
Our work programmes	18
Audit delivery	19
Running the business	23
Measuring and reporting on our performance	26
Appendices	
1 Local audit work	30
2 National value for money examinations and studies	31
3 Supporting effective scrutiny and accountability	33
4 Good practice work	35
5 Our finances	36





Summary of our plan

On behalf of the people of Wales, we examine public spending and identify ways to improve public services. Our work supports the effective scrutiny of public money by the Senedd and locally elected representatives. We are entirely independent of government.

What do we do?

Assure	Explain	Inspire
		
the people of Wales that public money is well managed	how public money is being used to meet people's needs	and empower the Welsh public sector to improve

What are our ambitions?

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

How do we plan to achieve our ambitions?



Through our delivery of audits			When running the business
Maximise the power of our unique insight through more integrated team working and knowledge sharing.	Bring trusted commentary and evidence to the fore on the right issues at the right time.	Have an overtly outward focus and engage in a way that resonates with a wide range of audiences.	Since we form audit judgements on others, make sure we consistently practise what we preach.
Search proactively for synergies and trends within the information that we hold.	Ensure we clearly lay out the facts and concisely explain why we have arrived at a particular conclusion or interpretation.	Influence the thinking and behaviour of others and shape the wider public debate.	Provide clear, consistent and authentic leadership and increase the pace of our decision making.
Focus on what matters most and will make the biggest difference to the public and public bodies.	Be alert and responsive to new opportunities to share audit knowledge and insight where it can add value.	Seek and be receptive to ideas and lines of thought from outside Wales and outside the public sector.	Empower people throughout the organisation to come up with new ideas and effect positive change.



Foreword

Rydym yn falch o gyflwyno ein Cynllun Blynyddol ar gyfer 2021-22

We are pleased to present our Annual Plan for 2021-22

As the public sector in Wales continues to grapple with the impact of COVID-19, this document outlines our priorities for the next 12 months, both in terms of our audit work and our running of the business.

Audit plays a vital role in providing the public, politicians, decision-makers and influencers with the information and assurance they need about how well public money is being spent. This is even more important in these extraordinary times as we see huge pressures on public services, high levels of risk and uncertainty, and substantial increases in public expenditure. Our audit work programme will reflect this.

From our engagement throughout the last year, we have seen how public sector bodies have risen to the challenge of the pandemic. Colleagues across the public service have gone above and beyond their normal duties to keep services going and to keep the people of Wales safe. On behalf of Audit Wales, we would like to record our continued thanks and admiration for this incredible effort and commitment.

Our own resources have also been stretched as staff have worked entirely remotely while juggling the impact of the pandemic and the demands of caring, home-schooling, and other responsibilities. We are indebted to all Audit Wales staff for their professionalism, hard work and commitment to public service through these challenging times. Our maxim 'self, family, work ... in that order' will continue to shape our organisational response over the next 12-month period.

Though the roll-out of the vaccination programme gives us hope of some light at the end of the tunnel, we are conscious that current pressures are extreme and frontline services must be prioritised. The approach of Audit Wales in 2021-22 remains, therefore, to deliver our statutory responsibilities in ways which are sensitive to the pressures that services are under. We will keep a degree of flexibility within our 2021-22 programmes of work to enable this and to allow us to respond to emerging developments.

We will keep our delivery approaches and methodologies under review. In shaping a new way of working for the future, we will build on the adaptations outlined in our recent [Interim Report](#), so as to capture and keep some of the positive changes we have seen during the pandemic.



Adrian Crompton

Auditor General for Wales



Lindsay Foyster

Chair, Wales Audit Office



Who we are and what we do

- 1 The Auditor General for Wales is the statutory external auditor of most of the Welsh public sector. The Auditor General is responsible for the audit of most of the public money spent in Wales, including the funds that are voted annually by the Senedd. Significant elements of this funding are passed by the Welsh Government to the NHS and local government in Wales.
- 2 The Wales Audit Office has functions of providing resources, such as staff, for the exercise of the Auditor General's functions, and of monitoring and advising the Auditor General.
- 3 The Auditor General's functions include auditing accounts and undertaking local performance audit work at a broad range of public bodies, alongside conducting a programme of national value for money examinations and studies. These functions may be exercised in combination if necessary, across different types of bodies, to examine public spending irrespective of who delivers the services.
- 4 Together, as Audit Wales, we audit around £21 billion of income and expenditure, which is over a quarter of Welsh GDP. Increasingly, we are considering the stewardship of human and natural resources alongside our consideration of financial resources and the way in which public bodies account for their use.
- 5 We also identify good practice from across the full breadth of our audit work and disseminate this through a range of media, including blogs, podcasts and shared learning seminars and webinars.

What do we do?



Assure
the people of
Wales that public
money is well
managed



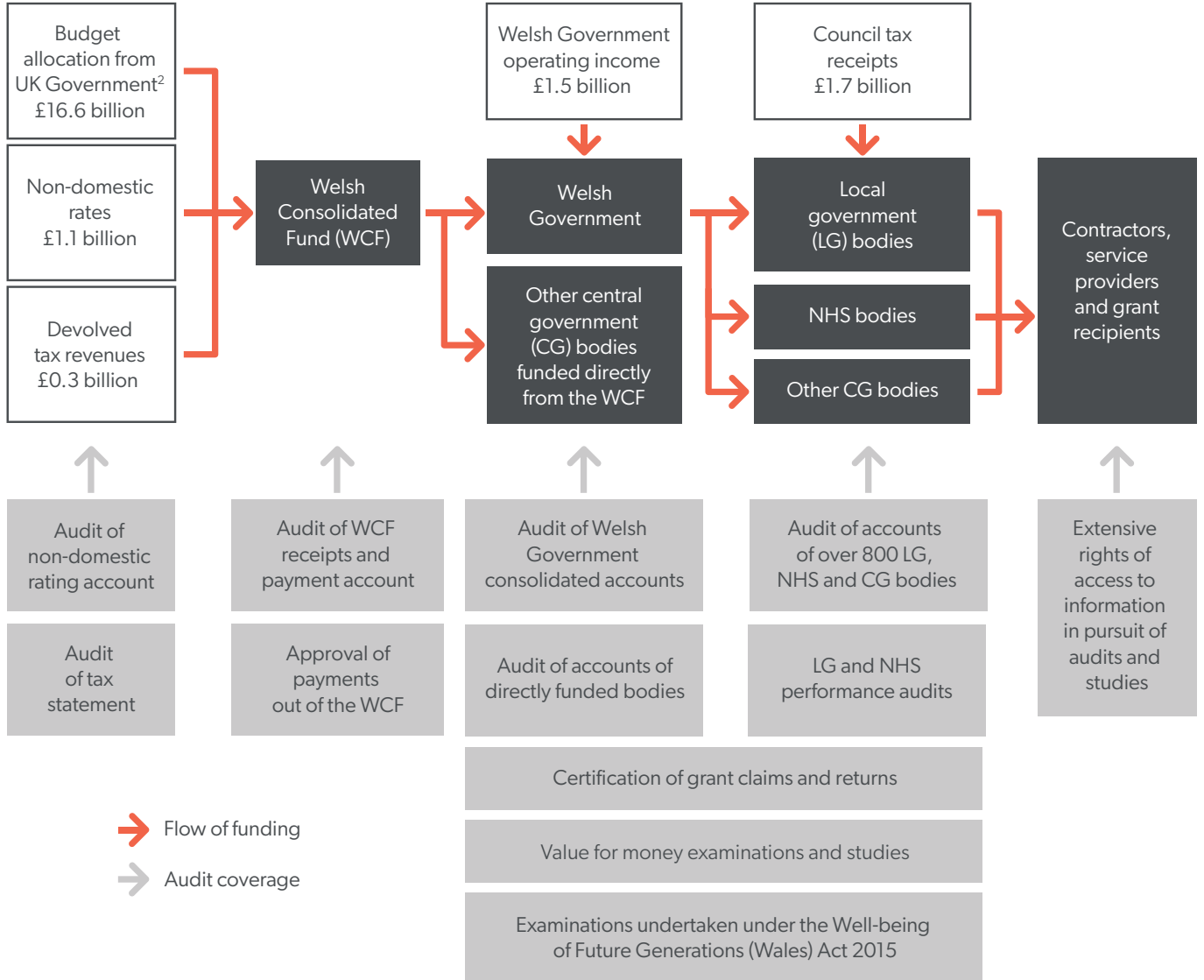
Explain
how public
money is being
used to meet
people's needs



Inspire
and empower
the Welsh
public sector to
improve

- 6 We undertake our work in accordance with [the Auditor General's Code of Audit Practice](#). The Code prescribes the way in which audit and certain other functions are to be carried out and embodies what the Auditor General considers to be best professional practice.
- 7 We also work closely with other UK audit agencies and with the other main external review bodies in Wales to enhance the collective impact of our work.

How we follow the public pound in Wales¹



1 Funding sources highlighted in exhibit do not include income generation activities at individual public bodies.

2 Includes receipts from the Wales Office, HMRC Distribution from the National Insurance Fund in respect of Social Security, and the Welsh Rate of Income Tax.

Our ambitions

8 As first set out in [our 2019-20 Annual Plan](#), we have identified four broad ambitions and, for each ambition, three strategic objectives. Collectively, they describe the path we are taking towards reaching our full potential as a driver of change and improvement at the heart of public services and democratic accountability.



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.

Our operating environment

- 9 We consider the following to be the main factors that will influence the way we fulfil our ambitions, achieve our strategic objectives, and deliver our programmes of work over the next few years.

Impacts of the COVID-19 pandemic

- 10 Public bodies in Wales have faced, and continue to face, unprecedented challenges and pressures during the COVID-19 pandemic. Throughout the crisis, they have had to balance several different, yet important, needs – the need to ensure sufficient capacity to deliver essential services; the need to maintain essential services safely; the need to safeguard the health and wellbeing of their staff; and, the need to maintain good governance. To respond to these needs effectively, public bodies have been required to plan differently, operate differently, manage their resources differently, and govern differently.
- 11 The coronavirus (COVID-19) is also dramatically affecting public finances and levels of spending. In the UK, huge amounts of funding have been allocated to public services in 2020-21 and 2021-22 to fund the COVID-19 response. According to [research undertaken by Wales Fiscal Analysis](#), the Welsh Government has almost £2 billion of day-to-day spending to fund its COVID-19 fiscal response in 2021-22, the impact of which will be a key focus of our audit work for the foreseeable future.
- 12 At the local level, the partial close-down of the economy due to the COVID-19 pandemic has caused an economic shock for businesses and households. At the end of January 2021, 178,000 employments were furloughed in Wales, equivalent to 12% of the workforce. As hours of work reduced and some workers were made redundant, many households have had to rely on means-tested benefits for the first time. In the eight months to November 2020 [claims for Universal Credit](#) that are in payment in Wales increased by just over 50%.

- 13 The closure of schools to most children between March and July 2020, and the associated switch to remote learning, was also unprecedented. It raised concerns about the potential effect on children's education and wellbeing, and many observers believed that vulnerable and disadvantaged children, in particular, would be adversely affected.
- 14 Throughout 2021-22, we will continue to reshape our value for money study programmes, nationally and at individual audited bodies, to recognise and support the public sector's response to, and recovery from, the pandemic.

Implications of Brexit

- 15 The transition period that allowed the UK to continue to operate as if it were an EU Member State ended on 31 December 2020 and a deal between the EU and UK has now been agreed. The Auditor General wrote to the Senedd External Affairs and Additional Legislation Committee in November 2020, setting out the key considerations for public services as the transition period came to an end and which the Welsh Government was seeking to address through its End of Transition Plan.
- 16 The Welsh Government has since published a document which examines the implications of the new relationship with the EU for individuals, communities, and businesses in Wales.
- 17 One of the key implications of Brexit for public bodies in Wales is that freedom of movement between the UK and EU ended on 31 December 2020. The UK has implemented a points-based immigration system that treats EU and non-EU citizens equally. Employers now need a sponsor licence to hire most eligible employees from outside the UK. The system provides flexible arrangements for UK employers to recruit skilled workers from around the world through several different immigration routes. This represents a significant change for employers, including public sector bodies, recruiting from outside the UK.
- 18 Doing business with Europe has also changed. The UK has left the Single Market and Customs Union and new rules now apply. Since 1 January 2021, controls have been placed on the movement of goods between Great Britain and the EU.
- 19 At this stage, it remains difficult to fully assess the longer-term implications of Brexit for Welsh public service delivery. We are committed to an ongoing programme of audit commentary on this complex and dynamic process as it continues to evolve.

Climate emergency

- 20 A landmark report by the United Nations Intergovernmental Panel on Climate Change, published in 2018, warned that we had less than 12 years to avoid climate breakdown. In its Report, the Panel stated that urgent and unprecedented changes are needed to avoid catastrophic warming.
- 21 In 2019, the Welsh Government declared a climate emergency in Wales and in February 2021 it committed to achieving net zero greenhouse gas emissions by 2050. As an interim target, the Welsh Government plans to reduce emissions by 63% by 2030. This early action is seen as vital by the independent Climate Change Committee³ (CCC) to support the required increase in global ambition, especially ahead of the UK hosting the next UN climate talks (COP26)⁴ in Glasgow in November.
- 22 To support the delivery of the targets, the Welsh Government is currently engaging with stakeholders to develop a revised low carbon delivery plan. The Welsh Government has also stated its intention for all Welsh public bodies to be carbon neutral by 2030, which local authorities have collectively signed up to through the Welsh Local Government Association. The majority of councils in Wales have now declared a climate emergency and are developing carbon action plans or have them in place. We anticipate Welsh Government guidance shortly on public sector priority areas and reporting.
- 23 We are closely monitoring developments and are planning an ongoing programme of audit commentary on public sector action to address climate change. This will include starting work on a data tool and baseline review of action across the public sector during 2021-22.

3 An independent, statutory body established to advise the UK and devolved governments on emissions targets and to report to Parliament on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change.

4 26th United Nations' Climate Change Conference of the Parties.

Embedding the sustainable development principle

- 24 [The Well-being of Future Generations \(Wales\) Act 2015](#) sets out a bold ambition for the future of public services and encourages a broad-ranging shift in both culture and practice. Under the Act, listed public bodies have a duty to put sustainable development (meeting the needs of the present, without compromising the ability of future generations to meet their own needs) at the heart of what they do. They must work to improve the economic, social, environmental, and cultural wellbeing of Wales by setting and publishing wellbeing objectives and taking action to make sure they meet those objectives.
- 25 In doing so, those bodies must take account of the importance of the ‘five ways of working’: balancing short-term and long-term needs; taking a more integrated and holistic approach; involving other persons that reflect the diversity of the population; acting in collaboration; and taking a proactive and preventative approach to problem solving.
- 26 The Auditor General must examine the extent to which the listed public bodies have acted in accordance with the sustainable development principle when setting wellbeing objectives, and when taking steps to meet those objectives⁵. In May 2020, we published a [national report summarising the common themes and trends](#) identified through this work up to that point. Overall, we found that while public bodies can demonstrate that they are applying the sustainable development principle, it is clear that they must improve how they apply each of the five ways of working if they are going to affect genuine and positive cultural change.
- 27 In late 2020, we then ran a [public consultation](#) inviting views on our proposals for carrying out our work in this area over the second reporting period, 2020 to 2025. We propose to:
- continue to undertake specific examinations to assess the setting of wellbeing objectives and the steps being taken to meet them;
 - integrate this work with our value for money examinations and studies and local audit work, wherever possible; and
 - strengthen and expand the co-ordination of our work with that of the Future Generations Commissioner.

5 Our reports on the steps individual bodies are taking to meet their wellbeing objectives are available via the publications section of our website.

- 28 Subsequently, the Senedd Public Accounts Committee has published the results of an inquiry into barriers to the successful implementation of the Act. One of the main conclusions drawn by the Committee is that Welsh public bodies have not yet done enough to change the culture of their own organisations to align with the principles of the Act.
- 29 Within the body of the Report, the Committee also stated ‘We appreciate that carrying out examinations under this Act is a new role for public sector auditors. However, as the public sector looks to rebuild from COVID-19, we urge the Auditor General to raise his expectations of public bodies. Their collective progress to date has been too slow. We cannot afford for that to continue.’

Socio-economic challenges

- 30 Recent research by the Joseph Rowntree Foundation highlights that, despite tackling poverty being a Welsh Government priority, the overall proportion of people in poverty in Wales has hardly changed in the last decade and is predicted to increase sharply when the full impact of the pandemic is felt. Overall, it is estimated that one in four people in Wales currently live in poverty.
- 31 The Welsh Government’s national strategy, Prosperity for All, focuses on the promotion of economic prosperity in order to help tackle the root causes of poverty in Wales. Many of the actions proposed in the strategy require public bodies and other organisations to work in a much more collaborative and integrated way when designing and implementing solutions for the future.
- 32 Recent legislation, such as the Housing (Wales) Act 2014 and the Violence Against Women Domestic Abuse and Sexual Exploitation Act 2015, recognise the importance of public bodies working together to address complex needs. However, our most recent report on rough sleeping in Wales, Everyone’s Problem; No One’s Responsibility, highlights that despite legislation and prioritised funding, tackling complex needs remains stubbornly difficult. Public money continues to be wasted because responses remain siloed and there remains much more work to do.
- 33 In addition, in its 2018 report Is Wales Fairer? the Equality and Human Rights Commission concluded that race inequality and challenges to women’s safety and career progression persist in Wales, disabled people are falling further behind, and deepening poverty is leading to starker inequalities in the experiences and opportunities of people born into different socio-economic backgrounds. In March 2021, the Welsh Government placed a legal duty on listed public bodies to consider the need to reduce the inequalities that result from socio-economic disadvantage when taking strategic decisions.

- 34 We will continue to prioritise audit work that considers how public bodies are responding to socio-economic challenges to help drive further improvement in this area.

An increasingly networked society

- 35 Advances in technology continue to drive increased digitisation of services, public access to data, and opportunities to interact and engage through social media and other forms of digital communication. The Welsh Government has recently published its [Digital Strategy for Wales](#), which focuses on digital connectivity, inclusion, services, economy and skills, and on data and collaboration.
- 36 Other important developments have seen the creation of the [Centre for Digital Public Services](#), with a remit to support improvement by bringing together public servants and digital transformation experts, and the appointment of new Chief Digital Officers in the Welsh Government and Welsh Local Government Association. There are also plans for a new Chief Digital Officer role for the NHS in Wales.
- 37 Wales has specific topography and population density characteristics which pose challenges when providing mobile coverage and digital infrastructure. In December 2020, the National Infrastructure Commission for Wales published the results of its [Review of digital communications infrastructure in Wales](#). Overall, except for the Superfast Cymru programme, the Commission concluded that Welsh digital communications policy has fallen behind both England and Scotland since 2017. The Commission reported that the Welsh Government needs to become more assertive and act with greater speed if these trends are to be reversed and made a suite of related recommendations aimed at closing the gap.
- 38 Building on the findings from the Commission, we are planning to take forward some audit work looking at the broadband infrastructure in Wales. This year will see our first audit of the newly formed special health authority, Digital Health and Care Wales, and we will also be considering the next steps for enhancing the impacts of [our recent work on Cyber Resilience](#), and the [In-sourcing of the Welsh Government's ICT service](#). The recent appointment of a new Executive Director of Communications and Change at Audit Wales adds further momentum to our digital change programme.



Our work programmes

- 39 Our planned work for 2021-22 can be broadly divided into two sections – audit delivery and running the business.
- 40 The first section on audit delivery comprises the Auditor General's work programme and priorities for 2021-22 in exercising his functions. The second section on running the business encapsulates the work programme and priorities for 2021-22 of the Wales Audit Office in exercising its functions.
- 41 For each section, some areas of focus for additional work have been identified which will support us in the delivery of our ambitions and strategic objectives over the coming year. Progress made towards delivery of our strategic objectives, including in each of these focus areas, will be led by our Executive Leadership Team and closely monitored by our Board.
- 42 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 ending 31 March 2022, are to be used in delivering these work programmes.

Audit Delivery

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 **£1.5 billion**



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



Supporting effective scrutiny including the work of the Senedd Committees



Sharing the **good practice** we see across Wales's public services



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



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

For further information see:

Appendix 1 – Local audit work

Appendix 2 – National value for money examinations and studies

Appendix 3 – Supporting effective scrutiny and accountability

Appendix 4 – Good practice work

- 43 Alongside legal and professional requirements, four widely recognised principles underpin our audit delivery:



- 44 The audit work that we do at individual public bodies involves:
- providing an opinion on the accounts;
 - considering how 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 and continuous improvement; and
 - assessing the extent to which public bodies have acted in accordance with the sustainable development principle when setting and taking steps to meet their wellbeing objectives.

-
- 45 We are committed to working closely with the other UK audit agencies through the [Public Audit Forum](#), and with our colleagues at the other main external review bodies in Wales, to enhance the efficiency and effectiveness of public audit and the collective impact of our work. We are proud to represent Wales on occasion on the international audit stage, including at EURORAI⁶.
- 46 We can also arrange with certain types of bodies, both in the UK and overseas, to undertake commissioned work⁷. This includes auditing around £110 million of funds used to support farmers and agriculture across Wales⁸ and acting as Chief Auditor to, and auditing the accounts of, the Government of Anguilla.
- 47 In response to our operating environment and to help us in delivering our strategic objectives, we have identified nine areas of focus for our audit delivery in 2021-22.

6 The [European Organisation of Regional External Public Finance Audit Institutions](#) (EURORAI) is a co-operation project among public sector audit institutions across Europe.

7 Where we provide services to, or exercise the functions of, those bodies. 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.

8 On behalf of the Comptroller and Auditor General.

Areas of focus for audit delivery

Deliver a programme of relevant and timely audit work that recognises and is sympathetic to the pressures faced by public bodies in their ongoing response to, and recovery from, the coronavirus pandemic.

Place particular emphasis on the importance of sound financial management and good governance across the public sector, in light of the increased risks associated with public expenditure during the pandemic.

Develop a streamlined approach for examining how public bodies have acted in accordance with the sustainable development principle when setting their wellbeing objectives and when taking steps to meet those objectives.

Ensure that the development of our audit approach keeps pace with changes in best professional practice, fully exploits advances in technology and delivers high quality audits that meet the needs of our stakeholders.

Refine all aspects of the way we collect, analyse and present data, including through sourcing larger quantities on a more regular basis, greater use of automation, and improved methods of visualisation and storytelling.

Improve how we communicate our audit work to achieve greater impact, including through expanding the range and reach of the channels we use, and the skills with which we equip our staff.

Proactively engage with the Senedd following the May elections and refresh our relationship with members of the new Public Accounts Committee and other committees to raise awareness of, and seek their views on, our work programmes.

Build on lessons from our COVID Learning Project to enhance the way that we share good practice, mainstreaming new approaches to capture learning on an ongoing basis and strengthen support for audit delivery.

Develop a more diverse and effective range of mechanisms for capturing the views of our stakeholders on the value and impact of our work.

Running the business

Core work



Setting the overall budget of **£22 million** and charging fees for audit work



Employing around **275 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

For further information see:
Appendix 5 – Our Finances

- 48 Our Board is responsible for setting and overseeing the strategic direction of the organisation and ensuring we are on track in the delivery of our ambitions. The Board membership includes non-executive and executive members, alongside two employee-elected members who provide an extra dimension of insight and experience.
- 49 The Executive Leadership Team, which is chaired by the Auditor General, advises him in his capacity as Auditor General, Chief Executive and Accounting Officer. The membership and terms of reference of the Executive Leadership Team will be updated this year following a senior team restructure and the recent appointment of three new Executive Directors.
- 50 More detailed information on our governance arrangements can be found in the Governance Statement section of [our Annual Report and Accounts](#).

Inter-dependencies between our Annual Plan and other key internal plans and strategies for running the business



51 In response to our operating environment and to help us deliver our strategic objectives, we have identified six areas of focus for our running of the business in 2021-22.

Areas of focus for running the business

Prioritise ongoing support of the health and wellbeing of Audit Wales staff as we move from a 'response' to a 'recovery' approach with regards to the COVID-19 pandemic.

Undertake a review of the equality objectives set out in our Strategic Equality Plan to ensure they remain fit for purpose and fully align with our overall organisational ambitions.

Realise the benefits of a strengthened senior leadership by developing enhanced working relationships between the Board and the newly constituted Executive Leadership Team.

Finalise our work on developing proposals for meeting our future accommodation needs, to enable a Board decision in 2022-23.

Embed the sustainable development principle to a greater extent in all our decision-making processes, including when:

- undertaking a review of our staff travel and subsistence arrangements;
- experimenting with and evaluating new, more efficient, and smarter ways of working; and
- determining our route map for moving towards net zero greenhouse gas emissions.

Modernise the way we work, including through making better use of digital technology to enable us to be more agile and adaptable in an evolving environment.

Measuring and reporting on our performance

- 52 In 2021-22, we will continue to use a combination of quantitative and qualitative methods to measure, report and reflect on our performance, value for money and risks. This includes regular reporting to our Executive Leadership Team and Board on progress made towards delivering our strategic objectives and achieving our key performance indicator (KPI) targets. It will also include internal audit reports to our Executive Leadership Team and Audit and Risk Assurance Committee.
- 53 For each of our work programmes, we have identified a suite of high-level KPIs that will help us to measure progress made towards delivering our overall ambitions. We will place emphasis on evaluating our direction of travel and pace of improvement, alongside comparison with appropriate benchmarking.
- 54 We will report on our performance externally through our Annual Report and Accounts and Interim Report, and by providing evidence at meetings of the Senedd Finance Committee. It should be noted that our KPIs are a subset of a broader suite of operational and corporate performance indicators, many of which are also reported on externally in our Annual Report and Accounts and other corporate publications.
- 55 When preparing this Plan, we reviewed our KPI targets with reference to current levels of performance and appropriate external benchmarks, to ensure alignment with our overall ambitions.
- 56 During 2021, we intend to undertake a further review of our suite of KPIs, as part of a wider assessment of progress made towards achieving the ambitions set out in [our 2019-20 Annual Plan](#). This assessment will help inform the content of our 2022-23 Annual Plan and clarify our strategic vision for Audit Wales for the next five years.

Audit delivery KPIs

No.	Indicator	Description	Target
1	Statutory deadlines	Proportion of audit products delivered by the required statutory deadline.	100%
2	On time	Proportion of other key audit products delivered in accordance with the planned timetable for ensuring timely and impactful reporting.	90%
3	Quality	Proportion of reviewed audits that are delivered in accordance with <u>Financial Reporting Council (FRC) quality standards</u> .	100% of sample assessed as satisfactory or above, and 90% as good or above ⁹
4	Credibility	Proportion of stakeholders that consider us to be an independent and authoritative communicator on the governance and stewardship of public money and assets.	At least 90%
5	Providing insight	Proportion of stakeholders who said that through our work, they gained useful insight that they would not have acquired otherwise.	At least 80%
6	Driving improvement	Proportion of stakeholders who believe our work has led to improvements in the provision of public services.	At least 80%
7	Savings identified	Value of potential savings, income, productivity gains and other financial benefits identified through our work.	At least £30 million during 2019-2022
8	Good practice events	Proportion of stakeholders who rated our good practice events useful or very useful.	At least 90%
9	Website visits	Number of visits to our website where at least one action is performed, eg download a report, click on a video.	35,000 each year
10	Social media	Number of social media engagements, i.e. interactions with our posts such as a like, a comment, or retweet/share.	3,000 each year
11	Sharing audit learning	Number of instances where we present audit learning to key policy working groups or at relevant externally hosted events.	50 each year

⁹ Where 'good' is equivalent to FRC audit quality category 2A, and 'satisfactory' equivalent to category 2B.

Running the business KPIs

No.	Indicator	Description	Target
12	Employee engagement	Percent positive annual staff survey engagement index score (aligned with that for the Civil Service People Survey).	At least the top 10% score for the latest CSPS
13	Employee experience	Percent positive annual staff survey thematic ¹⁰ employee experience scores.	At least the top 25% scores for the latest CSPS
14	Sickness absence	Average working days lost per member of staff per annum.	Less than six days
15	Financial balance	Level of variance in gross income and expenditure from that set out in our Estimate for the current year.	Within 2% of budget
16	Cost savings and efficiencies	Value of cost savings and efficiencies identified throughout the business.	£1.3 million
17	Greenhouse gas emissions	Total CO ₂ equivalent emissions from sources that we own or control, from consumption of purchased electricity, and that are produced indirectly as a consequence of our activities.	300 tonnes ¹¹
18	Trainee success rate	Proportion of trainees achieving first-time passes in their Professional and Advanced level examinations with the Institute of Chartered Accountants in England and Wales.	At least 90%

¹⁰ The key CSPS employee experience themes are: organisational objectives and purpose; leadership and managing change; organisational culture; my manager; my work; my team; inclusion and fair treatment; learning and development; resources and workload; pay and benefits; and taking action.

¹¹ The pace with which COVID-19 restrictions are lifted by the Welsh Government will have an impact on our performance against this target, notwithstanding our efforts to reduce our emissions by a range of means, including avoiding unnecessary business travel.



Appendices

- 1 Local audit work
- 2 National value for money examinations and studies
- 3 Supporting effective scrutiny and accountability
- 4 Good practice work
- 5 Our finances

1 Local audit work

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

Public body	Audit of accounts	Local performance audit work ¹²	Well-being of future generations work
Senedd Commission	✓		
Welsh Government	✓		✓
8 Welsh Government sponsored bodies	✓		✓ ¹³
Welsh Revenue Authority including the tax statement	✓		
4 Welsh Government companies	✓		
8 Commissioners, Inspectorates and Regulators	✓		
7 Local Health Boards	✓	✓	✓
3 NHS Trusts and 2 Special Health Authorities	✓	✓	✓ ¹⁴
22 Councils (Unitary Authorities)	✓	✓	✓
4 Police and Crime Commissioners and Chief Constables	✓	✓	✓
3 Fire and Rescue Authorities	✓	✓	✓
3 National Park Authorities	✓	✓	✓
9 Pension funds	✓		
Corporate Joint Committees and City Deals	✓	✓	
Several smaller local government bodies including joint committees, drainage districts and harbour authorities	✓		
Over 730 Town and Community Councils	✓ ¹⁵		

12 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.

13 Only for listed bodies under the Well-being of future Generations (Wales) Act 2015.

14 Only for listed bodies under the Well-being of Future Generations (Wales) Act 2015.

15 On a limited assurance basis.

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 Senedd Public Accounts Committee and other Senedd committees.

In 2021-22, we will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. This includes maintaining some flexibility so that we can respond to developments in Welsh Government policy and areas of possible interest for a new Public Accounts Committee following the Senedd elections.

Work already in progress

- Procuring and Supplying PPE for the COVID-19 Pandemic
- Collaborative arrangements for managing local public health resources
- Unscheduled care, data tool
- Administration of student finance
- Warm homes programme – Arbed and Nest
- Welsh Health Specialised Services
- Picture of Public Services
- General Equality Duty
- Financial resilience of local government
- At Your Discretion – Local Government Discretionary Services
- Welsh Government grants management
- Curriculum reform
- COVID-19 vaccination programme
- Town Centre Regeneration
- Direct payments
- Emergency services collaboration
- Orthopaedic services
- Welsh Government workforce
- Supporting NHS staff wellbeing

New work that we plan to take forward in 2021-22

- Complex needs and poverty – the challenge for local government
- Social enterprises
- Unscheduled Care – whole system review
- Flood risk management
- COVID-19 response and recovery
- Welsh Government accounts commentary
- People sleeping rough – follow-up
- Building community resilience and self-reliance
- Structured Assessment – summary commentary
- Affordable Housing
- Broadband infrastructure
- Climate change
- Welsh Government setting of wellbeing objectives

3 Supporting effective scrutiny and accountability

Supporting the work of the Public Accounts Committee and other Senedd Committees

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

In 2021-22 we will provide regular briefings to the Public Accounts Committee on the contents 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:

- the development of members' briefings for evidence sessions with witnesses from the Welsh Government and other organisations;
- the development of the Committee's report, including any legacy reporting; and
- the adequacy of the Welsh Government's formal responses to recommendations in the Committee reports.

Following the Senedd elections, we will proactively engage with the new Public Accounts Committee and other Senedd Committees to raise awareness of our work, seek views on our proposals for future work programmes, and support their scrutiny functions.

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

Most public bodies in Wales have been swift to adapt to the challenges of the current situation for the operation of committees and it is now the 'new norm' for us to attend their meetings using video communication platforms.

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:

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

Supporting the public and their local 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 receiving whistle-blowing disclosures about the proper conduct of public business and fraud, value for money and corruption in relation to the provision of public services.

In 2021-22, we will continue to ensure that we:

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

4 Good practice work

Traditionally, a key focus of our good practice programme has been hosting face-to-face events where the learning from our audit work is shared, and which enable rich conversations, dialogue, and debate among service providers across the public sector.

This has included bringing in insight from research bodies, academia, global experts, and influencers from outside of the public sector.

However, since the implementation of the ongoing COVID-19 restrictions, a change of approach to our good practice work has been required, which takes account of, and is more responsive to, the rapidly changing environment.

In 2020-21, the focus of our good practice work switched to the delivery of a COVID-learning project, through which our staff gathered novel and other practice as it emerged and analysed it rapidly to draw out relevant points of learning. We worked closely with public services and alongside our audit teams right from the outset to ensure the programme remained relevant, timely and accessible.

We then shared the resulting insights with key contacts across the Welsh public service through a range of outputs. These have included a suite of substantive blogs and think pieces, and a weekly email 'Digest' that summarises the content that has been shared and points of interest.

The development of this more flexible approach to our good practice programme will continue during 2021-22 and will be closely aligned to our programme of national value for money examinations and studies, with key themes emerging as the public sector moves into the recovery phase.

5 Our finances

The Senedd Finance Committee scrutinises our use of resources, including through consideration of this Plan, our Interim Report and Annual Report and Accounts.

Approximately two thirds of our funding come from fees charged to audited bodies in accordance with a [Scheme of Fees](#) approved¹⁶ by the Senedd. Most of the remainder comprises approved financing from the Welsh Consolidated Fund (WCF), 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 2021-22 are laid out in our most recent [Estimate of Income and Expenses](#), which was considered and approved by the Senedd Finance Committee in November 2020. £16 million of our planned expenditure relates to resources to be made available to the Auditor General to carry out his work programme¹⁷. A further £6 million provides a range of corporate services, including accommodation and other support services, such as legal advice, ICT and HR¹⁸.

The Minister for Finance and Trefnydd set out the uncertainty in the future funding available to public bodies directly funded by the WCF in her [Letter of 11 August 2020](#). We are acutely aware of our responsibility to other parts of the public sector to contain our own operating costs and the fees we charge, provided that does not jeopardise audit quality and the assurance we can provide.

Consequently, in 2021-22 we are reducing our call on WCF revenue funding by £120,000 and, in recognition of the unprecedented pressures being faced by the bodies that we audit, we are not increasing our rates for the fees that we charge to audited bodies.

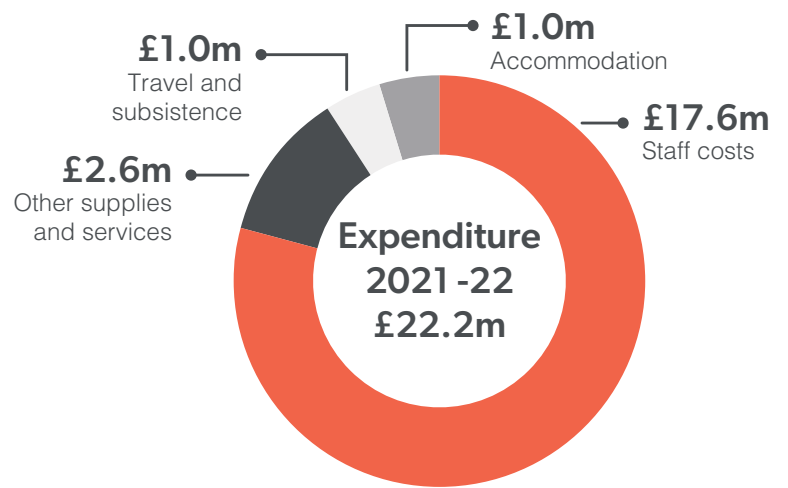
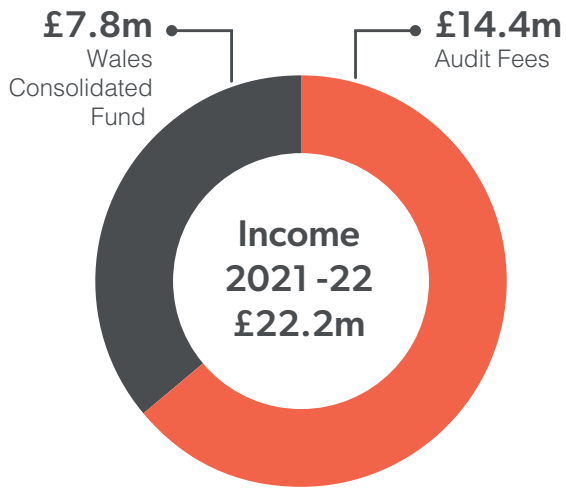
The Board reviews our financial performance each time it meets throughout the year. Each month, our Executive Leadership Team considers a risk assessment of our financial health with a view to ensuring value for money and a year-end outturn within budget.

16 Following a consultation exercise with the bodies we audit and other key stakeholders.

17 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 undertaking his work programme.

18 This constitutes the resources required to support the Wales Audit Office's work programme.

Income and expenditure





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