

# Interim Report

An assessment of progress made against our 2024-25 Annual Plan during the period 1 April to 30 September 2024.

October 2024

This Interim Report covers the period from 1 April to 30 September 2024. 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 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 2024-25.
- progress has been made towards achieving the priorities set out in the Plan; and
- progress has been made towards achieving our key performance indicator targets.

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 Report, 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.

Audit Wales  
1 Capital Quarter (ground and first)  
Tyndall Street  
Cardiff  
CF10 4BZ

Telephone      02920 320 500  
Email            [info@audit.wales](mailto:info@audit.wales)  
Website         [www.audit.wales](http://www.audit.wales)  
X                 @WalesAudit

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

---

<b>Foreword</b>	<b>4</b>
<b>Audit delivery</b>	<b>6</b>
Local audit work	6
National studies	8
Supporting effective scrutiny and accountability	10
<b>Business improvement</b>	<b>11</b>
A strategic, dynamic, and high-quality audit programme	12
A targeted and impactful approach to communications and influencing	16
A culture and operating model that enables us to thrive	18
<b>Key performance indicators</b>	<b>21</b>



# Foreword

---

Rydym yn falch i gyflwyno ein Adroddiad Interim ar gyfer 2024.

We are pleased to present our Interim Report for 2024.

This Report describes the progress we made during the period 1 April to 30 September 2024 on delivering the programmes of work set out in our [Annual Plan for 2024-25](#). We also report on progress made towards achieving our key performance indicator targets, although we are unable to report against several of the indicators until later in the financial year.

We made good progress on delivering a comprehensive and impactful programme of audit work. All audits of 2023-24 NHS accounts were completed by June 2024, and all scheduled audits of central government accounts were completed by September 2024. We are also on track to certify most 2023-24 local government accounts that were prepared on time by the 30 November deadline.

We delivered ten national report outputs in the period 1 April to 30 September 2024 from our programme of national studies. This work plays a key role in supporting the work of the Senedd Public Accounts and Public Administration Committee in its consideration of how resources are used in the discharge of public functions. We also continued to shape our local performance audit work to address the evolving challenges faced by audited bodies.

In terms of our longer-term business improvement priorities, we have now put clear plans in place to catch up with the post-pandemic backlog and bring forward the timeframes for delivery of our local government and NHS work. We also made good progress on introducing a more systematic approach to follow up work, and stronger financial and outcomes analysis in our performance audit work.

To extend engagement with our work, we are now in the final stages of preparing a live online version of our programme of national studies, and of redeveloping the area of our website where we promote examples of good practice. And we have further invested in our trainee and apprenticeship schemes, and launched a longer-term workforce strategy for securing and developing the necessary Audit Wales people resources.

We are committed to building on this momentum for the remainder of the year, using our unique perspective and expertise to assure people that public money is being managed well, explain how that money is being spent, and inspire the public sector to improve.



---

**Adrian Crompton**

Auditor General for Wales



---

**Dr Ian Rees**

Chair of the Wales Audit  
Office

# Audit delivery

---



## Local Audit Work

- 1 We undertake local audit work at most public bodies in Wales. This mainly consists of audits of accounts and local performance audit work. A comprehensive list of the public bodies that we audit and the type of local audit work carried out at those bodies is provided in our [Annual Plan for 2024-25](#).
- 2 The biggest area of our local work is auditing the accounts of over 800 public bodies across Wales. Our accounts work provides the Senedd, audited bodies and the wider public with an ongoing independent and expert assessment of financial management and resilience across the public sector.
- 3 As of 30 September 2024, work was on-going to complete our audits of 2023-24 accounts across different sectors. We completed our accounts work at NHS bodies in June 2024 in line with our delivery plan. By the end of September 2024, all scheduled audits of central government 2023-24 accounts were also complete.
- 4 In local government, while delivery of audits of accounts by the 30 November deadline continues to be a challenge, we are on track to certify all unitary authority accounts that were prepared on time by the current deadline of 30 November. We also plan to complete accounts audit work for all fire and rescue authorities and local government pension funds, three of the four police authorities, and two of the three national park authorities, by the end of November 2024.
- 5 During the first half of the year, we also continued to shape and deliver local performance audit work to address the evolving challenges faced by our audited bodies, and where relevant and practical to help discharge the Auditor General's sustainable development examination duties.

6 So far, this has included:

- In the NHS, work to review the approach to identifying and delivering financial savings, managing demand for urgent and emergency care, and health and social care factors affecting timely patient discharge; we have also taken forward planning work for all Wales reviews of NHS waiting list backlogs and digital transformation.
- Work in all 22 councils on their financial sustainability has been completed and a national report has been drafted outlining factors impacting on the sector's ability to meet growing demand and financial pressures. Fieldwork in all councils on how effectively they commission services is underway. Assurance and risk assessment work is being rolled out to all councils while local bespoke audits are continuing to be delivered.

7 Further information on progress made towards addressing the COVID-legacy backlog in our local audit work and bringing our large programmes of work back to pre-pandemic timescales is provided in the Business Improvement section of this report.



## National Studies

- 8 We carry out an ongoing programme of national studies. These include other NHS and local government focused studies in addition to our local audit programmes in those sectors. We also prepare additional outputs highlighting common themes from our local audit work. Our Annual Plan for 2024-25 includes details about national studies that were in progress as of 31 March 2024 and about new work that we planned to start in 2024-25.
- 9 The table below lists ten national report outputs of various types that we delivered in the period 1 April to 30 September 2024. They are grouped by the main theme to which they relate but may be relevant to more than one theme.
- 10 We continue to keep our programme of studies under regular review, taking account of the evolving external environment, our own resourcing and the capacity of audited bodies to engage with us. Over the reporting period we have progressed work to establish a dedicated Forward Programme page on our website to provide up-to-date information on live studies.
- 11 We maintain sufficient flexibility so that we can respond effectively to emerging issues of public or parliamentary concern. Additional outputs may also emerge from ongoing research and development work.



## National report outputs completed in the reporting period

Theme	National report outputs
Tackling inequality	<u>Arrangements to deliver the affordable housing target and realise wider benefits</u>
Responding to the climate and nature emergency	<u>Delivery of active travel objectives and the management of associated funding.</u>
Service resilience and access	<u>Local government digital strategy.</u>
Well-managed public services	<u>Governance of National Park Authorities.</u> <u>Findings from data matching work on NHS community pharmacy and GP patient registrations.</u> <u>The status of the A465 section 2 road improvement project.</u> <u>Use of performance information in local government to understand user perspectives.</u> <u>NHS finances and data tool update.</u> <u>Governance of Fire and Rescue Authorities.</u> <u>The Welsh Government's support for TVR Automotive Ltd.</u>



## Supporting effective scrutiny and accountability

### Supporting the work of the Senedd

- 12 During the reporting period, our work continued to play a key role in supporting the work of the Senedd Public Accounts and Public Administration Committee (PAPAC) in its consideration of how resources are used in the discharge of public functions.
- 13 The outputs from our work supported eight formal meetings of the Committee. This included briefing the Committee on various of the national report outputs published in the period (from the list above), as well as our March 2024 report on [Supporting Ukrainians in Wales](#). Among other things, we also supported the preparation of briefing material for the Committee's evidence sessions on [NHS finances and governance](#); and we offered our perspective as the Committee was preparing reports on [Amgueddfa Cymru's 2021-22 accounts](#) and on [building safety](#).
- 14 We have continued to engage with clerking and research teams to other Senedd committees to discuss our work where this is of mutual interest. For example, during the period we engaged with those supporting the Local Government and Housing Committee to share details about our affordable housing work given its relevance to the Committee's [inquiry on social housing supply](#).

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

- 15 Throughout the reporting period, we regularly attended meetings of the audit and scrutiny committees of public bodies in Wales to provide briefings and report on our local audit work.
- 16 We also continued our regular briefings on audit-related matters to the NHS Audit Committee Chairs and Directors of Finance groups, the local government Society of Welsh Treasurers Group, and the Central Government Audit Committee Chairs Group.

### Supporting the public and their local representatives

- 17 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.
- 18 During the reporting period, we received 52 items of correspondence and ensured that we responded to those concerns in a fair, proportionate, and professional manner. In addition, 8 individuals contacted us between 1 April and 30 September 2024 indicating that they wished to make a whistleblowing disclosure.

# Business improvement

---

- 19 In our [Strategy for 2022 to 2027](#), we identified three areas of focus where we are prioritising actions to help Audit Wales achieve its overall vision.



A strategic, dynamic, and high-quality audit programme



A targeted and impactful approach to communications and influencing



A culture and operating model that enables us to thrive

- 20 In our [Annual Plan for 2024-25](#), we set out our business planning priorities for the current financial year, aligned with the strategic areas of focus to which they relate. The following tables set out the progress we have made towards delivering each of those priorities over the period 1 April to 30 September 2024.



## A strategic, dynamic, and high-quality audit programme

### Priorities

Bring forward the timetable for the delivery of accounts audit work in line with Welsh Government deadlines (15 July for NHS and 30 November for local government).

### What has been delivered so far in 2024-25

**Status:** Mostly on track but some further improvement needed

#### Commentary:

All NHS and scheduled central government 2023-24 accounts have been certified on time. While delivery of the audits of local government sector accounts by the 30 November deadline continues to be a challenge, all local government accounts that were prepared on time will be certified by the deadline.

We have also put clear plans in place to catch up with the backlog in our local government and NHS work to enable us to bring forward the timetables for delivery over three years.

In this reporting period we have:

- Agreed the details of a recovery plan to take us through to 2026.
- Worked with local government treasurers to establish a clear three-year plan to prepare accounts by 30 June each year and for them to be audited by 30 Nov 2024, 31 Oct 2025 and 30 Sept 2026.
- Worked closely with the local government sector to try and improve the timeliness and quality of draft accounts submitted for audit, although this remains a challenge for some local government bodies.
- Started work to ensure our recruitment and selection processes are as efficient as possible to enable the timely filling of vacancies. Over the period we have successfully recruited 27 trainees, 6 apprentices, and 2 senior auditors along with relief auditors to help bring work back on track.

---

**Priorities**

Bring forward the time frame for the completion of local performance work such that the majority is completed in year.

**What has been delivered so far in 2024-25**

**Status:** Mostly on track but some further improvement needed

**Commentary:**

In the reporting period we have:

- Put clear plans in place to reprofile our local audit programmes in the NHS and local government to address a significant portion of our backlog, and communicated those changes to audited bodies.
  - Ensured that our resourcing arrangements give priority to reducing the backlog in our local audit programmes, while managing the impact on other work.
  - Progressed external recruitment for vacant roles to bring us back closer to our establishment once new staff are onboarded.
  - Used our contractor pool to secure additional short-term resources to support project work.
  - Progressed project work that will improve management information about the delivery of our audit projects and programmes.
  - Made good progress with other in-year project work.
-

---

**Priorities**

Fully embed new auditing and other recently introduced standards, identifying key learning points and scope for efficiency.

**What has been delivered so far in 2024-25**

---

**Status:** On track

**Commentary:**

Recent reviews from the ICAEW's Quality Assurance Department indicate the quality of our work has not been negatively impacted by the introduction of the new Audit Quality Standard. However, some learning points have been identified and appropriate follow-up training provided to staff.

In 2024-25, year two of the implementation of the new Standard, we have seen tangible efficiencies due to the revised audit approach for NHS bodies and are expecting moderate refunds across our 2023-24 NHS audits.

For the remainder of the year, we will monitor the extent to which efficiencies are also realised for local government audits and will continue to seek to learn lessons and further refine our approach.

So far in 2024-25, we have also:

- Completed ISA 315 refresher training for the 2023-24 audits.
  - Considered the scope to further automate our audit of accounts software platform.
  - Made amendments to our performance audit delivery manual and completed a benefits realisation review.
  - Updated our Code of Audit Practice to take account of the Ethical Standards 2024 and will be shortly rolling out updated training materials.
-

## Priorities

## What has been delivered so far in 2024-25

Introduce a more systematic approach to follow up work and the tracking of implementation of audit recommendations by public bodies.

**Status:** On track

**Commentary:**

During the reporting period, we have started to embed new performance audit processes to systematically and consistently capture management responses from audited bodies to our recommendations. This has been supported by the development of a recommendations database to better track implementation (where accepted by audited bodies) and help prioritise any more targeted follow-up audit work.

Our work on this priority builds on relevant staff training provided in 2023-24, which will be further embedded through changes to our reporting templates to be introduced by the start of 2025-26.

Planning for our local and national work programmes in 2025-26 over the remainder of this financial year will include a clear allowance for follow up work.

Greater focus on value for money through stronger financial and outcomes analysis in our performance audit work.

**Status:** Mostly on track but some further improvement needed

**Commentary:**

We are starting to see this greater focus reflected across live projects and recently published work, including on [Affordable Housing](#), [Active Travel](#), a [Community Pharmacy Data Matching Pilot](#) and our recent report on National Fraud Initiative outcomes.

During the last six months, we have also:

- Embedded stronger consideration of financial and outcomes analysis earlier in the project planning phase for new work.
- Explored available options and the costs of training to support associated skills development, including working with CIPFA to support their development of a potential new performance audit qualification.



## A targeted impactful approach to communications and influencing

### Priorities

Use our refreshed website to extend our reach and improve access to our published, live and upcoming audit work.

### What has been delivered so far in 2024-25

**Status:** Mostly on track but some further improvement needed

**Commentary:**

During the reporting period, we have continued the development of our refreshed website, building on the preparatory work completed in 2023-24.

We are now in the final stages of preparing a live online version of our forward programme of national studies, which provides summary information on individual studies and an up-to-date position on progress made.

This year we are also piloting the use of interactive summaries of our main reports, starting with key corporate publications such as our Annual Plan, with a view to using this approach more widely in the longer term. Progress in the first six months of the year has seen the development of templates and the platform to enable us to publish interactive documents.

In addition, we are currently working with contractors to review our arrangements for preparing and designing audit reports, including the associated training arrangements for staff. This work has included piloting the use of shorter audit reports for local government and monitoring the impact of the changes by gathering feedback from staff and councillors. The overall aim of this project is to make our reports shorter and easier to read, so that they better meet both our audience's needs and new quality requirements.



---

**Priorities****What has been delivered so far in 2024-25**

---

Increase access to and engagement with good practice and insights during and on completion of our audit work.

**Status:** Mostly on track but some further improvement needed

**Commentary:**

Over the reporting period there has been strong media coverage of the insights contained within several of our published reports. In September this included widespread coverage from the BBC, ITV, local media and specialist publications of our reports on [Affordable Housing](#), [Governance of Fire and Rescue Authorities](#), and [Active Travel](#).

We also held a good practice event in May entitled [Audit Committees: effective practices](#) and a positive impact which provided an opportunity to share audit learning and experiences among representatives from across the public sector in Wales.

To increase visibility of key learning from our audit work, we are currently in the process of redeveloping the area of our website where we promote examples of good practice. This will include sharing insights in a way and format that is engaging for stakeholders. This will include a series of blogs and videos sharing key learning.

---



## A culture and operating model that enables us to thrive

### Priorities

Develop and implement a three-year quality monitoring programme to support our whole organisation approach to managing the risk to audit quality.

### What has been delivered so far in 2024-25

**Status:** Improvement needed

**Commentary:**

In June 2024, the ICAEW's Quality Assurance Department, confirmed that they consider our proposed approach for developing a quality monitoring programme to be appropriate given our size and scale. Following receipt of the feedback, we have subsequently started to plan a focused programme of work for the next three years.

The overall timescale does give us some flexibility in terms of the phasing of our work and additional resources are being sought to support this work.

In accordance with auditing standards, we are required to establish a monitoring and remediation process to monitor and manage risks across our system of quality management. During the reporting period, we have worked across the organisation to review our risk management arrangements and the content of risk registers to inform our quality monitoring focus.

## Priorities

## What has been delivered so far in 2024-25

Deliver a whole organisation workforce plan designed to better meet current, and plan for future, staffing needs.

**Status:** On track

**Commentary:**

We launched a whole organisation Workforce Strategy in September 2024, which sets out a longer-term vision for securing and developing the necessary Audit Wales people resources, including skills and capabilities.

In the first year of the Strategy, we are focusing on four priority areas:

- Talent management and succession planning
- Skills development
- Addressing the audit backlog – recruitment, retention and capacity
- Organisational design, roles and resourcing

We have established a range of performance measures to determine whether the business planning actions which flow from the Strategy are delivering as intended, and these measures will be monitored regularly by our Executive Leadership Team, and the Board's Remuneration and HR Committee.

Further invest in our trainee and apprenticeship schemes to strengthen the field of candidates and provide better coverage of performance audit work.

**Status:** Mostly on track but some further improvement needed

**Commentary:**

During the reporting period we ran an extensive recruitment campaign for the latest round of graduate trainee and apprentice intake and received an excellent level of interest. We successfully appointed the desired number of candidates. However, we acknowledge that we still have work to do to make sure that we are reaching out to candidates from more disadvantaged communities.

We also made good progress in the first half of 2024-25 in developing the performance audit skills element of training for trainees and apprentices, which is supplemented by practical work experience. This development work will continue over the remainder of 2024-25.

We will shortly be commencing preparations for our 2025 trainee and apprentice intake, with a particular focus on how we need to shape our outreach and recruitment processes to fully meet the needs of our workforce strategy in performance audit.

---

**Priorities****What has been delivered so far in 2024-25**

---

Encourage greater in-person working within our hybrid working model, to ensure a productive, collaborative and engaging environment for the delivery of high-quality work.

**Status:** On track

**Commentary:**

Our focus has been on securing high quality but cost-effective accommodation with input from staff to best meet their needs, to help encourage and support greater in-person working to realise the associated business and wellbeing benefits. We are now planning the final part of our estates strategy following successful office moves in Cardiff and North Wales, and will move to a new office in West Wales in April 2025.

Our corporate teams continue to work together regularly in our main Cardiff office, taking account of demand for their services as well as the needs of the respective teams. Within Audit Services, work has continued to secure an appropriate mix of in-person and online working, with accounts audit staff typically working from the office 2-3 days a week whilst performance audit staff have regular scheduled in-person team meetings alongside in-person work for specific project and corporate activities.

During the reporting period we launched a fortnightly compressed hours pilot to offer more flexibility within our hybrid working model and support a healthy work-life balance.

Maintaining the conditions for great hybrid working has continued to be a focus for our IT and Estate teams ensuring that equipment and systems are available, and we continue to respond to feedback from staff.

---

# Key performance indicators

- 21 The position as of 30 September 2024 in terms of achieving the 18 key performance indicator targets set out in our [Annual Plan for 2024-25](#) is summarised below. In the exhibit, some numbers are rounded to make them easier to read and compare.



## A strategic, dynamic, and high-quality audit programme

No	Indicator	Description	2024-25 Target	2023-24 Performance	Performance to 30 Sep 2024
1	Statutory deadlines	Proportion of audit products delivered by the statutory or agreed deadline.	100%	● 85%	● 100%
2	On time	Proportion of other key audit products delivered in accordance with the planned timetable for ensuring timely and impactful reporting.	90%	● 76%	● 78%
3	Quality	Number of reviewed audits that are delivered in accordance with Financial Reporting Council (FRC) quality standards.	All audits sampled in the highest two audit quality categories	● 7 out of 7	Data not yet available

● On track to achieve our target ● Improvement required ● Significant improvement required

No	Indicator	Description	2024-25 Target	2023-24 Performance	Performance to 30 Sep 2024
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%	● 92%	Data not yet available
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%	● 64%	Data not yet available
6	Driving improvement	Proportion of stakeholders who believe our work has led to improvements in the provision of public services.	At least 80%	● 76%	Data not yet available
7	Savings identified	Value of potential savings, productivity gains and other financial benefits identified through our work.	At least £30 million during 2023-2026	● £700,000	● £7,800,000

● On track to achieve our target ● Improvement required ● Significant improvement required



## A targeted and impactful approach to communications and influencing

No	Indicator	Description	2024-25 Target	2023-24 Performance	Performance to 30 Sep 2024
8	Good practice outputs	Proportion of stakeholders who rate our good practice outputs as useful or very useful.	At least 90%	● 100%	● 83%
9	Website visits	Number of visits to our website where at least one action is performed, e.g., download a report, click on a video.	48,000 each year	● 59,100	● 39,500
10	Social media	Number of social media engagements, i.e., interactions with our posts such as a like, a comment, or a retweet/share.	4,000 each year	● 4,000	● 1,800
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	● 45	● 25



## A culture and operating model that enables us to thrive

No	Indicator	Description	2024-25 Target	2023-24 Performance	Performance to 30 Sep 2024
12	Employee engagement	Percent positive annual staff survey engagement index score.	Median Civil Service benchmark score	● 64%	Date not yet available
13	Turnover	Proportion of employees who voluntarily leave Audit Wales per annum.	Between 5% and 10%	● 12.3%	● 9.1%
14	Sickness absence	Proportion of total time lost due to sickness absence.	Less than 4%	New KPI for 2024-25	● 3.7%
15	Financial balance	Net underspend variance on income and expenditure from that set out in our Estimate for the current year.	Less than 2% of gross expenditure budget	● 1.1%	● 1.8%
16	Cost savings	Value of in-year cost savings delivered across the business.	£400,000 as set out in our 2024-25 Estimate	● Achieved £500,000 non-pay savings target	● £401,000



No	Indicator	Description	2024-25 Target	2023-24 Performance	Performance to 30 Sep 2024
17	Greenhouse gas emissions	Total CO <sub>2</sub> equivalent emissions.	40% reduction on 2019-20 baseline (581 tonnes) <sup>1</sup>	● 280 tonnes	● 170 tonnes
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%	● 82%	● 76%

<sup>1</sup> Not including supply chain emission estimates which are reported on separately in our annual Sustainability Report.



Audit Wales  
1 Capital Quarter  
Tyndall Street  
Cardiff CF10 4BZ

Tel: 029 2032 0500

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and  
telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a  
galwadau ffôn yn Gymraeg a Saesneg.