

Wales Audit Office Board
Minutes of the meeting on Thursday 13 November 2025

Members:

Ian Rees	Chair and non-executive member
Adrian Crompton	Chief Executive and Auditor General for Wales
Anne Beegan	Elected employee member
Bethan Jones	Non-executive member
Chris Bolton	Elected employee member
David Francis	Non-executive member, Senior Independent Director and Chair of the Audit & Risk Assurance Committee
Michael Norman	Non-executive member
Richard Thurston	Non-executive member and Chair of the Remuneration & HR Committee

Apologies:

Darren Griffiths	Appointed employee member
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In attendance:

Ann-Marie Harkin	Executive Director Audit Delivery (EDAD)
Derwyn Owen	Executive Director Audit Modernisation & Impact (EDAM&I)
Kevin Thomas	Executive Director Corporate Services (EDCS)
Katherine Drysdale	Board Secretary (minutes)
Matthew Hockridge	Head of Planning & Reporting (items 4 and 5, 16 to 18)
Nicola Evans	Head of Finance (items 4 and 6)
Shelley Evans	Finance Lead (items 4 and 6)
Laurie Davies	Head of Business Services (item 8)
Terry Jones	AD&G Audit Manager Quality and Strategic Audit Delivery (item 11)
Tom Haslam	AD&G Manager Performance Audit (item 11)
Aneesa Ali	Audit Lead, AD&G Team (item 11)

Item	Agenda
1	Welcome and apologies
2	Declarations of interests
3	Report of the Chief Executive and Auditor General
4	Integrated Performance Report
5	Biodiversity Report & Plan
6	Fee Scheme 2026-27
7	Remuneration and HR Committee: Report from meeting of 03 November 2025
8	Health, Safety and Wellbeing Policy
9	Data Protection Officer - Designation
10	Chair's Report
11	Quality Report 2024-25
12	Review of meeting minutes: 24 & 25 September 2025

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13	Review of action tracker
14	Review of the forward work programme
15	Any other business
16	Strategic Equality Plan
17	Annual Plan 2026-27
18	Staff Survey 2025
19	Review of the meeting
20	Date of next meetings: Board & ELT Development, 17 and 18 December 2025, Swansea Board Meeting, 05 February 2026, Llandudno Junction

Item	Minutes	Action
Standing Items		
1	Chair's welcome and apologies for absence	
1.1	The Chair welcomed members and those in attendance. He noted an apology from Darren Griffiths.	
2	Declarations of interest	
2.1	There were no declarations of interest.	
3	Report of the Chief Executive and Auditor General	
3.1	The Auditor General and Chief Executive presented his update and explained that the formal report from the Finance Committee was awaited following its scrutiny of the Interim Report and the Draft Estimate. He explained that he had also given evidence as part of the Committee's scrutiny of the Welsh Government's draft budget for 2026-27.	
3.2	The Board discussed: <ul style="list-style-type: none"> the Auditor General's reports on the NHS which highlighted financial and compliance issues, noting that the Auditor General's role was such that he did not have a role in driving change but that he intended to reinforce the messaging in his reports as far as possible, including through his legacy messaging. the increase in correspondence and whistleblowing and the resultant pressure on resources, noting that there was no single theme emerging from the issues raised which could be symptomatic of wider frustration in public systems. the request for Board approval in principle for additional spend with Accenture in the event of a cyber incident which required additional support which would take expenditure over the ELT delegation threshold. The ELT explained that the Board Chair would be involved in any such incident at an early stage but such an approval would enable speedy action to be taken. The Board asked that the EDAM&I provide clarity on the process, controls and value limits for such a 	EDAM&I

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	<p>situation so as to provide a suitable balance between flexibility and control.</p> <ul style="list-style-type: none"> • the impact of anti-social behaviour outside the Cardiff office and whether any further action could be taken, noting that staff had raised concerns with Business Services who continued to liaise with the police and the landlords and had issued guidance to staff. 	
3.3	<p>The Auditor General outlined the process and timing for approval of the Welsh Government budget and the implications for Audit Wales if approval was delayed or not received. He assured the Board that:</p> <ul style="list-style-type: none"> • the ELT was considering mitigating actions that could be implemented if Audit Wales WCF funding was not received in full; • that a significant proportion of Audit Wales income was derived from fees chargeable for statutory work and, with the protection afforded to the independence of his office, he had some scope to consider the focus of his programme and the flow of some of his work. <p>The Auditor General briefly mentioned the potential impact of National Insurance or tax changes as a result of the UK government budget, which could necessitate a Supplementary Estimate.</p>	
3.4	<p>The Board:</p> <ul style="list-style-type: none"> • approved expenditure with Accenture over the ELT delegation threshold in the event of a major cyber incident which required additional support <u>subject to</u> the EDAM&I providing clarity on the process, controls and value limits; and • otherwise noted the update. 	
4	Integrated Performance Report	
4.1	<p>The EDAM&I presented a paper, supported by the MID, which provided the quarter two integrated performance report. He explained the changes that had been made to the format of the report and highlighted:</p> <ul style="list-style-type: none"> • areas going well, including delivery of NHS and Central government accounts audits, the reduction in Sickness Absence rates (KPI 14) and overall delivery of the 2024-25 Annual Plan priorities; • matters of concern, including: <ul style="list-style-type: none"> ○ delivery of Local Government accounts audits; ○ delivery of local NHS performance audit work; and ○ achieving targeted reductions in greenhouse gas emissions (KPI 17); and • the areas of focus for the ELT, including <ul style="list-style-type: none"> ○ managing the Financial position (KPI 15) and considering investment opportunities based on the currently projected surplus; and ○ considering the impact of low rates of voluntary turnover (KPI 13), and an appropriate KPI for the next annual plan. 	

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4.2	<p>The Board:</p> <ul style="list-style-type: none"> • asked whether the Performance Audit Performance Management Dashboard (PAPM) would support delivery of NHS performance work, noting that this provided a monitoring framework but was unlikely to support delivery directly; • discussed the staff costs savings in the year to date financial report, noting that the reported savings included trainee vacancies which were not included in voluntary turnover figures, and it might be appropriate to reconsider the KPI wording; • discussed the flexibility for the ELT to make budget virements to allow the use of the projected surplus, noting that the detail of budget setting was delegated to the Chief Executive and conducted in accordance with the Financial Management Handbook; • sought assurance that any surplus would be allocated to deliver the most favourable outcome for the organisation, noting that the ELT was satisfied that a range of worthwhile activities offering value for money had been identified and it had considered, and would keep under review, areas such as local NHS performance work (there was a contractor budget available to support delivery alongside the available staff) and the iTrent performance management module (which was a market leading system and improving engagement would focus on user familiarity / education). 	
4.3	<p>The Board noted that where reference was made to KPIs being reviewed by the ELT, this was as part of the Annual Plan development process and these would be brought back to the Board to review, and subsequently approve, as part of the Annual Plan development.</p>	
4.4	<p>The Board noted that this would be the last Board meeting which the current Head of Finance, Nicola Evans, would attend and thanked her for her considerable contribution to the work of Audit Wales. The Board congratulated Shelley Evans on her appointment as Head of Finance.</p>	
4.5	<p>The Board otherwise noted the report.</p>	
5	Biodiversity Report & Plan	
5.1	<p>The Head of Planning & Reporting presented the Biodiversity Report and Plan which had been developed to meet the joint duties of the WAO and AGW. He explained the principles underpinning the plan and the process for its development.</p>	
5.2	<p>The Board was pleased to see the positive steps taken in recent years to reduce carbon reflected in the report, and asked whether the narrative of the Plan was sufficiently explicit in describing how further carbon reductions would be achieved. The EDCS explained that significant reductions had been made through office relocations and further analysis would be undertaken at a more granular level to identify further opportunities for reduction. However, tension remained between the need for business travel to ensure audit quality and the carbon reduction</p>	

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	benefits of reducing travel and the ELT would be reviewing the relevant KPI for consideration by the Board in light of this. The Board briefly considered the potential benefits of offsetting, including potential claims in respect of voluntary, community or charity work.	
5.3	The Board was pleased that the report positively reflected the commitment of the organisation and suggested that it be used internally to promote initiatives such as the Sustainable Travel Plan.	
5.4	The Board confirmed that it approved the Biodiversity and Resilience of Ecosystems Duty Report for 2023-2025 and Plan for 2026-2028, noting that the Auditor General had also confirmed his approval.	
6	Fee Scheme 2026-27	
6.1	The Head of Finance presented a paper seeking the Board's approval of the Fee Scheme for 2026-27 as attached to the draft Estimate previously approved by the Board. She explained that the outcome of the Finance Committee scrutiny of the Estimate was awaited, but the Fee Scheme was expected to be tabled for consideration in mid-January 2026.	
6.2	The Chair invited members to indicate whether they were content to approve the Fee Scheme for 2025-26, and noted an expression of dissent from Chris Bolton.	
6.3	<p>Chris asked that his dissent be recorded in the minutes, and explained his reasons which included:</p> <ul style="list-style-type: none"> • the impact of the fee increase on audited bodies who were facing significant financial constraints; • the impact on Audit Wales staff in facing potentially difficult and challenging conversations in justifying the level of fee increase; and • to keep this matter in the forefront of the Board's collective consciousness to inform future discussions on the medium term financial plan and the financial sustainability of the organisation. <p>Chris emphasised that his dissent was not intended to be disruptive, he acknowledged the explanations that would be set out in a letter from the Auditor General to audited bodies and that he would be bound by the collective decision of the Board.</p>	
6.4	<p>The Board briefly discussed:</p> <ul style="list-style-type: none"> • the importance of considering fees over in the longer term as part of its consideration of medium and longer term financial planning; • the value provided by Audit Wales, in the context of the fees chargeable for public audit, for example, in England; and • the explanations provided in the letter from the Auditor General to audited bodies. 	
6.5	The Chair invited members to vote on the Fee Scheme for 2026-27 and, on the basis of the majority of the members present voting in favour of approving the Fee Scheme (seven members in favour, one against, one	

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	absent), the Board approved the Fee Scheme for 2026-27 for consideration by Finance Committee.	
7	Remuneration and HR Committee: Report from meeting of 03 November 2025	
(a) non pay matters		
7.1	<p>The Committee Chair presented the report of the Remuneration and HR Committee meeting held on 14 November and highlighted:</p> <ul style="list-style-type: none"> • the strong engagement of staff and line managers with the iTrent module for performance management 1-2-1 meetings, with the EDCS assuring the Board that the ELT would continue to monitor uptake and take targeted action where appropriate; • that the Committee had received an update of the A&RAC deep dive into risks related to strategic workforce planning; • the impact and value of the work and activities of the Wellbeing Group on staff morale and organisational culture; and • that the Committee was content to recommend that the Board approve the updated Gender ID and Transitioning Policy which provided clarity and reinforced the cultural values of the organisation. 	
7.2	The Board approved the Gender ID and Transitioning Policy and otherwise noted the update.	
(b) pay strategy 2026-27		
7.3	The Committee Chair explained that, while a pay claim had been received from one of the trade unions, the Committee recommended delaying further consideration of the pay strategy for 2026-27 until there was greater clarity on the outcome of the Finance Committee scrutiny of the Estimate, the approval of the Welsh Government budget motion and the delivery of the UK government budget.	
7.4	The Board noted the update and confirmed its support for delaying further consideration of the pay award and negotiating parameters.	
8	Health, Safety and Wellbeing Policy	
8.1	The Head of Business Services presented a paper outlining the changes made to update the Health and Safety Policy and incorporate matters related to wellbeing to create a consolidated Health, Safety and Wellbeing Policy.	
8.2	The Board approved the Health, Safety and Wellbeing Policy, noting that it would be reviewed on a four year cycle.	
9	Data Protection Officer - Designation	
9.1	The EDCS presented a paper proposing the designation of Kathleen Job as Data Protection Officer (DPO). He explained that	

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	<ul style="list-style-type: none"> • interim arrangements had been made to cover a one year career break during which period Kathleen had gained experience as Deputy DPO and attained the BCS Practitioner Certificate; • the previous DPO had indicated that she would not be returning to the organisation; and • the Head of Planning & Reporting was available to provide resilience. 	
9.2	In response to a question on the BCS Practitioner Certificate the Board Secretary (who also holds the Practitioner Certificate) explained that this was not an annual accreditation, the qualification was periodically updated to take account of changes in the law and certificate holders were expected to maintain their knowledge through continued professional development.	
9.3	The Board approved the designation of Kathleen Job as DPO for the Wales Audit Office and noted that the Auditor General had also designated Kathleen Job as DPO for the office of Auditor General.	
10	Chair's Report	
10.1	The Chair presented his written report which outlined his activity since the last meeting. The Chair explained that he was reviewing the purpose of, and arrangements for, his meetings with members pre and post Board meetings to ensure their value to the work of the Board and Audit Wales.	
10.2	The Board noted the update.	
11	Quality Report 2024-25	
11.1	The AD&G Audit Manager Quality and Strategic Audit Delivery presented the annual Audit Quality Report, highlighting that this was not a strict requirement for Audit Wales, but was derived from the European Directive on Transparency and demonstrated commitment to, and transparency around, audit quality.	
11.2	The Board noted that the report indicated that the audit assessed by QAD as 'improvements required' was not considered representative, and suggested that it would be helpful to support that assertion with an explanation referencing the three lines of defence model. The Board also suggested that quotes from audited bodies could further enhance the report by offering a different perspective.	
11.3	The Auditor General highlighted the significant progress made in developing and embedding quality arrangements structurally and culturally at Audit Wales through increased resources, the establishment of a Quality Committee, the use of independent reviewers and transparent reporting.	
11.4	The Board welcomed and noted the report, which reflected action taken in respect of recommendations made in the previous year as well as Audit Wales's commitment to audit quality.	
12	Review of meeting minutes: 24 & 25 September 2025	

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12.1	The Board approved the minutes of its meeting on 24 & 25 September 2025 as an accurate record.	
13	Review of action tracker	
13.1	The Board noted the updates against actions on the tracker, and extended the target completion date for action WAOB/25/016 (Equality Diversity & Inclusion Policy) until January 2026.	
14	Review of the forward work programme	
14.1	The Board discussed the forward work programme which the Board Secretary would update. The Board noted that the March Board meeting partially coincided with a meeting of the Senedd Public Accounts and Public Accountability Committee which the Auditor General would usually attend. The Board Secretary would canvass members on their availability for a one day meeting on 18 March.	BS
15	Any other business	
15.1	There was no other business.	
16	Strategic Equality Plan	
16.1	<p>The Head of Planning & Reporting presented a paper inviting the Board to consider and approve a draft stakeholder consultation on proposed equality objectives (and the steps to be taken under each objective) for the period 2026-2030. He explained that :</p> <ul style="list-style-type: none"> • every four years the AGW and WAO prepared a joint Strategic Equality Plan setting out their objectives and key steps to meet their legal equality duties; • in developing the proposed objectives, he had engaged with PAWB (Audit Wales Equality Interest Group) and would do so again in respect of the consultation responses; he had also engaged with EHRC colleagues in respect of the findings of their recent Strategic Equality Plan reviews; • he would also take account of feedback from the Board link for the development of the Plan in further developing the narrative to the consultation; • the proposed objectives included the current objectives which remained fit for purpose, with one new objective; • three additional substantive actions had been developed with a proposal for their targeted monitoring, and a steer on whether to include these in the consultation was also sought; and • the consultation would take place during December and early January to enable presentation of the Strategic Equality Plan for Board approval in early 2026. 	
16.2	The Board discussed:	

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	<ul style="list-style-type: none"> • the three additional actions, agreeing that these were valuable in providing a clear focus; • the challenges of achieving a more diverse workforce, the actions that could be taken to deliver this objective and whether the objective was sufficiently stretching; • how improved internal data collection and quality could be achieved and used to inform actions and decision making; • the importance of recognising the tensions that could arise in seeking to deliver against a range of ambitions and carefully considering how to make progress against each, noting that a steer on the key areas of focus might be needed; • the audience and anticipated response rate for the consultation, noting that direct engagement with the equality coalition bodies was valuable in generating helpful responses. 	
16.6	The Board and the AGW approved the draft external consultation on the objectives and additional actions proposed for the Strategic Equality Plan for 2026 -30.	
17	Annual Plan 2026-27	
17.1	The EDAM&I introduced a paper outlining the proposed structure, timetable and areas of focus of the draft Annual Plan for 2026-27. He explained that the ELT had reviewed progress against the 2025-26 Annual Plan priorities and outlined the proposed draft priorities for 2026-27, which retained some of the current year priorities either in full or with changes. The ELT suggested removing some priorities where delivery was complete or could be de-escalated to business as usual.	
17.2	<p>The Board discussed and made suggestions in respect of the draft priorities for management to consider in their further development, including:</p> <ul style="list-style-type: none"> • whether to maintain the focus on value for money in performance work; • whether to maintain the focus on engagement with audited bodies to underpin the ambition to inspire, as well as the development of effective relationships with the reformed Senedd and new Welsh Government; and • incorporating reference to sustainability and an intent to use the developing technological environment where feasible to drive efficiency and quality. 	
17.3	The Chief Executive explained that the draft priorities were at an early stage of development and thanked the Board for its feedback. He reminded the Board that the Annual Plan had evolved to provide a smaller number of priorities upon which the organisation could focus to make a positive change in that year.	
17.4	The EDAM&I explain that the next steps in developing the plan would include consideration of the outcomes of the stakeholder survey which	

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	would be supported upon its issue by proactive communications to encourage full engagement. The Head of Planning & Reporting briefly outlined the timetable for the Annual Plan development and that the next stage of work would include a review of the KPIs and associated targets.	
17.5	The Board was content with the framework and timetable for the development of the Annual Plan and noted that it would have a further opportunity to consider the draft Annual Plan in February prior to its presentation for approval in March 2026.	
18	Staff Survey	
18.1	The EDAM&I provided a summary of the results from the staff survey, which had been circulated to members ahead of the meeting. He explained that participation levels were high and the overall results positive, showing a strong level of engagement. He briefly outlined the results, highlighting engagement scores and factors and the sentiments emerging from the narrative responses. He explained that next steps would include an all staff message form the Auditor General to celebrate results, consideration of the results within teams and analysis of the detailed results to identify areas of focus.	
18.2	The Board was pleased to note the high level of engagement and positive scores and invited the Chief Executive to provide his reflections on the results. The Chief Executive indicated that he was pleased with the positive results which showed improvement against the previous year. He was keen to consider the results in more detail to better understand any anomalies, including those between different parts of the organisation, and less positive scores and areas. He also emphasised that he was keen for the organisation to understand that the results were a reflection of Audit Wales as a whole with a shared responsibility for the next steps.	
18.3	The Head of Planning & Reporting explained that the comments report was being reviewed for redaction of personal or sensitive data prior to sharing with staff.	
18.4	The Board was delighted with the positive messages from the early results, offering its congratulations to everyone who had contributed to achieving this, and noted the update.	
19	Review of the meeting	
19.1	<p>The Chair invited feedback on the meeting, and members indicated that:</p> <ul style="list-style-type: none"> • the meeting had felt positive, well-paced and focussed; • the Teams format worked well, though could incorporate more breaks to allow time for movement; • the one day format had worked well and had helped with managing time commitment; and • well written and focussed papers had been helpful. 	
20	Date of next meetings:	

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20.1	Board & ELT Development, 17 and 18 December 2025, Swansea Board Meeting, 05 February 2026, Llandudno Junction	