

Annual Plan 2026-27

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

This Annual Plan covers the period from 1 April 2026 to 31 March 2027 and includes additional information on our longer-term strategy and key performance indicators. It has been jointly prepared by the Auditor General for Wales and the Wales Audit Office. The Plan is laid before the Senedd in accordance with the requirements of the Public Audit (Wales) Act 2013.

Audit Wales is the umbrella term 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 need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

Call us on 02920 320 500

Email us at info@audit.wales




You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

A summary of our plan

Our purpose

-  Assure people that public money is being managed well
-  Explain how that money is being spent
-  Inspire the public sector to improve

Our vision

Increase our impact by:

- Fully exploiting our unique perspective, expertise and depth of insight
- Strengthening our position as an authoritative, trusted and independent voice
- Increasing our visibility, influence, and relevance
- Being a model organisation for the public sector in Wales and beyond

Our areas of focus

-  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

Our programmes of work

- Audit delivery**
We will deliver a comprehensive programme of audit work, in accordance with the Auditor General’s statutory powers and duties.
- Business improvement**
To help us achieve our longer-term vision, we will take action across key business planning priorities aligned with our three areas of focus.

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Foreword

Rydym yn falch o gyflwyno ein Cynllun Blynyddol ar gyfer 2026-27.

We are pleased to present our Annual Plan for 2026-27.

Independent public audit highlights opportunities for improving value for money, supports good governance and financial management, and can provide early warning of problems arising. This Annual Plan describes the comprehensive programme of audit that we will deliver over the coming year to provide the public, the Senedd, decision-makers and influencers with the information and assurance they need about how well public money is being spent.

2026-27 will be a year of change for Audit Wales, where we see Adrian completing his eight-year term as Auditor General for Wales. The Senedd has voted in favour of the nomination of Catherine Mealing-Jones as the next Auditor General. We congratulate Catherine and look forward to working with her to ensure a smooth transition when Adrian hands over the reins in July.

The next 12 months is also the last year of our existing five-year corporate strategy. We are proud of the progress we have made over the last four years towards achieving our ambitions of sharpening audit delivery and increasing our impact and visibility. Some notable achievements are set out in this document. Delivery of the remaining priorities remains paramount:

- Working closely with the local government sector to share good practice and help rebuild a sustainable and timely accounts process.
- Shortening the timeframe for the completion of local performance audit work to ensure timely and impactful reporting.
- Building effective relationships with the new Senedd and Welsh Government following the May 2026 Senedd elections.
- Increasing the digitalisation of audit through using artificial intelligence and other tools that enhance the quality, productivity and efficiency of our work.

None of our objectives for high-quality public audit can be achieved without our staff. Over the coming year, we will continue to provide an excellent, flexible employment offer that supports employee wellbeing and a working environment that encourages collaboration and high-quality work. As we do each year, the Board has also reviewed and updated our framework of key performance indicators and associated targets, to ensure they remain fully aligned with our objectives and are suitably challenging.



Adrian Crompton

Auditor General for Wales



Dr Ian Rees

Chair of the Wales Audit Office



Who we are and what we do

Our purpose is to assure people that public money is being managed well, explain how that money is being spent, and inspire the public sector to improve

- 1 Independent audit of the activities of government and the use of public funds is an essential component of democratic accountability. Auditors carry out their work on behalf of the public, without fear or favour, in a way that is objective and impartial.
- 2 The Auditor General for Wales is the external auditor 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.
- 3 The Wales Audit Office provides resources, such as staff, for the exercise of the Auditor General's functions, and monitors and advises the Auditor General. The Wales Audit Office currently employs around 300 staff.
- 4 Together, as Audit Wales, we audit around £29 billion of income and expenditure. **Appendix 1** provides more detail on how we follow the public pound in Wales. Our work supports the effective scrutiny of public money by the Senedd and locally elected representatives.

We undertake local and national audit work across a broad range of public bodies

Key elements of our work



Providing an opinion on whether public sector accounts have been properly prepared and give a true and fair view of financial position



Considering whether public money is being used for approved purposes



Examining the economy, efficiency and effectiveness with which public bodies have used their resources (value for money)



Providing conclusions on whether public bodies have made proper arrangements for securing value for money in their exercise of functions



Considering whether public business is being conducted in a way that meets certain expectations and standards



Carrying out sustainable development principle examinations

- 5 These audit functions may be exercised in combination, if necessary, across different types of bodies, to examine public spending irrespective of who delivers the services.
- 6 We identify good practice from across the full breadth of our audit work and disseminate this through a range of media, including reports, blogs, podcasts and shared learning seminars and webinars.

We carry out our work in accordance with International Standards on Auditing and other recognised standards

- 7 Our Code of Audit Practice prescribes the way in which our audit and certain other functions are to be carried out. The Code sets out that auditors must comply with international auditing and ethical standards and that their work must be of high quality. Our audit quality arrangements accord with International Standards on Auditing (UK) for accounts audit work, INTOSAI professional standards for performance audit work, and Financial Reporting Council quality and ethical standards for all work.
- 8 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 also proud to represent Wales on the international audit stage, including at EURORAI events.
- 9 We are an accredited training organisation for three of the four professional accountancy bodies. All our graduate trainees are currently studying with the Institute of Chartered Accountants in England and Wales. We also offer a range of apprenticeships, including a finance apprenticeship which supports study with the Association of Accounting Technicians.

We operate independently from government

- 10 The Auditor General is not subject to direction by the Senedd or government in the exercise of his audit functions.
- 11 The Auditor General and our Board are responsible for setting and overseeing the strategic direction of the organisation. The Board holds the Auditor General to account in his role as Chief Executive of the Wales Audit Office and supports him in the discharge of his role as Accounting Officer. As Accounting Officer, the Chief Executive answers personally to the Senedd Finance Committee on matters such as compliance with Managing Welsh Public Money.
- 12 Our Executive Leadership Team advises the Auditor General, including in his capacity as Chief Executive and Accounting Officer. More detailed information on our governance arrangements can be found in the Corporate Governance Report section of our latest Annual Report and Accounts.
- 13 Our operating environment includes a range of factors which will influence the delivery of our work in 2026-27 to varying degrees. **Appendix 2** provides a summary of what we consider to be important elements of our current operating environment.
- 14 In running our business, we are committed to applying best practice for the identification, evaluation, and cost-effective control of risks. The key areas within which risks can arise and threaten successful delivery of our work are set out in **Appendix 3**, alongside a high-level summary of our risk appetite in each of those areas. More information about our finances is provided in our latest Estimate of Income and Expenses and in **Appendix 4**.

Our strategic vision and areas of focus

Our vision is to increase our impact by:

Fully exploiting our unique perspective, expertise and depth of insight

Strengthening our position as an authoritative, trusted and independent voice

Increasing our visibility, influence, and relevance

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

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

Our areas of focus



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

Our programmes of work: audit delivery

We will deliver a comprehensive programme of audit work, in accordance with the Auditor General's statutory powers and duties

- 16 Our core business is carrying out a broad programme of audit work to deliver the Auditor General's statutory powers and duties. Our audit delivery work programme comprises the Auditor General's priorities for 2026-27 in exercising his functions.
- 17 Our audit work plays a key role in supporting the work of the Senedd Public Accounts and Public Administration Committee, which scrutinises how resources are used in the discharge of public functions in Wales. Our work can also inform the work of other Senedd committees, whose wider remits include scrutinising the policies of the Welsh Government, holding Ministers to account, and examining proposed legislation.
- 18 Following the 2026 Senedd elections, we will engage with Senedd Committees to raise awareness of our work, seek views on the content of our work programmes, and support their scrutiny functions.
- 19 Throughout the year, we will also regularly attend meetings of the audit and scrutiny committees of public bodies in Wales to provide briefings and report on our audit work.

Our core work



Undertaking local audit work at over 800 public bodies, including:

- Audits of accounts
- Local performance audit work
- Sustainable development principle examinations



Delivering a programme of national studies



Certifying grant schemes worth approaching £1.5 billion



Supporting effective scrutiny including the work of the Senedd committees



Sharing good practice and audit learning to support public service delivery



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



Approving around £2 billion of payments out of the WCF every month

We will undertake local audit work at most public bodies

Public bodies audited by the Auditor General in 2026-27 and the types of local work carried out at those bodies

Public bodies and related audits	Audit of accounts	Local performance audit work ¹	Sustainable development principle examinations ²
Senedd Commission	✓		
Welsh Government ³	✓		✓
10 Welsh Government executive bodies	✓		✓
Welsh Revenue Authority including the tax statement	✓		✓
Welsh Government owned companies ⁴	✓		✓
7 Commissioners, Inspectorates and Regulators	✓		
7 Local Health Boards	✓	✓	✓
3 NHS Trusts and 2 Special Health Authorities	✓	✓	✓
22 Councils (Unitary Authorities)	✓	✓	✓
4 Police and Crime Commissioners and Chief Constables	✓		
3 Fire and Rescue Authorities	✓	✓	✓
3 National Park Authorities	✓	✓	✓
9 Pension funds	✓		
4 Corporate Joint Committees	✓		✓
City region growth deals	✓		
Several smaller local government bodies including joint committees and harbour authorities	✓		
Over 730 Town and Community Councils	✓		

1 Local performance work is undertaken to meet the Auditor General's duty to be satisfied that audited bodies have made 'proper arrangements' for securing economy, efficiency and effectiveness in the use of resources. That duty applies to all local government and NHS bodies, as well as the Public Services Ombudsman for Wales. In the case of smaller bodies, such as community councils, we do not generally undertake a specific local performance work programme, but rather we usually undertake the necessary work as part of the audit of accounts. The Auditor General does not have a 'proper arrangements' duty in relation to most central government bodies. Performance audit work for that sector is provided in the form of value for money studies and/or sustainable development principle examinations.

2 Only for listed bodies under the Well-being of Future Generations (Wales) Act 2015, at least once every four years. Where possible, this work is fully integrated within our local performance audit programme.

3 Including associated audits of the Welsh Consolidated Fund Receipts and Payment Account, Non-domestic Rating Receipts and Payments Account, and NHS Summarised Accounts.

4 The Auditor General performs statutory audit duties at certain Welsh Government owned companies.

We will carry out a programme of national studies and prepare additional outputs highlighting common themes from our local audit work





- 20 The Auditor General's forward programme of performance audit is focused around four main themes:
- Tackling inequality
 - Responding to the climate and nature emergency
 - Service resilience and access
 - Well managed public services
- 21 The tables below list all active and planned national studies for 2026-27, as of 31 March 2026. The programme includes examinations of issues of public concern identified through our audit work or raised with us through correspondence or whistleblowing disclosures. It also includes sustainable development principle examinations in the central government sector.
- 22 We keep our forward programme under regular review, taking account of the evolving external environment, our own resourcing and the capacity of audited bodies to engage with us. We maintain sufficient flexibility so that we can respond effectively to emerging issues of public or parliamentary concern. In 2026-27, This will include considering developments in Welsh Government policy and areas of possible interest for a new Public Accounts and Public Administration Committee following the Senedd elections. It will also include taking account of the views of the new Auditor General.
- 23 Other outputs may also emerge from our wider work, including reporting in autumn 2026 on the latest round of the National Fraud Initiative. Our Interim Report 2026-27 will provide an update and may identify further new projects. Stakeholder and wider audience survey work that is currently underway will inform our ongoing planning.

Examinations and studies already in progress as of 31 March 2025⁵

	 Tackling inequality	 Responding to the climate and nature emergency	 Service resilience and access	 Well managed public services
The impact of delayed discharges from hospitals and progress in managing urgent and emergency care demand – summary output.			✓	✓
Progress with NHS planned care recovery and reducing the waiting list backlog – summary output.	✓		✓	✓
Arrangements for using digital transformation to modernise and improve NHS services – local audit work.			✓	✓
Managing costs and demand in local authority children’s services.	✓		✓	✓
Medr’s oversight of the financial sustainability of higher and further education.			✓	✓
Welsh Government financial support for business – the Economy Futures Fund.	✓	✓		✓
Local government funding arrangements.				✓
Responding to workforce pressures in local government – recruitment and retention.			✓	✓
NHS bodies’ approaches to improving cancer services. ⁶	✓		✓	✓
How well NHS bodies are managing the NHS estate.	✓	✓	✓	✓
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme.	✓	✓	✓	✓

5 Studies are listed broadly in order of their stage of progress. The strength of the link to the different themes may vary and would depend on the final scope where work is still at the planning stage. In practice, our work typically includes coverage relevant to ‘well-managed public services’.

6 Any summary reporting on this local audit work may also include following up on action in response to national level recommendations in our [report on cancer services](#) from January 2025.

	 Tackling inequality	 Responding to the climate and nature emergency	 Service resilience and access	 Well managed public services
Public sector readiness for net zero carbon by 2030 – follow up.		✓		✓
Support for rail services – the Core Valleys Line improvement.	✓	✓		✓
Setting of well-being objectives – Social Care Wales.	✓	✓	✓	✓
The senior public service workforce, looking at issues such as turnover and recruitment, appraisal, learning and development, or well-being support.	✓			✓
Flood risk management – follow up.		✓		✓
Corporate Joint Committees – follow up ⁷ .				✓
Local authority support for financial management of schools ⁸ .				✓

7 On hold pending outcome from a Welsh Government review.

8 On hold pending outcome from an Estyn review.

New work that we plan to start in 2026-27

	 Tackling inequality	 Responding to the climate and nature emergency	 Service resilience and access	 Well managed public services
Tackling fly-tipping.	✓	✓	✓	✓
Discretionary services in local government.	✓		✓	✓
How councils are responding to an ageing population.	✓		✓	✓
NHS digital – system leadership and national systems, including procurement and contracting.			✓	✓
NHS governance – responding to emerging issues.				✓
Public health challenges – managing and preventing diabetes.	✓		✓	✓
Welsh Government support for renewable energy generation.	✓	✓		✓
Young people not in education, employment or training.	✓		✓	✓
Support for farmers.		✓		✓
Setting of well-being objectives and steps to meet well-being objectives at various central government bodies.	✓	✓	✓	✓

We will also arrange with certain bodies to undertake commissioned work

- 24 Through our commissioned work, we provide services to certain bodies. In 2026-27, this will include:
- Auditing the Arts Council of Wales and Sports Council for Wales lottery distribution accounts (on behalf of the Comptroller and Auditor General).
 - By agreement under the Education Act 1997, providing assistance to Estyn in support of inspections of local government education services.
 - Acting as Chief Auditor to, and auditing the accounts of, the Government of Anguilla.
 - Auditing or independently examining local government charities, and providing technical assistance to UK Overseas Territories
- 25 We are mindful that all such activities should be self-financing and must not be undertaken to the detriment of our core audit work.

◀ Our programmes of work: business improvement

To help us achieve our longer-term vision, we will take action across key business planning priorities aligned with our three areas of focus

26 2026-27 is the last year of a five-year Strategy for achieving our overall vision. Notable achievements during the first four years of strategy delivery are set out below.



A strategic, dynamic and high-quality audit programme

- Rolling out a new accounts audit approach and digital evidence platform, to support compliance with standards and our longer-term aspirations for audit development.
- Agreeing and implementing a three-year delivery timetable with the NHS and local government sectors for making progressive advancements in the sign-off timetable for accounts audits.
- Shaping a forward programme of performance audit work that brings together different elements of our work and aims to enhance timeliness and impact.
- Embedding INTOSAI professional standards in the delivery of our performance audit work.
- Working with the Institute of Chartered Accountants in England and Wales (ICAEW) to map skills pathways for specific accounts audit roles
- Working with other UK audit agencies on piloting a certificate level Chartered Institute of Public Finance and Accountancy (CIPFA) value for money auditor qualification and developing a new higher-level qualification.



A targeted and impactful approach to communications and influencing

- Launching and embedding changes to our arrangements for preparing and designing audit reports, aimed at making our reports shorter and easier to read and understand, so that they better meet both our audience's accessibility needs and new audit quality requirements.
- Undertaking an internal review, working in partnership with the communications agency FOLK, to gauge awareness levels and gather perceptions on the accessibility, value and impact of our work.
- Reviewing and upgrading the content, layout, and design of the Audit Wales website, following a user-centred approach and with further developments planned.
- Launching a refreshed external e-bulletin newsletter which goes out to around 1,700 people every month, keeping them informed about the latest news, insights, jobs and stories from Audit Wales.



A culture and operating model that enables us to thrive

- Launching a whole organisation workforce strategy which sets out a holistic longer-term vision for securing and developing the necessary people resources.
- Completing moves to smaller, better value offices in South, North and West Wales and significantly reducing our travel, associated costs, and environmental impact.
- Shifting to a more balanced and productive approach to hybrid working with increased use of offices for team working and collaboration.
- Launching a new Artificial Intelligence and Digital Initiatives Policy and running an initiative to explore the potential use of Microsoft Copilot in enhancing efficiency, productivity, and digital confidence across the organisation.
- Setting challenging savings targets in our Estimates and putting in place a financial sustainability group focused on identifying innovative options to achieve future savings.

27 On the following pages, we set out our business planning priorities for 2026-27, aligned with the strategic areas of focus to which they relate. Since project delivery in some of these priority areas extends beyond 2026-27, we have provided an illustration of the planned timeframes for delivery for each priority, subject to the outcomes from a scheduled review of our longer-term strategy.

28 Our business improvement work programme comprises the Wales Audit Office's priorities for 2026-27 in exercising its functions.



A strategic, dynamic and high-quality audit programme

Priorities	What success will look like	Timeframe for delivery	
		2026-27	2027-28
<p>Bring the timetable for the delivery of local government accounts audit work further forward to 30 September⁹ and engage proactively with the sector to share best practice.</p>	<p>For bodies where there is a strong track record of high-quality draft accounts and working papers, audit work on 2025-26 accounts is completed by 30 September.</p> <p>For bodies facing persistent challenges, tailored recovery plans with firm deadlines are agreed with senior leaders to drive improvement.</p> <p>Proactive engagement with the Society of Welsh Treasurers and delivery of local events through which audit insight and best practice is shared.</p>		
<p>Shorten the timeframe for the completion of local performance audit work, such that all work is completed within three months of the end of the year to which the audit plan relates.</p>	<p>By September 2026, we complete our three-year plan to clear post-pandemic backlogs in our local government and NHS local performance audit work programmes.</p> <p>By 2027, we consistently complete all planned local work by the optimum deadline for ensuring timely and impactful reporting (31 March for the NHS and 30 June for local government).</p>		

⁹ Equivalent 2024-25 accounts deadline was 31 October



A targeted and impactful approach to communications and influencing

Priorities	What success will look like	Timeframe for delivery	
		2026-27	2027-28
Build effective relationships with the new Senedd and Welsh Government following the May 2026 Senedd elections.	<p>Our position as an authoritative, trusted and independent voice is strengthened, with high levels of awareness and understanding of our role among Members of the Senedd and Welsh Ministers.</p> <p>Following the 2026 elections, the outputs and insight from our work are prominent in shaping public service improvement and effective scrutiny.</p>		



A culture and operating model that enables us to thrive

Priorities	What success will look like	Timeframe for delivery	
		2026-27	2027-28
Increase the digitalisation of audit through the use of artificial intelligence and other digital tools that enhance the quality, productivity and efficiency of our work.	<p>A wide range of integrated digital tools working effectively across all areas.</p> <p>A culture characterised by innovation and an appetite to adopt new technologies.</p> <p>Staff that are confident and skilled in using new and existing tools.</p> <p>Evidence that technology is delivering clear benefits in audit quality and productivity.</p> <p>A modern audit office that continues to keep pace with digital developments in the audit profession and wider public sector.</p>		

Measuring and reporting on our performance

- 29 In 2026-27, we will continue to use quantitative and qualitative methods to measure, report and reflect on our performance, value for money and risks, and to seek evidence on the impact of our work. This includes regular reporting to our Executive Leadership Team and Board on progress made towards delivering our strategy and achieving our key performance indicator (KPI) targets. It will also include internal audit reports to our Executive Leadership Team and Audit & Risk Assurance Committee.
- 30 We have identified a set of high-level KPIs that will help us to measure progress made towards delivering our overall vision. We will place emphasis on evaluating our direction of travel and pace of improvement, alongside comparison with appropriate benchmarking.
- 31 We will report on our performance externally through our Interim Report and Annual Report and Accounts, and by providing evidence at meetings of the Senedd Finance Committee. Our KPIs are part 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.
- 32 When preparing this Plan, we reviewed our KPI targets with reference to mid-year levels of performance published in our [Interim Report](#) and appropriate external benchmarks, to ensure alignment with our overall ambitions and our strategy for achieving them.



A strategic, dynamic and high-quality audit programme

No	Indicator	Description	Target for 2025-26	Target for 2026-27
1	Audit of accounts	Proportion of accounts audit opinions delivered by the statutory or planned deadline ¹⁰ .	100%	100%
2	Performance audit	Proportion of performance audit products ¹¹ delivered in accordance with the planned timetable.	90%	90%
3	Quality	Number of reviewed audits that are delivered in accordance with expected quality standards ¹² .	All audits sampled in the highest two audit quality categories	All audits sampled in the highest two audit quality categories
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%	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%	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%	At least 80%
7	Savings identified	Value of potential savings, productivity gains and other financial benefits identified through our work.	At least £30 million during 2023-2026	At least £30 million during 2024-2027

10 Where audited bodies deliver good quality draft accounts by the required deadline and respond in a timely manner to audit queries.

11 National study outputs and annual audit programmes for individual NHS and local government bodies. Measurement considers the scale and impact of any delays beyond planned timetables and if they relate to factors outside our direct control.

12 [International Standards on Auditing \(UK\)](#) for accounts audit work, [INTOSAI professional standards](#) for performance audit work, and Financial Reporting Council quality and [ethical standards](#) for all work.



A targeted and impactful approach to communications and influencing

No	Indicator	Description	Target for 2024-25	Target for 2026-27
8	Good practice events	Proportion of stakeholders who rate our good practice outputs as useful or very useful.	At least 90%	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.	53,000 each year	75,000 each year
10	Social media	Number of social media engagements, ie interactions with our posts such as a like, a comment or share.	4,000 each year	5,000 each year
11	Sharing audit learning	Number of instances where we present audit learning to external audiences ¹³ .	50 each year	50 each year

¹³ Beyond routine engagement with audited bodies and including, for example, at key policy working groups or externally hosted events.



A culture and operating model that enables us to thrive

No	Indicator	Description	Target for 2025-26	Target for 2026-27
12	Employee engagement	Annual staff survey engagement index score.	At least the benchmark median score for the latest Civil Service survey	At least the benchmark median score for the latest Civil Service survey
13	Turnover	Proportion of employees who voluntarily leave Audit Wales per annum.	Between 5% and 10%	Less than 10%
14	Sickness absence	Proportion of total time lost due to sickness absence.	Less than 4%	Less than 4%
15	Financial balance	Variance in net expenditure from the budget set out in our Estimate.	Less than 2% of gross expenditure budget	Underspend of less than 2% of budget
16	Cost savings	Value of in-year cost savings delivered across the business.	£200,000 as set out in our 2025-26 Estimate	£300,000 as set out in our 2026-27 Estimate
17	Greenhouse gas emissions	Total CO ₂ equivalent emissions ¹⁴ .	Less than 290 tonnes (50% reduction from 2019-20 baseline)	Reduce by 25 tonnes from 2025-26 ¹⁵
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%	At least 90%

14 Not including supply chain emission estimates which are reported on separately in our annual Sustainability Report.

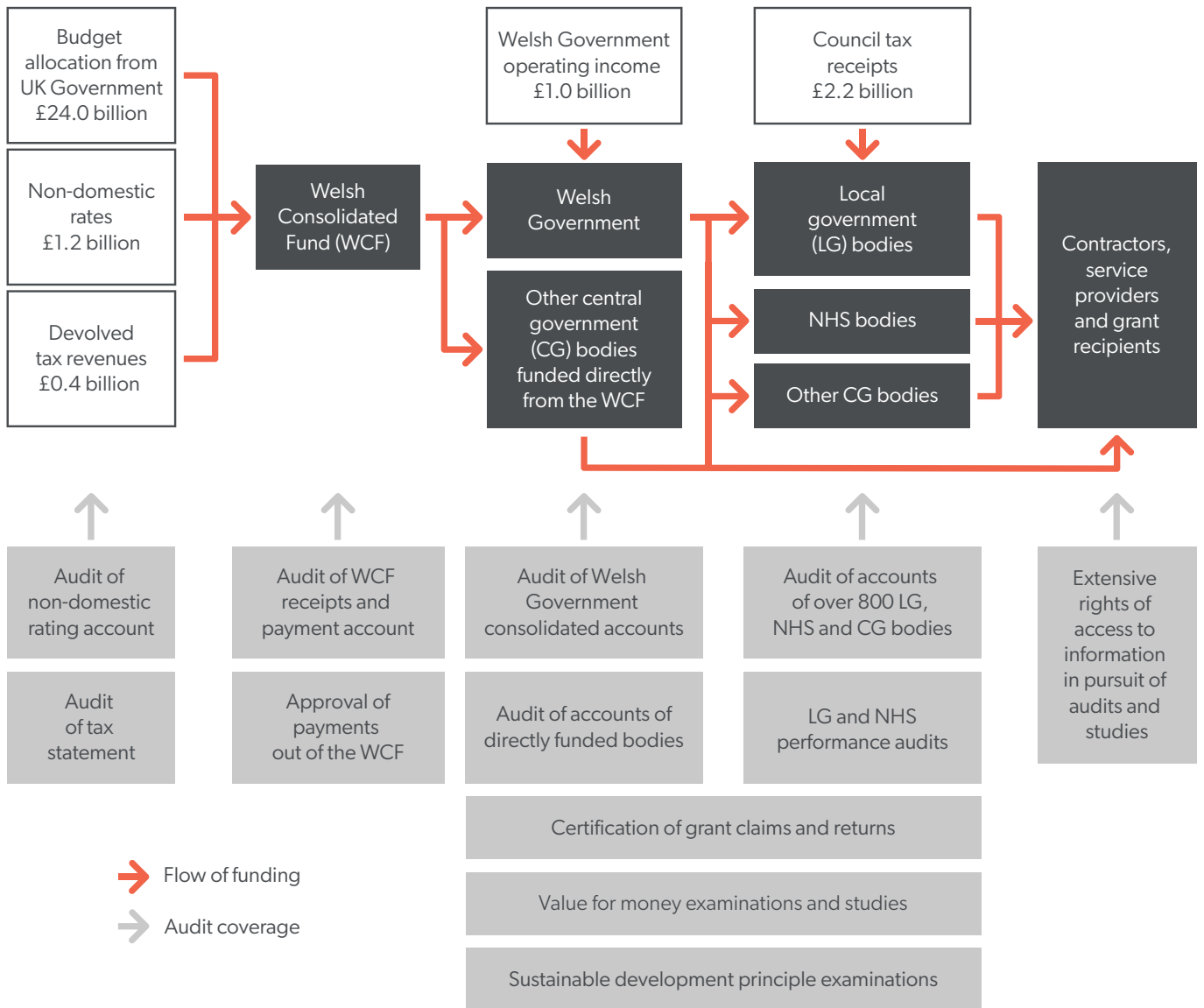
15 2025-26 set as new baseline following introduction of revised Welsh Government reporting methodologies and shift to a more steady state post-pandemic hybrid working model.



Appendices

- 1 How we follow the public pound in Wales
- 2 Our operating environment
- 3 Our key risk areas
- 4 Our finances

1 How we follow the public pound in Wales



Notes to exhibit:

- Funding sources highlighted in exhibit do not include income generation activities at individual public bodies.
- Budget allocation from UK Government includes receipts from the Wales Office (£18.9 billion), HMRC Distribution from the National Insurance Fund in respect of Social Security (£1.7 billion), and the Welsh Rate of Income Tax (£3.5 billion)

2 Our operating environment

Some important elements of our current operating environment which are likely to influence the delivery of our work in 2026-27



3 Our key risk areas



1-2

Value for money

We are averse to risks which compromise our application of high standards of governance, and cautious in taking risks which affect our ability to run the business in an economic, efficient and effective way.



2-3

Capacity & capability

We are cautious in experimentation in areas outside our core business but are more open to risk in attracting, retaining and developing the staff resources needed to deliver our programmes of work.



2-3

Profile & reputation

We are cautious in areas that could have negative impact on reputation with key stakeholders. We are more open in the steps we take to increase awareness, understanding and credibility among a range of key stakeholders.



2-3

Leadership

We are cautious in setting strategic direction for the organisation given that so many functions and duties are defined by statute. We are more open in our approach to supporting innovation and engaging and motivating staff.



2-3

Accessibility

We are cautious in moving away from recognised principles of communication, especially when these relate to statutory duties. We are more open in making our audit outputs accessible to a wide range of audiences.



1-3

Technology

We are averse to risk in our handling of personal and audit information and in ensuring our IT systems remain secure, reliable and fit-for-purpose. We are more open to risk in exploring the use of new technology to improve the efficiency and effectiveness of our work.



1

Quality & timeliness

We are averse to risk that prejudices delivery of high-quality and timely work.

Key areas where risks can arise and threaten successful delivery of our work

Our risk appetite for each of the broadly defined areas is set out as a rating in the top right of each box. The risk appetites typically cover more than one rating (see definitions below) to reflect our desire to be more innovative in specific areas in pursuit of our overall goals.

Risk appetite ratings key:

1	Averse	Avoidance of risk is a key objective. We are only willing to accept very limited risk.
2	Cautious	Preference for safe options that have a low degree or residual risk. These options may only offer limited reward potential.
3	Open	Willing to consider all potential options and choose one which balances residual risk with a desired level of reward.
4	Bold	Eager to be innovative and choose options offering high rewards despite inherent risk.

More detailed information on our risk management framework can be found in the Corporate Governance Report section of our latest [Annual Report and Accounts](#).

4 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](#) approved by the Senedd. Most of the remainder comprises approved financing from the Welsh Consolidated Fund, our use of which is subject to scrutiny from the Board at regular intervals during the year.

The resources available, and which may become available, to the Wales Audit Office in 2026-27 are laid out in our most recent [Estimate of Income and Expenses](#). The Estimate sets out how those resources are to be used in undertaking the Auditor General's and Wales Audit Office's work programmes. It was considered and approved by the Senedd Finance Committee in November 2025.

£24.5 million of our planned expenditure for 2026-27 relates to staffing resources to be made available to the Auditor General to carry out his work programme. 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. A further £4.3 million provides a range of other services, including travel and subsistence, staff learning and development, capital investment, management of our trainee and apprenticeship schemes, and professional fees.

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.



Audit Wales
1 Capital Quarter
Tyndall Street
Cardiff CF10 4BZ

Tel: 029 2032 0500

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

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