OUR YEAR 2018-19

A REVIEW OF OUR WORK, DELIVERY AND PERFORMANCE

Archwilydd Cyffredinol Cymru
Auditor General for Wales

This is an interactive pdf
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INTRODUCTION

2018-19 was a very productive year for us in terms of our audit work. We successfully delivered the entire programme of audits laid out in our Annual Plan to a high quality standard. Most of the credit for this success must go to the professionalism, dedication and hard work of Wales Audit Office staff and our contractors, for which I am extremely grateful.

Adrian Crompton
Auditor General for Wales

The last 12 months have in many ways been a year of transition at the Wales Audit Office. We welcomed Adrian as the new Auditor General and Chief Executive and spent time re-evaluating our key risks and priorities and refreshing our corporate ambitions. However, we also kept the pressure up towards delivering our ongoing commitments to maintain high standards of corporate governance, seek further efficiencies and deliver impactful work that adds value.

Isobel Everett
Chair, on behalf of the Wales Audit Office
ABOUT US

Who we are and what we do

The Auditor General for Wales is the statutory external auditor of most of the Welsh public sector.

The Auditor General is responsible for the audit of most of the public money spent in Wales, including the funds that are voted annually by the National Assembly.

The Wales Audit Office employs around 270 professional staff and utilises other resources, including additional expertise from private sector accountancy firms, to enable the Auditor General to carry out his functions.

Altogether, we audit some £19 billion of income and expenditure, which is nearly a third of Welsh GDP.

Why we are here

ASSURE
the people of Wales that public money is well managed

EXPLAIN
how public money is being used to meet people’s needs

INSPIRE
and empower the Welsh public sector to improve
Our ambitions

**Fully exploit our unique perspective, expertise and depth of insight**
- Maximise the power of our unique insight through more integrated team working and knowledge sharing.
- Search proactively for synergies and trends within the information that we hold.
- Focus on what matters most and will make the biggest difference to the public and public bodies.

**Strengthen our position as an authoritative, trusted and independent voice**
- Bring trusted commentary and evidence to the fore on the right issues at the right time.
- Ensure we clearly lay out the facts and concisely explain why we have arrived at a particular conclusion or interpretation.
- Be alert and responsive to new opportunities to share audit knowledge and insight where it can add value.

**Increase our visibility, influence and relevance**
- Have an overtly outward focus and engage in a way that resonates with a wide range of audiences.
- Influence the thinking and behaviour of others and shape the wider public debate.
- Seek and be receptive to ideas and lines of thought from outside Wales and outside the public sector.

**Be a model organisation for the public sector in Wales and beyond**
- Since we form audit judgements on others, make sure we consistently practise what we preach.
- Provide clear, consistent and authentic leadership and increase the pace of our decision making.
- Empower people throughout the organisation to come up with new ideas and effect positive change.
## Our Work

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<thead>
<tr>
<th>Our Year 2018-19</th>
<th>Our Work</th>
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<tr>
<td>Issued over 800 audit opinions on the accounts of public bodies</td>
<td>Published 26 national reports</td>
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<td>Certified grant schemes worth approaching £3bn</td>
<td>Hosted 18 shared learning seminars and webinars</td>
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<td>The outputs from our work supported 30 meetings of the Public Accounts Committee</td>
<td>Audited £250 million of European funds used to support farmers and agriculture across Wales</td>
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<td>Dealt with 96 pieces of correspondence that raised potential concerns about public spending</td>
<td>Facilitated the detection and prevention of fraud and error worth more than £5.4 million</td>
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Drawing attention to a growing problem – the management of follow-up outpatients

In October 2018, the Auditor General published a report on the Management of follow up outpatients across Wales. In the report, we drew attention to a growing problem which, to date, has typically not received a great deal of coverage – across Wales, large numbers of patients are waiting for review on a follow-up NHS outpatient list, with associated clinical risks.

Alongside communicating our findings at a national level through the short and easy-to-read summary report, we made a range of recommendations for action through local audit reports.

‘FOLLOW-UP OUTPATIENTS HAVE SUFFERED AT THE EXPENSE OF RTT, THE WORK OF THE WALES AUDIT OFFICE WILL NOW ENSURE THAT OUTPATIENTS HAS NATIONAL SCRUTINY’

‘THE WALES AUDIT OFFICE REPORT IS PIVOTAL IN ENSURING THAT IMPROVEMENTS ARE MADE’

– EXTRACTS FROM MINUTES OF THE NATIONAL OUTPATIENT STEERING GROUP
Sharing learning from the Basque Country

During 2018, one of our good practice team members was awarded a Winston Churchill Travelling Fellowship to look at the governance and impact of large-scale co-operatives and social enterprises in the USA and Basque Country. The role of these organisations in supporting vibrant communities, people’s well-being and reducing inequality has direct relevance to public services in Wales.

In December 2018, we hosted a well-received shared learning event where six people from the Basque Country travelled to Wales for four days to share their experiences and examples of delivering projects aligned with many of the aspirations of the Well-being of Future Generations (Wales) Act 2015. Through the use of online webinars, blog posts, site visits and face-to-face events over 250 people were able to engage with the Basque visitors to learn from their experiences and form positive international relationships.
Identifying anomalous data on student grant applications that could be due to fraud

In 2018, a new higher education student finance system was introduced for students commencing their studies in the 2018-19 academic year. This new system meant students could apply for maintenance support grants of up to £10,124 per annum. All means-tested grants, benefits or services carry a risk of application fraud.

In response to this risk, we engaged with the Welsh Government, Student Finance Wales (SFW), the Cabinet Office and HMRC in a collaborative project designed to identify potential fraudulent applications. The project used sophisticated data-matching techniques to compare data submitted to SFW with data held by other organisations including HMRC and credit reference agencies. Integral to the success of the project was the alignment of HMRC’s statutory data-sharing powers with the Auditor General’s statutory data-matching powers.

The project has been highly successful in identifying anomalous data on student applications that could be due to fraud. These anomalies are currently being investigated by SFW. The project has demonstrated the benefits that can accrue when public bodies and auditors work together, sharing information and aligning powers to address a common challenge. The success of the Wales project has resulted in a parallel project being established in Scotland.
Our Performance

Delivery and Impact

- 99% of our recommendations were fully accepted for implementation
- £6.6M potential savings identified through our work
- 89% of stakeholders perceived that we are delivering the Auditor General’s objectives
- 90% of key audit products were delivered on time
- 1,363 people attended our shared learning seminars and webinars
- 95% of attendees at our good practice exchange events rated them useful
- 22,394 website visits where at least one action was performed
- 26 National reports published

Performance

Our Work

About Us

Resources
Leadership and Culture

- 67% of staff felt a strong emotional connection and commitment to the organisation
- 84% of staff felt positive about our organisational objectives and purpose
- 42% of staff felt positive about our leadership and change management
- 77% of staff felt positive about our organisational culture
- 71% of staff felt positive about the effectiveness of their manager
- 79% of staff felt they were treated fairly and inclusively
- 52% of staff felt positive about our learning and development arrangements
- 81% of staff felt positive about the resources available to them and their workload
MANAGING THE BUSINESS

- 6.7 days were lost due to sickness per member of staff per annum
- 1.1% variance in gross expenditure that was set out in our 2018-19 Estimate
- 84% of suppliers paid within ten working days
- £490K of cost savings and efficiencies identified throughout the business
- £3,378 estate costs per full-time equivalent member of staff
- 0 complaints were received and upheld regarding our Welsh language provision
- Level 5 Accredited to Level 5 of the Green Dragon Environmental Standard
- 398 tonnes of CO₂ equivalent emissions produced

For a more in depth look at our performance read the full Annual Report and Accounts on our website audit.wales
**Our Year 2018-19**

**Our Use of Resources**

**Income**
- **Total Income**: £21.4M
- **Audit Fees**: £14.7M
- **Welsh Consolidated Fund**: £6.7M

**Expenditure**
- **Total Expenditure**: £21.4M
- **Staff Costs**: £16.5M
- **Bought in Services**: £1.1M
- **Other Costs**: £3.8M
INVESTMENTS

We invested £210,000 of capital funding across five areas, some of which will help us to deliver further efficiency savings in coming years.

- **£70,000** on new hybrid laptops which allow our staff to work more efficiently and reduce our consumption of paper.
- **£37,000** on necessary repairs and accessibility improvements to our Cardiff office, including to facilitate new ways of working.
- **£12,000** on improvements to our video conferencing facilities which allow us to reduce our business travel with associated cost savings and environmental benefits.
- **£50,000** on improvements to our corporate and audit data management systems and software.
- **£41,000** on essential improvements to our IT network.
As a professional audit body and an accredited training provider with three professional accountancy bodies, the Wales Audit Office is committed to a rolling programme of trainee recruitment. Through our annual recruitment campaigns, we aim to attract the highest possible calibre of candidate.

During the 2018-19 financial year, 39 trainees successfully moved on to the next stages of their studies, collectively achieving a 90% first-time pass rate for examinations with the Institute of Chartered Accountants in England and Wales.

We also offer secondment opportunities for our trainees to spend periods of time at other publicly funded bodies.

90% FIRST-TIME PASS RATE

Read the full Annual Report and Accounts on our website [audit.wales](http://audit.wales)
ENVIRONMENTAL STEWARDSHIP

In 2018-19, we were proud to achieve our target of reaching Level 5 (the highest level) of the Green Dragon Environmental Standard, demonstrating our ongoing commitment to effective environmental management.

As part of this commitment, we offset all of our carbon dioxide equivalent emissions, including those resulting from our business travel, reduced our consumption of paper by 16% and recycled over three-quarters of our waste.

CHARITY WORK

The Wales Audit Office recognises the benefits that community and charity work by staff can bring to the wider community and applauds its staff for their individual efforts. Staff can apply the skills they have developed in the workplace and can develop new skills, whilst improving their morale, physical health and work-life balance.

In total, staff raised nearly £1,500 for charities involved in helping people who are homeless or who have been dispossessed.