

Reference: AC/190/caf

Date issued: 30 April 2020

Dear Colleague

Audit Wales work programme

I am writing to update you on some important aspects of the work that my office will be undertaking over the coming weeks and months. Firstly though, I would like to pay tribute to all the public servants who are working so hard to see our country through this crisis. As the organisation responsible for scrutinising so many of these public bodies, we have a privileged insight into how vital they are to everyone's lives, every day – and even more so at a time like this. As Auditor General, on behalf of everyone at Audit Wales, and simply as a member of the public - thank you.

As you know, last month I decided to pull back from all on-site audit work as the public service focused on the pandemic. We have continued to make progress on other activity whilst working and engaging with you remotely. I remain committed to ensuring that our audit work does not have a detrimental impact on the efforts of severely stretched public bodies to deal with the national emergency. That is not to say, however, that I want us to be entirely passive. Well targeted and well delivered public audit has a vital part to play at this time in ensuring value for money, good governance and accountability. This letter explains how we will be approaching our work over the coming months.

Well-being of Future Generations report

In line with statutory requirements, we have published our Annual Plan for 2020-21, recognising that much of the performance audit work programme described in it will now need to be re-shaped or deferred.

One important exception to this is my national report under the Well-Being of Future Generations (Wales) Act 2015, which I am required by statute to lay by 5 May 2020. I have decided to lay my report 'without fanfare' before the Senedd on 5 May, and to defer any significant engagement with public service leaders and others regarding the key report messages until later in the year. I consider this to be a pragmatic way of discharging my statutory duty under the 2015 Act, whilst minimising any unnecessary distractions for the wider public sector at this difficult time. I hope the delay in engagement will also help to ensure that the impact of this important report in supporting constructive change is not significantly diminished.

Real-time audit work in respect of COVID-19

It is already apparent to my audit teams that people and organisations right across the Welsh public services are developing novel and innovative ways of working in response to COVID-19. The crisis is forcing us all to innovate and address long-standing issues with urgency. Both opportunities and risks will doubtless emerge during this period which, if acted upon sooner rather than later, can generate real-time benefits and help to mitigate other risks.

To that end, I want to deploy the capability and capacity of Audit Wales for the good of the wider public sector. Specifically, I propose to undertake work providing real-time capture and sharing of learning and experience across our audited bodies. This will involve our staff in gathering novel and other practice as it emerges and analysing it rapidly to draw out relevant points of learning. We are developing a software tool to assist us in gathering and processing this information. We will share the resulting insights swiftly to our key contacts across the Welsh public service.

I am acutely conscious that we will need to conduct any activity in a manner that doesn't impede the very important work that is happening across Wales, and which can add substantial value in informing that work. My intention is therefore to work closely with audited bodies to support them to improve their evolving responses to COVID-19, whilst preserving my objectivity and independence as Auditor General.

I am pleased to say that we have received support for this proposal from the Permanent Secretary and other senior officials at Welsh Government, the WLGA and the NHS Wales Confederation. As soon as we are able, my staff will be in touch to discuss practicalities which, as I say, will be designed to be as least intrusive as possible.

I attach a short summary of the project for your information. If you have any queries or concerns with this approach, or if you can suggest particular areas where it could be usefully directed, please let me or a member of my team know.

Other audit work in respect of Wales' response to COVID-19

Given the impact of COVID-19, I will be re-shaping my previously planned programmes of audit work. You won't be surprised, for example, that I am tracking the various COVID-19 funding flows from both UK and Welsh Governments and considering how best I can assure the people of Wales that those funds are well managed and that there is appropriate governance and accountability for the use of public money. Looking a little further ahead, I envisage a focus on what the impact of the current crisis means both in terms of the resilience and the future shape of public services in Wales. Of course, timing is everything, and I will ensure that our work does not prejudice the efforts of the public sector to tackle the crisis, whilst still reporting sufficiently thoroughly and promptly to support both scrutiny and learning.

Audit of accounts

My Engagement Directors have written to each of you about the impact of the COVID-19 emergency on your audit plan. This includes specific audit risks, as well as

revisions to the audit timetable and accounting requirements (where relevant). My staff will continue our close engagement with you and your senior team over the coming weeks and months to ensure that we deliver a high quality audit of your accounts in these changed circumstances.

Other matters

As well as considering how best to deploy Audit Wales resources to support the COVID-19 effort through our audit work, I am very aware that staff resources across public services are being stretched as never before. I want to let you know that, subject to availability and provided that the future independence of our work is not compromised, I am very willing to consider how my staff can assist wherever their skills and expertise may be required. Please let me (or a member of my team) know if there is anything specific that we can do to assist.

And finally, you will have noticed the identity and name change in this letter. Such a secondary issue in the current climate, I know, but in response to feedback on how we communicate and engage, we took the decision last year to bring together the various strands of our work under a new, clearer umbrella identity – Audit Wales. While not affecting our formal legal status, we will operate as Audit Wales henceforth in the vast majority of our public facing work. It is just one part of a wider programme of change for our audit reports; our website; our communications style and the way we engage more generally, that I hope you will recognise and value.

In closing, I would like to pay tribute once again to my colleagues across the Welsh public service and the phenomenal work they are doing for the people of Wales.

Yours sincerely



ADRIAN CROMPTON
Auditor General for Wales

Title

Project Briefing note:

The Auditor General for Wales plans to support the rapid collection, analysis and sharing of knowledge and insights during COVID-19

Novel Practice Emerges During a Crisis.

During any emergency or crisis people will develop solutions and work in ways that are novel. Practices will emerge that are outside the range of what could be described as business as usual.

The prolonged duration of COVID-19 provides the opportunity to capture and consider this novel practice from three perspectives:

1. The identification of opportunities to improve the current response to the situation, in as close to real time as possible;
2. The identification of emerging risks (for example widespread fraud attempts) that can then be mitigated before they develop to a large scale; and
3. The recording and consolidation of novel practice, that could be shared more widely in real time and also incorporated as good practice into 'business as usual' once COVID-19 has subsided.

Collecting and Recording Novel Practice

Organisations that are experienced in emergency and crisis situations often deploy observers / information gatherers alongside their recovery teams, to identify the novel practice as it emerges. This role is recognised as a vital part of learning from what has happened and facilitates being better prepared to face the future.

The collection of information can be achieved through a range of approaches that include impartial observation, conversations and document review. It is supported by rapid analysis to draw out key insights and feedback learning. This 'closes the loop' and supports a process of real time learning and improvement.

The role of Audit Wales in supporting the Welsh Public Services response to COVID-19

The Auditor General's statutory remit places Audit Wales in a unique position to observe activity wherever public resources are being used. Our staff have strong networks and trusted relationships with people across the Welsh public services. Consistent with preserving his independence, the Auditor General plans to deploy Audit Wales staff in the three areas identified above, in support of the 'team Wales' efforts to respond to COVID-19.

Importantly, the approach taken will not impose an additional burden upon public bodies and will be predicated upon sharing useful information and analysis in real time alongside collecting what might be useful insights and learning for others.

Specifically, this will involve:

- Audit Wales staff collecting information through methods including reviews of documents and published materials, discussions with individuals and groups and observations of meetings (generally via remote working);
- The collation of this material within and across our audit teams, using our SenseMaker data tool, to provide rapid analysis; and
- The rapid dissemination of insights, additional knowledge and potential shared learning points to their original data sources, and more widely across Welsh public services where appropriate.

We anticipate that this will be an ongoing process of 'collect, analyse, share and repeat'. Greater value will potentially be generated over time as more information is gathered and shared with the people who can use it to support their response to COVID-19. We will also keep the process itself under close review and adjust it as needed in response to feedback and changing circumstances.

The overall approach taken will be consistent with how our Good Practice work has been developed over the last decade - working with public services to support them to improve, whilst maintaining the objectivity and independence that is required of the Auditor General.