



Consultation on the Auditor General's Work Programme

April 2010 to March 2012



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

www.wao.gov.uk

Foreword

I am pleased to launch this public consultation on potential topics for inclusion in my national studies programme for the next two years.

Public services in Wales are changing, under increasing pressure to do more for less through a time of significant financial constraint, organisational change and political uncertainty. The Wales Audit Office too must adapt to changing circumstances, supporting public bodies as they strive to improve their services in difficult financial conditions.

Consequently, my national studies programme should focus on those areas that will support public service managers in their drive for improvement. But it is critical that I also continue to provide independent and authoritative assurance to citizens and decision-makers that public services are well-managed, accountable and provide value for money. It is also right that I focus on those areas where public investment is greatest and, therefore, where improvements have the potential to yield the most benefit.

One of the factors I take into account when deciding the content of my national studies programme is feedback from citizens and other stakeholders. I want to ensure that my work is relevant and timely and that it is in areas where the Wales Audit Office can have the greatest impact. I am unlikely to undertake all the studies identified in this consultation document and need to prioritise our efforts appropriately. I also need to retain some flexibility to take into account changing circumstances or demands for work at short notice and so my programme might change. But in applying such flexibility, it is important that I have as full and rounded a picture as possible of where citizens and stakeholders think my priorities should lie.

I hope that you will take the time to respond to this consultation. I want to encourage as wide a debate as possible and will be publishing a summary of responses with the outcome of the exercise.

I look forward to hearing from you.

Gillian Body
Auditor General for Wales



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Our work

- 1** The Auditor General is the external auditor of the Welsh public sector. She and her staff make up the Wales Audit Office. Our purpose is to make public money count, promoting improvement so that people in Wales benefit from well-managed, accountable public services that provide the best possible value for money. We do this by:
 - a** examining how public services are performing;
 - b** explaining why performance is like that; and
 - c** identifying how the performance of public services can improve.
- 2** Our work falls into three broad categories – the financial audit of accounts, performance audit and a stream of work aimed at identifying and sharing good practice.
- 3** The Auditor General is responsible for auditing the accounts of the National Assembly, the Assembly Government and its sponsored bodies and the National Health Service. She also appoints auditors to the 22 local and three national park authorities, the fire and rescue services, police authorities, probation boards and community councils.
- 4** Performance audit involves in-depth examinations of the implementation of Government policy, management practice and procedures and public sector performance in delivering services. This work comprises:
 - a** national value for money examinations of whether the Assembly Government and its related bodies have used their resources economically, efficiently and effectively;
 - b** national studies of local government bodies in Wales;
 - c** annual improvement reports of local authorities, national park authorities and the fire and rescue services; and
 - d** reports on particular aspects of the management or operations of local health bodies.
- 5** The third main strand of our work is the Good Practice Exchange (GPX) which hosts over 250 case studies covering a wide range of public sector activity. The GPX is fed by our financial and performance audit work, which generates examples of how the organisations we audit are dealing with the challenges they face. We have supplemented the GPX with a series of shared learning seminars bringing together people from across the Welsh public service to share their knowledge and experience.

- 6 Working with a range of other organisations, we are also supporting the goodpracticewales.com portal, an ambitious initiative that allows users to search for examples of good practice, case studies and other documents.
- 7 The purpose of this consultation is to seek views on the content of our national studies programme, which we plan to undertake over the coming two years. It includes our proposals for value for money examinations of the Assembly Government and its related bodies and for national studies focused specifically on local government. It does not include performance audit work examining local issues at particular audited bodies and which we agree with those bodies.



What we have done so far

- 8 Our national study reports are usually considered by the National Assembly's Public Accounts Committee and can form the basis of that Committee's own detailed inquiries, as well as potentially supporting the work of other National Assembly scrutiny committees. Reports can relate to particular sectors of the public service – such as local government or health – or particular issues that cut across institutional boundaries.
- 9 Since the creation of the Wales Audit Office in 2005, we have published national reports on subjects ranging from sickness absence management in the NHS to public access to the countryside and from work-based learning to coastal erosion and tidal flooding risks. All of our published reports are available on our website www.wao.gov.uk.
- 10 Appendix 1 describes our ongoing national work and the expected publication date.



Our proposals

- 11 Outlined in Exhibit 1 are the national studies we have identified as worthy of further investigation. This long list of options takes into account a range of factors including: our strategic themes and priorities; any recently, or soon to be, published work; the plans of other external review bodies whose work we would not wish to duplicate; and that the work will itself provide value for money, having an impact with decision-makers, service deliverers and the public. We also review our work programme annually to ensure that it remains relevant.
- 12 Following this consultation, and having considered collective views on the relative merits and priorities of potential study topics, we will finalise our national studies for the next two years, covering the lifecycle of the current Wales Audit Office strategy.
- 13 A key strategic theme for this work will be supporting the public sector in terms of innovation, efficiency and cost saving. We have already commenced a crosscutting project examining the capability of public sector bodies to manage innovation and efficiency effectively within the current and projected future economic climate. Our forthcoming report *A Picture of Public Services* will also reflect on the challenges and opportunities facing public bodies as a consequence of the economic climate and constraints on public spending.

Working with other external review bodies

- 14 Our work with Estyn, the Care and Social Services Inspectorate for Wales and Healthcare Inspectorate Wales demonstrates our commitment to delivering work jointly with other bodies where appropriate. Equally, we recognise that the most effective approach will sometimes be to delay or change our plans where other review bodies are already working in a particular area, or planning to do so. If you are aware of such work, please let us know in your response.

The consultation process

- 15** We would like your views on the focus and scope of our work programme:
- a** Which studies should we prioritise in the next two to three years?
 - b** Are there other topics not featured in our plans that you think we should cover?
 - c** Are you aware of other work, either ongoing or planned, that might cause us to rethink our own plans or on which we might collaborate?
 - d** Are there any topics, whether included in our plans or not, on which you would welcome good practice products or opportunities for shared learning with other organisations?
- 16** If you would like to respond to our consultation, you can do so in the following ways:
- a** Print out and complete the response form on page 18 (Appendix 2) of this report and post it back to:

Studies Consultation
24 Cathedral Road
Cardiff, CF11 9LJ
 - b** Email your views to us at info@wao.gov.uk
 - c** Visit the homepage of our website www.wao.gov.uk and submit your views online
- 17** The deadline for responses is Friday 26 March 2010.



Exhibit 1 - Proposals for future work

Pan-public sector reviews

1 The Assembly Government's response to the economic downturn

Examining the ongoing response by the Assembly Government to the economic downturn, including the cost-effectiveness of schemes such as ProAct and ReAct (building on findings reported by the National Assembly's Enterprise and Learning Committee in May 2009).

2 Public sector procurement

The Welsh public sector spends an estimated £5 billion each year buying goods and services. Improved procurement practices are expected to make a key contribution to the £600 million efficiency gains target set out in Making the Connections. The study would examine whether current procurement arrangements are delivering value for money.

3 Young people not in education, employment or training (NEETs)

Linking closely to potential work on the Assembly Government's response to the economic downturn, this review would examine the effectiveness of efforts to reduce the proportion of young people in Wales who are NEETs. No single public body can address this issue, and its consequences,

in isolation; the work would consider the collective efforts of the Welsh public service in improving outcomes for NEETs.

4 Strategy into action and public engagement

This study would bring together and build on evidence of the difficulties of translating public sector strategy into action. It could incorporate a review of how public bodies can better engage with citizens to win support for the strategic developments needed to respond effectively to the current challenges facing public services.

5 Public sector performance management

Performance management should not be an end in itself. Effective performance management is about measuring the right things and responding to actual performance to improve outcomes. This review would examine the effectiveness of performance management arrangements across the Welsh public sector. The challenge of managing performance at a community level, looking across organisational boundaries, would be a particular focus.

6 Internal audit across the public sector

This review would compare internal audit services across the Welsh public sector in terms of their scope, costs and quality. The work would identify good practice and consider alternative methods of provision.

7 Support for, and engagement with, the third sector

The third sector includes community associations, self-help groups, voluntary organisations, charities, faith-based organisations, social enterprises, community businesses, housing associations, co-operatives and mutual organisations as well as many others. In 2008, the Assembly Government published its four-year strategic plan for the third sector, *The Third Dimension*. The document identifies three overlapping spheres of interest that define the relationship between the Assembly Government and the sector: stronger communities, better policy and better public services. This review would examine the third sector's contribution in these areas.

8 Services for older people – active ageing

This review would examine the effectiveness of a range of NHS and local authority services that help citizens to live healthy, productive and independent lives as they grow old. Our focus in terms of NHS services could relate to dementia care, prevention of falls and hip fracture. Our focus in terms of local authority services could cover lifelong learning, employment and volunteering, housing and benefits and allowances. This work would consider the lessons learned from, and potential wider applicability of, new ways of working.

9 Tackling the health improvement challenge

Significant numbers of people in Wales lead lifestyles which will increase the risk of them developing serious and life-threatening conditions such as heart disease, cancer and stroke. This examination would look at whether the public sector is doing enough to tackle inequalities in health and to encourage people to lead more active and healthier lifestyles. It would examine specific themes such as smoking cessation and obesity to establish how well national and local actions are connected and whether public sector bodies are working together to make use of evidence-based interventions to tackle the problem.

10 Governance of public-owned companies

The Welsh public sector spends significant sums of money financing the activities of companies wholly or partly owned by public sector organisations. These companies provide a range of services including waste disposal, public transport, tourism promotion and procurement. This study would examine whether public sector funding bodies have put in place appropriate arrangements to ensure that public finance channelled through these companies is being used appropriately and represents value for money.

11 Inland flooding

In June 2008, Sir Michael Pitt published his final report on the lessons learned from the flooding emergency of June and July 2007. This study would consider the response of the Welsh public sector to the issues raised in the Pitt Review. The work would follow on from the Auditor General's review of Coastal erosion and tidal flooding risks in Wales (published in October 2009) and ongoing work on emergency planning.

Sector/topic-specific reviews – children, education and lifelong learning

12 The National Planning and Funding System (NPFS) in post-16 education

The NPFS is the new planning and funding system for all post-16 learning in Wales with the exception of higher education. This study would examine both the way in which the system has been implemented and the extent to which it has achieved its original aim of 'linking funding with policy objectives in post-16 education and training in a coherent, agile and responsive way'. The work would build upon the Auditor General's Work based learning follow-up report (published in October 2009) and the participation of Wales Audit Office staff as observers on the post-16 benchmarking project board.

13 Financial management in schools

For 2009-10, approximately £1.8 billion of local authority expenditure is delegated to schools in Wales. The Audit Commission recently published a report concluding that accountability for spending in English schools had been weak. From 2010, Estyn will no longer inspect support services to schools (including financial services) as part of local education authority inspections. A review of schools' financial management arrangements in 2010-11 might therefore be timely.

14 The Foundation Phase

By September 2011, the Foundation Phase will replace Early Years' Education (for all three to five year olds) and Key Stage 1 of the National Curriculum (for all five to seven year olds) in Wales. The Foundation Phase places greater emphasis than before on 'experiential learning', using 'real-life problem solving' as a vehicle for learning. This study would evaluate progress in implementing the Foundation Phase and assess whether the financial planning underpinning its full roll-out takes adequate account of the additional costs involved in its implementation. Any work in this area would best be undertaken in partnership with Estyn, drawing on their extensive evidence base about the quality of provision in schools.



15 Participation and completion in higher education

The National Audit Office reported on widening participation in higher education in England in June 2008. The National Audit Office's report focused on whether participation among underrepresented groups was increasing, the actions taken to encourage participation and the general barriers to participation. Our work would examine similar issues in a Wales context against the backdrop of the economic downturn, drawing on statistical information reported by the Higher Education Funding Council for Wales and the Higher Education Statistics Agency.

16 Surplus school places

Surplus school places are a common problem facing local education authorities across Wales. This review would present a clear and up-to-date assessment of surplus capacity in Welsh schools. It would also seek to identify and share good practice from within Wales or elsewhere.

Sector/topic-specific reviews – sustainable futures

17 Promoting tourism

In the context of the economic downturn, this study would consider the value of tourism to the Welsh economy. It would also examine critically the investment made by the Assembly Government and the wider public sector in promoting and managing the tourism offer.

18 Waste reduction and minimisation

The proposed Wales waste strategy Towards Zero Waste states that, although a high recycling rate of at least 70 per cent across all sectors by 2025 will reduce Wales' ecological footprint, a much larger reduction is needed than is possible through municipal waste recycling. Following on from our current work on municipal waste recycling and composting (planned for publication later in 2010), this study would examine the effectiveness of the public sector's contribution to waste reduction.

19 Progress with the Wales Housing Strategy

The Assembly Government has recently consulted on Sustainable Homes – A National Housing Strategy for Wales. This review would examine progress in delivering elements of that strategy, building on current work on the Welsh Housing Quality Standard. Potential areas of focus could include: access to social housing (building on our previous work on homelessness); home energy efficiency and fuel poverty (building on our previous work on the Home Energy Conservation Act); arrangements for the regulation of social housing providers and/or private sector housing enforcement; or housing-led regeneration.

20 Adult mental health services – the contribution of housing services

We are currently undertaking a follow-up review of services provided by health and local government bodies to adults with mental illness. We are due to publish a national report for the National Assembly's

Public Accounts Committee in 2010. A number of critical findings are emerging in respect of the housing issues that we have examined and we intend to explore them with a view to producing a separate report on whether the planning, management and delivery of housing services for adults with mental health issues have improved since our original report in 2005.

21 Improving food safety regulation

In March 2009, Professor Hugh Pennington published his report on the public inquiry into the September 2005 outbreak of E-coli O157 in South Wales. This study would examine the public sector's response to the issues raised in Professor Pennington's report, particularly the action taken by the Food Standards Agency Wales and local authorities to strengthen food hygiene enforcement.

22 Developments in the control of bovine tuberculosis

The Assembly Government has reported the slaughter of over 12,000 cattle in 2008 because of bovine tuberculosis (compared to 669 in 1997). The Assembly Government has also estimated that the cost of compensating farmers could exceed £80 million by 2014. This study would assess the costs and effectiveness of the Assembly Government's efforts to control the incidence of bovine tuberculosis.

23 The Glastir Sustainable Management Scheme (Tir Gofal follow-up)

In September 2008, the National Assembly's Audit Committee reported on Tir Gofal, the Assembly Government's main agri-environment scheme. It concluded that there were promising signs that Tir Gofal was contributing towards its objectives, but the scheme's actual impact was difficult to assess largely because of limitations in the evidence base. In May 2009, the Minister for Rural Affairs announced the restructuring of funding of agri-environment schemes. They will be replaced by the new all Wales Glastir Sustainable Land Management Scheme. This review would consider whether the Assembly Government has used the lessons learned from Tir Gofal in the design of Glastir.

Sector/topic-specific reviews – economy and transport

24 Progress with the Wales Transport Strategy

The 2008 Wales Transport Strategy, One Wales – Connecting the Nation, recognises that good transport systems strengthen the country's economic and social life, whilst also safeguarding the environment. Following on from our current work on major transport projects (planned for publication by the end of June 2010), this study would present an early assessment of progress in delivering the transport strategy, and the underpinning national and regional transport plans.

25 Regeneration follow-up

In August 2005, we published the results of a baseline review of the regeneration work of local authorities and the Assembly Government. That review concluded that all authorities were actively engaged in regeneration to a greater or lesser degree, and many were producing positive results. However, it was also clear that the delivery of regeneration in Wales could be more effective, efficient and sustainable. This follow-up work would consider whether the public sector's contribution to regeneration in Wales has improved since 2005. The work would also relate closely to our recent work on Communities First and our current work on the 2007-2013 European Union Convergence Funding.

26 Highways' maintenance

High quality highways across Wales are essential as they support service delivery, regeneration, tourism and road safety. This study would be part of our ongoing work on public sector asset management and would complement the current review of major transport projects. The focus would be on whether the arrangements across local authorities and the Assembly Government for managing the maintenance of the highways network are providing value for money.

Sector/topic-specific reviews – health and social services

27 Development of community-based health services

The Assembly Government's vision for the NHS set out in Designed for Life highlights the importance of developing effective community-based care to avoid over-reliance on the acute sector and to provide care closer to patients' homes. This review would consider the progress that health boards are making in developing community services as part of coherent whole systems models of care. The topic could be examined in its own right, as part of any future follow-up work on chronic conditions or as part of a wider review of benefits realisation following NHS reorganisation.

28 Role of nursing in the provision of high quality patient care

The Wales Audit Office and Healthcare Inspectorate Wales have identified the potential to work jointly on a review that examines the contribution nursing care makes to the patient experience and the factors that affect the care that nurses are able to provide. The review would examine the extent to which key activities set out in the Fundamentals of Care document are being delivered and how the recent Free to Lead, Free to Care initiative can help improve patient care. It would also look at links between resource allocation, skill mixing and quality of care issues.



29 Medicines management

Expenditure on medicines within NHS Wales is significant. General practitioners alone prescribed (and in some cases also dispensed) over half a billion pounds worth of prescription items, including medicines, in 2008-09. Ensuring the safe, effective and financially prudent use of medicines will be a key challenge for the new health boards. This examination would identify the scope to secure cost and quality improvements in NHS medicines management, with the potential for linked phases of work across primary care and the hospital sector.

30 NHS workforce development

Effective workforce development plans are essential to underpin local and national strategies for modernising and improving health services. This review would examine the effectiveness of workforce planning and development across NHS Wales. Areas of potential focus would be the extent to which the benefits are being realised from the implementation of Agenda for Change and other initiatives such as the Knowledge and Skills Framework. The review could also examine how effective NHS organisations have been at developing new roles to help modernise services and improve care for patients.

31 NHS diagnostic services

Diagnostic services are an essential part of the healthcare system. They help patients get an accurate diagnosis and the right treatment. Costs associated with provision of diagnostic services can be considerable, and efficient and effective delivery of these services will be a key factor in achieving the referral to treatment time targets set for NHS Wales. This review would examine the efficiency and effectiveness of radiology, endoscopy and pathology services.

32 Support for carers

Carers provide unpaid care by looking after an ill, frail or disabled family member, friend or partner. There are an estimated 350,000 carers in Wales saving the economy almost £5 billion each year. The Carers (Equal Opportunities) Act 2004 places a duty on unitary authorities to ensure that all carers know that they are entitled to an assessment of their needs and to consider a carer's outside interests when carrying out such an assessment. In 2009, the National Assembly approved a legislative competence order allowing it to legislate in this area. A national study could focus on the current arrangements for identifying and supporting carers as a baseline for future decision making and monitoring progress.

33 Resource and performance management in social service departments

Investment in social services has increased significantly in recent years, but previous review work has questioned whether the increased investment has been used to best effect. Impending resource constraints and demographic changes will put further pressure on social service budgets in the coming years and will require councils to ensure they are using social services resources efficiently, effectively and economically. This study would focus on the strategic planning and financial management within social service departments and examine whether resource and performance management arrangements are supporting effective service delivery.

Sector/topic-specific reviews – Assembly Government administration

34 The Strategic Capital Investment Fund (SCIF)

In addition to departmental capital allocations, the Assembly Government has set aside a SCIF budget worth over £400 million between 2008-09 and 2010-11. The SCIF is intended to fund innovative, crosscutting and strategic capital projects. This review would examine the arrangements for managing the SCIF, its impacts and its relationship with other capital investment programmes. We have recently completed a preliminary review of SCIF as part of our audit of the Assembly Government's 2008-09 Consolidated Resource Account.

35 Assembly Government relocation strategy

A key component of the Assembly Government's relocation strategy has been the development of new office buildings in Merthyr Tydfil, Aberystwyth and at Llandudno Junction. The relocation strategy is driven by a desire to improve access to the Assembly Government's services, increase public awareness of and engagement with the Assembly Government's business, redistribute wealth and promote greater equity of job and career opportunities. This work would focus on whether there is evidence that these and other benefits are being realised, relative to the costs of relocation.

Appendix 1 - Current work programme

Planned publications between March and June 2010

Picture of public services
The management of funding to Cymad Cyf
Case studies of the application of lean/systems thinking in the public sector
Efficiency self-assessment checklist *(developed with Audit Scotland and the Northern Ireland Audit Office)*
Public sector buildings management
Good governance in local government
The Merlin contract – follow-up
Transport – major project delivery
Informing healthcare
Capital investment in schools
National Fraud Initiative

July-September 2010

Education of looked after children
2007-2013 European Union convergence funding for West Wales and the Valleys
Hospital catering
Adult mental health services – follow-up
Policing – more for less *(in partnership with the Audit Commission and Her Majesty's Inspectorate of Constabulary)*
Emergency planning – civil contingencies

Post-September 2010

Continuing healthcare
Public participation in recycling and composting
Consultant contract benefit realisation
Welsh Housing Quality Standard
Nutrition in schools

Appendix 2 - Response form

Name of your organisation	
Contact details	
Which studies should we prioritise and why?	Priority 1:
	Priority 2:
	Priority 3:
Are there any other topics not included in our plans that you think we should cover and why?	
Where would your proposals fit with the priorities you have already identified?	
Do any of our plans cut across other work, either ongoing or planned, that we might need to take into account, on which we might collaborate or that might cause us to rethink our own plans?	
Are there any topics, whether included in our plans or not, on which you would welcome good practice products or opportunities for shared learning with other organisations?	

You can respond to our consultation in the following ways by Friday 26 March 2010:

- a** Print out and complete this form and post it back to Studies Consultation, 24 Cathedral Road, Cardiff CF11 9LJ
- b** Email your views to us at info@wao.gov.uk
- c** Visit the homepage of our website www.wao.gov.uk and submit your views online

