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Ein Cyfeirnod/Our Reference

Eich Cyfeirnod/Your Reference

Dyddiad/Date

10 January 2005

AUDIT COMMITTEE REPORT - FINANCES OF NHS WALES 2004

I am responding to your letter of 29 November 2004 to the Auditor General in which you requested advice on the Welsh Assembly Government's response to the above report of the Audit Committee.

The response was very positive with all recommendations being accepted. In particular, I would highlight the following actions that are being taken:

- i) monthly monitoring of performance against recovery plans (recommendation 2);
- ii) design of an incentives system across health and social care and a pilot scheme for 2004-05 (recommendation 4);
- iii) guidance to clarify the role of NHS trust and LHB boards in providing assurance on internal controls (recommendation 5);
- (iv) consultation document on a Statement of Healthcare Standards and arrangements with the National Patient Safety Agency to help reduce incidents that can lead to clinical negligence claims (recommendation 6);
- v) pilot project to fast track the resolution of small-medium value claims (recommendation 6);
- vi) further measures to reduce fraud in all aspects of NHS activity (recommendation 7).

The Auditor General will be following-up on all of these as part of his work in compiling 'Finances of NHS Wales 2005' report. This report, when published, will provide a further opportunity for the Committee to take evidence from Mrs Lloyd on progress made.

Yours sincerely,

Martin Peters
Private Secretary to the Auditor General for Wales