

AUDIT COMMITTEE

Date: 12 June 2003
Time: 14:00
Venue: Committee Room 3&4, National Assembly Building, Cardiff Bay
Title: Audit Committee - principles of operation

Purpose

1. This paper proposes a set of key principles to underpin the work of the Audit Committee.

Recommendation

2. Members are invited to endorse the list.

Background

3. As the Assembly's financial watchdog the Audit Committee plays a key role in the effective scrutiny of the work of the Assembly Government, Assembly Sponsored Public Bodies and the National Health Service. Certain basic principles underpin the Committee's approach, enabling it to operate effectively and command the respect and confidence of the Assembly and the wider public service in Wales.

4. Previously these principles have been generally understood, but not necessarily written down or codified in a single document. For clarity, at the start of the Second Assembly, they have been brought together for the new Audit Committee to endorse.

The principles

5. The key principles that govern the operation of the Audit Committee should be:

- I. That the Committee conducts its business in accordance with statutory requirements, in particular the requirements of the Government of Wales Act and Standing Orders
- II. That the Committee conducts its business so far as possible on the basis on unanimity
- III. That the Committee, in carrying out its investigations, does not question the merits of policy decisions but focuses on the effectiveness of the implementation of policy (*Under Standing Order 12.4 the Committee may not question the merits of policy decisions*)

- IV. That Members will not prejudge the Committee's investigations by commenting on National Audit Office reports prior to the report being considered in Committee
- V. That the Committee will treat witnesses with respect and courtesy and expect witnesses to give full and frank answers to the questions put to them (*in line with a recommendation in the Committee's Update Report on the new Assembly Building*)
- VI. That briefing material for evidence sessions and Committee reports, prior to publication, is only available to members of the Committee and should not be made available more widely
- VII. To promote openness and transparency in government, the Audit Committee will encourage the full, public release of any information it considers during its investigations. Where public release of information is not possible, for example due to commercial confidentiality, the Committee is entitled to seek access to information in confidence. Before seeking access to information in confidence the Committee will:
 - Consider asking the Auditor General for Wales' (AGW) to look the confidential information on behalf of the Committee and give his independent assessment of it
 - Balance the importance of the information to a full understanding of the issues against the associated risk, for example to the value for money of a tender process, if it became public
 - Consider the implications of statutory restrictions on sharing certain types of information - for example Data Protection
- VIII. That, where the Committee receives information in confidence, Members must respect the confidentiality of the information

Action

6. The Committee is invited to endorse the principles set out above.

Contact point

Committee Secretariat