

Howell Rees Esq.

Clerk

Audit Committee

National Assembly for Wales

Cardiff Bay

CARDIFF

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## **AUDIT COMMITTEE REPORT ON RESOURCE ACCOUNT AND GENERAL REPORT 1999-2000**

I am replying on behalf of the Auditor General to Russell Keith's letter of 20 November 2001.

The National Audit Office has now completed the audit of the resource account covering the Assembly's core activities for 2000-01 and the Auditor General has given it an unqualified audit opinion. The National Audit Office is currently finalising its work on the consolidated Assembly resource account, which will incorporate the results of the two executive agencies and the five health authorities.

The Auditor General intends to report formally on the results of his 2000-01 audit in order to provide an update on the issues raised on the 1999-00 account. However, he is satisfied that the Finance Group's accounts team has been strengthened and that the bank reconciliations are now up to date.

The Cabinet has confirmed that the 2002-03 budget will be prepared on a resource basis. This will facilitate a more meaningful comparison with the eventual financial outturn recorded in the accounts. However, realisation of the full benefits will depend on the use made of the new financial and management accounting system, which is scheduled for introduction in April 2002. The National Audit Office will be keeping a close eye on developments in these areas and on progress with the introduction of "Whole of Government Accounts".

The Auditor General intends to issue a General Report on matters arising from his 2000-01 financial audit work, and this will include progress on key issues such as corporate governance. As the Committee will be aware, the issues concerning the new Assembly building are complex and we are monitoring progress carefully. Finally, the National Audit Office will examine the financial issues relating to the establishment of the National Council for Education and Training for

Wales as part of the audit of that Council's first accounts covering the period to 31 March 2002. The Auditor General will report to the Assembly, as appropriate, on any significant matters arising.

I hope the above is helpful. Please do not hesitate to contact me if I can provide any further information.

**ANN-MARIE HARKIN**

**Private Secretary to the Auditor General for Wales**