

## Audit Committee

**Date:** 21 November 2002

**Time:** 13:30

**Venue:** Committee Room 1, National Assembly for Wales

Ms Claire Bennett

Clerk to the Audit Committee

National Assembly for Wales

Cardiff Bay

CARDIFF CF99 1NA

### **AUDIT COMMITTEE REPORT ON 'MANAGING THE ESTATE OF THE NATIONAL HEALTH SERVICE IN WALES'**

The Chair's letter of 2 October 2002 requests the Auditor General's advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report 'Managing the Estate of the National Health Service in Wales'.

In its report, the Committee made seventeen specific recommendations. The Welsh Assembly Government has responded positively to these and given a number of undertakings about actions that the NHS Wales is taking or plans to take. None of the Committee's recommendations have been contested. Ten of the seventeen recommendations have been accepted outright and the progress with implementing them noted by the Welsh Assembly Government is encouraging. Six of the other seven recommendations have been accepted in broad terms, with various minor qualifications about points of detail.

On recommendation ix, however, the Welsh Assembly Government response is less forthcoming. This recommendation sought to encourage the NHS Wales Department to consider aligning more closely its capital budgeting with the Assembly's wider three-year budgetary allocation process. The response notes the existing, broad characteristics of the Assembly's budgetary planning process. But it stops short of making any explicit undertaking about considering ways to improve the capital budgeting and expenditure process to give NHS trusts greater clarity over future funding availability and thereby enable them to address major maintenance problems more effectively and efficiently. Nonetheless, the National Audit Office Wales has confirmed that the in depth review by the NHS Wales Department of its capital planning mechanisms (as noted in the response to recommendation vi) will include

the scope for improving capital budgeting and spending arrangements.

Subject to the views of Committee members, there is no need for the Committee to take any further action at this stage. Staff of the National Audit Office Wales, on behalf of the Auditor General for Wales, will monitor progress with the implementation of all the undertakings given by the Welsh Assembly Government. In doing this they will pay particular attention to the actions that the NHS Wales takes to produce the potential financial savings identified in the Auditor General's report and viewed by the Committee as important for releasing funds for new investment in the operational estate. The Auditor General will report back to the Committee in due course on the further implementation of the undertakings that the Welsh Assembly Government has given.

I hope that you find this response helpful.

**HELEN KIRKBY**

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