



Memorandum by the Auditor General for Wales

Final Programme of Value for Money Work for 2003-2004

Submitted to the Audit Committee of the National Assembly for Wales

December 2002

Final Programme of Value for Money Work for 2003-04

Introduction

- At its meeting on 24 October 2002, the Audit Committee approved my estimate for the financial year 2003-2004 and considered my memorandum on my proposed forward value for money forward programme for 2003-04 and beyond (AC-07-02 p.2). I have considered the Committee's views and I am now in a position to inform the Committee of my final decisions. This memorandum therefore sets out the final programme of value for money work which I have approved for 2003-04.

Programme of Value for Money Examinations for 2003-2004

- The topics which I have decided to include in my programme of value for money examinations for 2003-04 are as follows:
 - a. waiting times in the NHS;
 - b. procurement of utilities in the NHS;
 - c. addressing the problem of violence in the NHS;
 - d. flood protection;
 - e. managing staff sickness absence in higher and further education;
 - f. the effective use of grants for education and in-service training;
 - g. European Union Structural Funds – follow up;
 - h. compensation payments for tuberculosis; and

i. Sports Council lottery funding.

1. In view of the considerable interest generally expressed by Members in the health field, I have increased the number of examinations in that area from two to three, by the addition of the examination of *violence in the NHS* where there was clear desire on the part of Members for this examination to be brought forward. I have chosen to keep with my examinations of both *waiting times* and the *procurement of utilities*. There was strong support for the former from some Members, while the latter I judge to be likely to generate significant financial savings – something both the Committee and I are keen to continue to achieve.
2. The addition of *violence in the NHS* to the programme, however, means that, within a fixed resource allocation, I need to defer an examination elsewhere - the *Jigsaw system*. This is an examination which I had planned to start later in 2003-04; I now plan to defer starting this work until early in the following year, 2004-05, although of course I shall be discussing my full plans for that year with the Committee again in the autumn of 2003.
3. In the health field, Members also expressed interest in *provision of dentists* and in *mental health services*. The NHS directorate within the Assembly has recently set in train a number of initiatives in these areas. Examination in 2003-04 would therefore be too soon properly to assess their effectiveness. Naturally, I shall reflect further on this when I come to consider my programme for the following year, 2004-05.
4. In the area of environment, planning and transport, while some Members expressed support for examinations of *road safety*, and the *quality of beaches*, there was also support for my initial proposal, *flood protection*. I consider that an examination of flood protection in 2003-04 would be timely – taking stock of progress made on this front since the major storms of autumn 2000 – and plan to keep with this proposal, whilst considering the others for future years.
5. In the education and training field, individual Members supported my proposed examinations in 2004-05 and beyond of *teaching as a career*, *capital funding for schools* and *Estyn*, which are attractive subjects for examination. However, given the continued encouragement by the Committee to undertake studies which may generate financial savings, I plan to press ahead with my proposal to examine *the management of staff sickness absence* in 2003-04. I shall also continue with my plans to examine *grants for education and in-service training* as this is a topical programme and one which offers the scope for joint working between the National Audit Office Wales and the Audit Commission in Wales. I shall look to bring forward the other subjects endorsed by Members in subsequent years.
6. In terms of economic development, one Member made the point that there might be a theme running through my proposed studies for the year after next, 2004-05. I shall certainly reflect on this when I come to consider my programme for that year next autumn. Another Member expressed support for my examination of *broadband connectivity*. This is undoubtedly an area of considerable interest, but next year would be too soon for an audit report to make a real impact.
7. In the agriculture and rural affairs field, some Members said that they would prefer to see the examination of the *rural recovery plan* start next year in 2003-04, rather than the

following year. Timing is key for this subject; and the funding of this plan over a three year period means that an examination in 2003-04 is likely to be too soon to assess the impact of the plan. An examination starting in the latter year, 2004-05, would therefore be more appropriate. One Member also asked if the examination of the *sheep annual premium scheme* could be brought forward into 2003-04. This is a topic where timing is less critical, whereas my initial proposal of *compensation payments for tuberculosis* is one that warrants early examination, linked as it is to the foot and mouth crisis, and given the tenfold increase over the past five years in the level of compensation. As I am only able to undertake a certain number of examinations each year, I therefore plan to press ahead with my proposed examination of *compensation payments for tuberculosis* in 2003-04.

8. Members will appreciate that this programme is not set in stone. The overall service that I provide to the Committee benefits from being as flexible as possible, and responsive to changing circumstances. However, I reiterate the point that I have made in previous years: there are opportunity costs associated with additional work. With finite - although expanded - resources at my disposal, I can generally only accommodate significant unplanned work by making changes in my programme elsewhere. Naturally I shall keep the Committee informed of any such changes should they arise.

John Bourn
Auditor General for Wales
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