

Nick Bennett, Public Services Ombudsman for Wales  
Adrian Crompton, Auditor General for Wales  
Isobel Everett, Chair of Wales Audit Office Board  
Suzy Davies AM, Commisisoner for Budget and Governance  
cc Rebecca Evans, Minister for Finance and Trefnydd

9 March 2020

Dear Nick, Adrian, Isobel and Suzy,

### Statement of Principles for directly funded bodies

As you will be aware, last year the [Finance Committee](#) ran a short inquiry to ensure a consistent approach is taken by directly funded bodies (DFBs) when preparing their annual budget proposals. In consultation with DFBs, in May 2019 the Committee issued a [Statement of Principles](#) that it expects DFBs to have regard to when making budget proposals.

The Statement of Principles gave a commitment that the Committee would review the document the year of implementation and periodically thereafter. Following the latest budget cycle, the Committee considered the Principles at its meeting on 4 March 2020.

The Committee recognised that each DFB evidenced the Principles in Budget documentation to some degree and this was explored further during scrutiny sessions.

The Committee agreed that there will not be any changes made to the Principles at this time and would like to reiterate that DFBs should ensure their budgets are transparent, prudent and reflect the financial constraints in the wider public sector. The Committee also recognises the difficult position DFBs will be in again this year given the uncertainty around the exact changes to the Welsh block when



planning their 2021 – 22 budget proposals, however, we hope you will continue to take on board the Principles when preparing this year’s budget proposals.

Yn gywir



Llyr Gruffydd AM

Chair

*Croesewir gohebiaeth yn Gymraeg neu'n Saesneg.*

*We welcome correspondence in Welsh or English.*

