



Llyr Gruffydd MS
Chair - Finance Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

Email: SeneddFinance@senedd.wales

22 May 2020

Dear Chair,

I am writing to you concerning the timing of the Welsh Revenue Authority's Annual Report and Accounts (ARA) for 2019-20.

Before the COVID-19 pandemic, my intention was to have the ARA laid at the Senedd and published before the Summer recess. Given the exceptional circumstances in which we now find ourselves, I have reflected on this timetable and am now sharing my revised proposals, to keep you fully informed.

As the accounting officer for the WRA, I have specific duties placed upon me in preparing the accounts. In particular, I am required to:

- observe the Accounts Direction issued by the Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis; state whether applicable accounting standards as set out in HM Treasury's Government Financial Reporting Manual ("the FReM") have been followed and disclose and explain any material departures in the accounts;
- confirm that the Annual Report and Accounts, as a whole, is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable;
- publish the ARA as soon as reasonably possible after year end.

I take these duties very seriously and I plan to meet them, however, the format and timing of the ARA will need to vary slightly this year. COVID-19 has resulted in key WRA personnel being redirected to support the Welsh Government during the pandemic; specifically, key members of my team who prepare and analyse performance data. The WRA is consequently not able to produce its performance report to the timescale that was originally intended.

In the circumstances, I have sought to find a solution that will enable me to meet the various requirements and ensure complete openness and transparency in our reporting.

Key to doing this is to depart slightly from the Ministerial direction to comply with FReM and publish a single ARA. I instead intend to publish an Annual Report/performance report separately to our accountability report and financial statements. Both will still to be prepared and published within the current calendar year.

I have been discussing this approach with the Minister for Finance and Trefnydd and it will mean that the WRA will publish and lay its:

- accountability report and financial statements before the Summer recess in accordance with statutory requirements and all the other requirements of the FReM;
- Annual Report and performance report in the Autumn, again in full compliance of statutory requirements and other requirements.

The approach has also been discussed fully with Audit Wales (our external auditors) and they have confirmed that they will work with us on the slightly revised timetable to complete their audit of WRA. The main component of the audit relates to our accountability report and financial statements where there is no change to the timing of publication. Audit Wales will also consider our Annual Report and performance report in the Autumn to ensure consistency with our accountability report and financial statements.

Over the next few weeks I will look to firm-up the timetable for laying and publishing these documents and will advise you of these details. In the meantime, I would be very happy to provide any further information or to discuss any points raised by my letter.

I have also sent this letter to the Chair of the Public Accounts Committee.

Yours sincerely



Dyfed Alsop

Prif Weithredwr / Chief Executive

Cc:

Minister for Finance and Trefnydd
Gawain Evans, Director of Finance, Welsh Government
Andrew Jeffreys, Director Welsh Treasury, Welsh Government
Richard Harries, Audit Wales
Kate Innes, Chief Finance Officer (acting), Welsh Revenue Authority