

Adrian Crompton, Auditor General for Wales
Dr Kathryn Chamberlain, Chair of the Wales
Audit Office

28 September 2023

Dear Adrian / Kathryn,

Cost of living payment

Thank you for attending the private session with the Committee on 20 September 2023 to discuss your Supplementary Estimate for 2023-24.

The Committee notes the £442,000 additional funding requested to make a one-off £1,500 cost of living payment to Audit Wales staff.

We are sympathetic of the Board's decision in seeking this supplementary estimate and appreciate your financial position and the difficulties faced by your organisation in absorbing costs to make such a payment. In particular, we recognise that your funding model does not allow you to hold or carry over reserves, and there is limited flexibility for you to fund this payment by freezing vacancies, due to the link between staffing and the delivery of fee income.

However, you will be aware that the Committee received correspondence from the Minister for Finance and Local Government in the summer which stated that "funding for any pay awards will need to be managed within existing settlements". The Minister outlined that the "Welsh Government is having to make reductions in planned expenditure to absorb this £1500 staff payment from within its existing budget" and that she would "expect our Directly Funded Bodies to take a similar approach and look to absorb the costs from current budget settlements".

In an evidence session with the Committee on 13 September 2023, the Minister also signalled that the Welsh Government will not bring forward a supplementary budget until it tables its Second Supplementary Budget, early in the new year.

Furthermore, the Senedd's financial procedures do not allow Directly Funded Bodies to unilaterally request supplementary funding for agreement by the Senedd and that such requests can only be brought forward by the Welsh Government through the Senedd's supplementary budget procedures.

As you are aware, the Committee will likely consider the Supplementary Budget Motion 2023-24 in February 2024, and any agreement of your supplementary estimate will be subject to a decision by the Senedd as a whole at that time.

Yours sincerely,



Peredur Owen Griffiths MS, Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.