



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Wales Audit Office / Swyddfa Archwilio Cymru

Date: 15 May 2013
Our ref: HVT/1877/fgb
Page: 1 of 2

24 Cathedral Road / Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 20 320502
Fax / Ffacs: 029 20 320600
Email / Epost: wales@wao.gov.uk
www.wao.gov.uk

Mr Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Deu Darren

Your letter of 30 April requested my advice on the Welsh Government's response to the Committee's recommendations in relation to Health Finances.

Overall, the Welsh Government's response is positive. The Welsh Government has accepted all of the Committee's recommendations and set out the actions that it is undertaking, or intends to undertake, in order to implement each of the Committee's recommendations. While some elements of the response may benefit from some further clarification, in general the actions and proposals seem reasonable.

In three instances, the Welsh Government accepts the recommendation "in principle". The accompanying text shows that the Welsh Government uses the "in principle" caveat to reflect that the recommendations will be difficult to implement in the short term. This seems to reflect a realistic assessment, for example, that further work is required to address the financial gaps in the short and medium term and to develop a long-term solution to enable greater financial flexibility for Health Boards.

As I have previously indicated to the Committee, I intend to produce a further report on Health Finances for the Committee to consider in the autumn. This report will examine the financial position across the health service, looking at the position for 2012-13 and the future challenges. I also intend that my report will provide a broad overview of the Welsh Government's performance against its priority targets for service delivery and improvement. As part of that work, my staff will consider the Welsh Government's response to the Committee's, and my own, recommendations.

Date: 15 May 2013
Our ref: HVT/1877/fgb
Page: 2 of 2

The Welsh Government is due to provide an update to the Committee in June. The Committee will also have the benefit of my further report to consider in the autumn. I therefore suggest that the Committee might wish to wait until it has this additional information before deciding what action, if any, to take in relation to the Welsh Government's response.



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES