



Proposed amendments to Standing Order 18 – Public Accounts and Oversight of the Wales Audit Office

Purpose

1. In accordance with Standing Order 11.7(iv), the Business Committee is responsible for making recommendations on the general practice and procedures of the Assembly, including any proposals for the re-making or revision of Standing Orders.
2. The report recommends amendments to Standing Order 18 in relation to Public Accounts and oversight of the Wales Audit Office. The Business Committee proposes that the Assembly agrees to make two sets of amendments: the first to come into effect immediately (Annexes A and B) and the second to come into effect on 1 April 2014 (Annexes C and D).
3. Making the changes in two phases ensures that the Assembly's Standing Orders are consistent with the Public Audit (Wales) Act Commencement Order. Under the Order, some of the Act's provisions have already been enacted, while others come into effect on 1 April 2014.

Background

4. The Public Audit (Wales) Act (PAWA) received Royal Assent on 29 April 2013, with a Commencement Order made by the Welsh Government in June.
5. PAWA continues the office of the Auditor General for Wales and creates a new body to be known as the Wales Audit Office. It also sets out

accountability and governance arrangements relating to the AGW and the WAO.

6. The Act confers a number of functions on the National Assembly for Wales. Under Section 28 of PAWA, the Assembly may make provision through Standing Orders regarding the exercise of the functions conferred upon it by the Act, including “delegating functions to the Presiding Officer, the Deputy Presiding Officer, a committee or sub-committee of the National Assembly or the chair of such a committee or sub-committee”.

7. On 23 April, the Business Committee considered a paper on the implications of the Public Audit (Wales) Act, including the functions conferred by the Act. Some of these functions are new, while others were previously carried out by the Public Account Committee (PAC) under the Government of Wales Act 2006.

8. Business Managers agreed to consider proposals to amend Standing Orders to implement the Act and to delegate some of these functions to a committee.

9. On 7 May, following consultation with the Public Accounts Committee, Business Committee agreed that the Public Accounts Committee should have initial responsibility for advising the Assembly on the first appointments to the WAO, in accordance with Standing Order 10. Now that process has been completed, any future appointments would be made under the new Standing Order 18.

Proposals for changes to Standing Orders

10. Tracked proposed changes to Standing Order 18 are found at Annexes A and C, while ‘clean’ versions of the proposed new Standing Order are found at Annexes B and D.

11. It is proposed that the changes be made in two stages, in line with the provisions of the Commencement Order. The information below describes the effect of those changes in their entirety.

Delegation of Functions to a Responsible Committee

12. The proposed Standing Order 18 sets out the responsibilities of PAC, i.e. considering and taking forward the Auditor General’s reports, whilst

removing those of its functions which relate to oversight of the AGW and WAO.

13. The proposed Standing Orders 18.10 and 18.11 delegate many of the oversight functions in PAWA, along with those previously exercised by PAC under GOWA, to a responsible committee.

14. In some cases the draft Standing Orders delegate the exercise of the function in full to the responsible committee, while in others it is an advisory function that is delegated to the committee, with the Assembly as a whole retaining the formal responsibility. For example, the Assembly will retain the formal responsibility for appointing the Auditor General and the Chair of the WAO, while the responsible committee will have full responsibility for appointing non-executive members of the WAO other than the Chair.

Indivisible functions

15. The Business Committee gave careful consideration to whether the Standing Orders should specify that all the oversight functions must be delegated to the same committee, or whether they should allow for the possibility of the functions being divided between two or more committees.

16. The Business Committee decided that requiring all the functions to be delegated to the same committee would provide for the most effective scrutiny of the AGW and WAO by ensuring a holistic approach to oversight by the Assembly. Such an approach is consistent with practice elsewhere, including in Westminster, Scotland and Northern Ireland, where all such functions, including scrutiny of the budget, rest with the same committee or commission.

17. As is the practice elsewhere in the Assembly's Standing Orders, the proposed new Standing Order 18 does not specify to which committee the functions should be delegated to. This approach gives the Business Committee and the Assembly the flexibility to propose their delegation to any existing committee or to a new committee, and to change the responsible committee over time should it see fit.

18. If the Assembly agrees to the proposed changes, the Assembly will consider a motion tabled by the Business Committee under Standing Order

16.3 to delegate the functions in the proposed Standing Orders 18.10 and 18.11 to a responsible committee.

Effect

19. In line with the PAWA Commencement Order, the Business Committee proposes that the changes to Standing Orders outlined in Annexes A and B come into effect immediately, and that the further changes outlined in Annexes C and D come into effect on 1 April 2014. The Assembly is invited to approve both sets of changes.

Action

20. The Business Committee agreed the changes to Standing Orders on 16 April 2013 and the Assembly is invited to approve:

- the proposals as at Annex B, to take effect immediately;
- the proposals as at Annex D, to take effect on 1 April 2014.

Annex A – changes with immediate effect

<p>STANDING ORDER 18 – Public Accounts and Oversight of the Wales Audit Office Committee</p>	<p>Amend Heading</p>
<p>General</p>	<p>No amendment necessary</p>
<p>18.1 In proposing the remits of committees under Standing Order 16.2 or 16.3, the Business Committee must ensure that:</p> <ul style="list-style-type: none"> (i) there is a committee (referred to as “the Public Accounts Committee” in accordance with section 30 of the Act) with responsibility for the functions specified in Standing Orders <u>18.2 and 18.3</u>; and (ii) <u>responsibility for the functions in Standing Orders 18.10 and 18.11 in relation to the Wales Audit Office and the Auditor General for Wales is assigned to a committee (referred to within Standing Order 18 as “a responsible committee”).</u> 	<p>Amend Standing Order</p> <p>PAC will only be responsible for the functions in 18.2 and 18.3 related to the considering and taking forward of the Auditor General’s reports, while new point (ii) allows the oversight functions in new draft SOs 18.10 and 18.11 to be assigned to a responsible committee, giving the Business Committee the flexibility to decide whether it is allocated to an existing committee or to a new committee.</p> <p>The Business Committee gave careful consideration to whether the Standing Orders should specify that all the oversight functions must be delegated to the same committee, or whether they should allow for the possibility of the functions being divided between two or more committees.</p> <p>The Business Committee decided that requiring all the functions to be delegated to the same committee would provide for the most effective scrutiny of the AGW and WAO by ensuring a holistic approach to oversight by the Assembly. Such an approach is consistent with practice elsewhere, including in Westminster, Scotland and Northern Ireland, where all such functions, including scrutiny of the budget, rest with the same committee or commission.</p>

	<p>As is the practice elsewhere in the Assembly’s Standing Orders, the proposed new Standing Order 18 does not specify to which committee the functions should be delegated. This approach gives the Business Committee and the Assembly the flexibility to propose their delegation to any existing committee or to a new committee, and to change the responsible committee over time should it see fit.</p>
<p><u>Public Accounts Committee Functions</u></p>	<p>Amend Heading</p>
<p>18.2 The Public Accounts Committee (“the Committee”) must:</p> <ul style="list-style-type: none"> (i) exercise the functions set out in paragraph 12 of Schedule 8 to the Act relating to the main estimate of income and expenses submitted by the Auditor General for each financial year; (ii) consider any supplementary budget motions tabled under section 126 of the Act that seek to amend amounts previously authorised by a budget resolution or supplementary budget resolution in respect of the Auditor General; (iii) advise the Assembly in the exercise of its functions under paragraph 14 of Schedule 8 to the Act relating to the appointment of the auditor of the accounts of the Auditor General; (i) present views to the Auditor General from time to time on the Auditor General’s exercise of his or her powers to undertake economy, efficiency and 	<p>Amend Standing Order</p> <p>The proposed changes remove all functions relating to the oversight of the AGW and WAO from PAC and confer them on a responsible committee through Standing Orders 18.10 and 18.11 below.</p> <p>The functions retained by PAC are those related to considering and taking forward the Auditor General’s reports.</p>

<p>effectiveness examinations; and</p> <p>(ii) consider and report to the Assembly on any use of resources in excess of that authorised or deemed to be authorised that is recorded in the audited accounts of Welsh Ministers, the Commission, the Auditor General, or the Ombudsman, recommending whether the Assembly should authorise the excesses retrospectively by supplementary budget resolution.</p>	
<p>18.3 The Committee may:</p> <p>(i) consider and report to the Assembly in accordance with section 143(1) of the Act on documents laid before the Assembly by the Auditor General or that officer's auditor;</p> <p>(ii) consider and report to the Assembly on any other document concerning financial control, accounting and auditing in relation to public expenditure <u>(except those relating to the internal governance of the Wales Audit Office)</u>; and</p> <p>(iii) take evidence and report to the House of Commons Public Accounts Committee if requested by that Committee to do so.</p> <p>(iv) advise the Auditor General's auditor on the examinations to be carried out under Paragraph</p>	<p>Amend Standing Order</p> <p>The proposed changes remove all functions relating to the oversight of the AGW and WAO from PAC and confers them on a responsible committee through Standing Orders 18.10 and 18.11 below.</p> <p>The functions retained by PAC are those related to considering and taking forward the Auditor General's reports.</p>

15(6) of Schedule 8 to the Act.	
18.4 In the performance of its responsibilities under Standing Order 18.3(i) or 18.3(ii) the Committee must not question the merits of the policy objectives of the government, or those of any other body or person which is the subject of the Committee's report.	No amendment necessary
<u>Public Accounts Committee Membership</u>	Amend Heading
18.5 Standing Orders 17.3 and 17.7 apply to the Committee except that it must consist of no fewer than 5 Members and no more than 10 Members and no person specified in section 30(3) of the Act may be proposed as a member of it.	No amendment necessary
18.6 Standing Order 17.21 applies to the Committee, except that it must not be chaired by a Member who is a member of a political group with an executive role.	No amendment necessary
18.7 Standing Order 17.48 applies to the Committee, except that no person specified in section 30(3) of the Act may be nominated as a representative.	No amendment necessary
18.8 No member of the Committee may participate in its consideration of any matter if he or she was at the relevant time the member of the government directly responsible for that matter.	No amendment necessary
18.9 No member of the Committee may participate in its consideration of any matter which was within the responsibility of the House Committee (as constituted between 18 December 2002 and 2 May 2007), or is within the responsibility of the	No amendment necessary

Commission, if he or she was at the relevant time a member of the House Committee or the Commission.	
<u>Committee Functions Relating to the Oversight of the Wales Audit Office</u>	New Heading
<p><u>18.10 A responsible committee must:</u></p> <ul style="list-style-type: none"> (i) <u>exercise the functions set out in section 20 of the Public Audit (Wales) Act 2013 relating to the estimate of income and expenses for the Wales Audit Office jointly laid by the Auditor General and the Wales Audit Office for each financial year;</u> (ii) <u>consider any supplementary budget motions tabled under section 126 of the Act that seek to amend amounts previously authorised by a budget resolution or supplementary budget resolution in respect of the Auditor General;</u> (iii) <u>consider and report to the Assembly on any use of resources in excess of that authorised or deemed to be authorised that is recorded in the audited accounts of the Auditor General, recommending whether the Assembly should authorise the excesses retrospectively by supplementary budget resolution;</u> (iv) <u>in accordance with Standing Order 10, advise the Assembly in the exercise of its functions under the Public Audit (Wales) Act 2013 relating to the</u> 	<p>New Standing Order</p> <p>The Standing Order sets out the functions that must be fulfilled by a responsible committee. These functions are ones that have to be carried out by the Assembly under PAWA or GOWA, but which it may delegate to a committee via Standing Orders.</p> <p>In theory, the Assembly could delegate the exercise of all of the functions in full, but in many cases it seems more appropriate to delegate an advisory function with the Assembly as a whole retaining the power to make a decision by resolution.</p> <p>This proposed new Standing Order contains those functions that came into effect in July 2013.</p> <p>These functions/duties are as follows:</p> <ul style="list-style-type: none"> (i) Previously carried out by PAC under GOWA and SO18.2(i) and SO 20.22. The WAO and AGW will jointly lay an annual estimate before the Assembly, which will then be considered by the committee. Under SO20.22, the committee must include the estimate – including any modifications – in its report to the

<p><u>appointment and removal from office of the chair of the Wales Audit Office,</u></p> <p>(v) <u>exercise the functions under the Public Audit (Wales) Act 2013 relating to the appointment and removal from office of the non-executive members of the Wales Audit Office other than the chair, and the designation of a temporary Auditor General. Standing Order 10 does not apply to these appointments;</u></p> <p>(vi) <u>in accordance with Standing Order 10, advise the Assembly in the exercise of its functions under paragraph 14 of Schedule 8 to the Act relating to the appointment of the auditor of the accounts of the Auditor General;</u></p> <p>(vii) <u>exercise the functions set out in the Public Audit (Wales) Act 2013 relating to the making of remuneration arrangements in respect of the chair and other non-executive members of the Wales Audit Office;</u></p> <p>(viii) <u>exercise the functions set out in Paragraphs 8 and 9 of Schedule 1 to the Public Audit (Wales) Act 2013 relating to the determining of other terms of appointment to the Wales Audit Office;</u></p> <p>(ix) <u>exercise the functions set out in Paragraph 1(4) of Schedule 2 to the Public Audit (Wales) Act 2013</u></p>	<p>Assembly.</p> <p>(ii) This function emanates from GOWA and was previously carried out by PAC under SO18.2(ii). The committee will scrutinise any supplementary budget motion in relation to the WAO, in the same way as the Finance Committee does for supplementary budget motions relating to the Government or Assembly Commission. The reference to the Auditor General, rather than the WAO, is retained until April 2014 as that is when the new financial arrangements will come into effect.</p> <p>(iii) Previously carried out by PAC under SO18.2(v). This function is carried out by the Finance Committee in relation to the Government, Assembly Commission and Ombudsman. As any excess would appear in the audited accounts of the WAO, it would be for the responsible committee to carry out this function in relation to the WAO. The reference to the Auditor General, rather than the WAO, is retained until April 2014 as that is when the new financial arrangements will come into effect.</p> <p>(iv) Standing Order 10 sets out a procedure for making public appointments by the Assembly. Appointments are made by resolution of the Assembly, with a relevant committee able to consider the nomination and advise the Assembly. In the case of the appointment of the AGW and the chair of the WAO, that would be the responsible committee under SO18. Business</p>
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<p><u>relating to the approval of a Code of Practice dealing with the relationship between the Auditor General and the Wales Audit Office;</u></p> <p>(x) <u>exercise the functions set out in Section 24(7) of the Public Audit (Wales) Act relating the approval of a scheme for charging fees by the Wales Audit Office.</u></p>	<p>Managers considered that given the significance of these two appointments, the function should be retained by the Assembly as a whole, with the responsible committee fulfilling an advisory role. However, the PAWA function regarding appointing the Auditor General does not have effect until April 2014, and so will be introduced by means of a further amendment at that time.</p> <p>(v) Under PAWA, the Assembly is responsible for making these appointments. Business Managers considered that it would be appropriate for these functions to be delegated in full to the responsible committee. Standing Order 10 is therefore disapplied.</p> <p>(vi) Previously carried out by PAC in relation to the AGW accounts under SO18.2(iii). The Assembly's function under PAWA in relation to appointing the auditor to the WAO's accounts does not come into effect until April 2014, and so the committee's advisory role is retained until that time, when it will take on full responsibility for making the appointment.</p> <p>(vii) PAWA requires the Assembly to make remuneration arrangements in respect of the Auditor General and the non-exec members of the WAO, including the Chair. The draft Standing Order delegates that function to the responsible committee. The functions regarding the members of the WAO are already in effect, while the function relevant to the Auditor</p>
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	<p>General will have effect from April 2014 and so is introduced by a further amendment at that time.</p> <p>(viii) PAWA allows the Assembly to set terms of appointment for members of the WAO, other than remuneration. The draft Standing Order delegates that function to the responsible committee.</p> <p>(ix) The WAO and the Auditor General must jointly draw up a code of practice dealing with the relationship between them, which must be approved by the Assembly. The draft Standing Order delegates that function to the responsible committee.</p> <p>(x) PAWA requires the WAO to prepare a scheme for the charging of fees by the WAO, which must be approved by the National Assembly. The draft Standing Order delegates that function to the responsible committee.</p>
<p><u>18.11 A responsible committee may consider matters relating to the governance of the Wales Audit Office and oversight of the Wales Audit Office and Auditor General, including:</u></p> <p>(i) <u>considering and reporting to the Assembly on the Annual Plan jointly laid before the Assembly by the Auditor General and the chair of the Wales Audit Office under Section 26 of the Public Audit (Wales) Act 2013;</u></p>	<p>New Standing Order</p> <p>These functions give the responsible committee a broad enabling power relating to any governance or oversight matters as well as listing more specific enabling powers where PAWA provides that the Assembly ‘may’ do something or that the AGW/WAO or their Auditors must lay documents before the Assembly, thereby giving the responsible committee the option of taking these forward.</p>

<p>(ii) <u>advising the Auditor General's auditor on the examinations to be carried out under Paragraph 15(6) of Schedule 8 to the Act.</u></p>	<p>SO18.11 (i) s a new function under PAWA, while (ii) is a function previously carried out by PAC under SO18.2(ii)</p>
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Consequential Changes

<p>Finance Procedure</p>	<p>No amendment necessary</p>
<p><u>Auditor General and the Wales Audit Office</u></p>	<p>Amend Standing Order Reflects change from Auditor General to Auditor General and Wales Audit Office</p>
<p>20.21 The Auditor General <u>and the Wales Audit Office</u> must jointly lay <u>submit</u> the estimate of income and expenses required under <u>Section 20 of the Public Audit (Wales) Act 2013</u> paragraph 12 of Schedule 8 to the Act to the Public Accounts Committee before the Assembly as soon as practicable but in any event no later than 1 November in each financial year.</p>	<p>Amend Standing Order The proposed amendments reflect the statutory duties now arising from PAWA, rather than GOWA, and that the consideration of the estimates of income and expenses may now be allocated to a responsible committee other than PAC.</p>

<p>20.22 The Public Accounts Committee <u>responsible committee under Standing Order 18.10(i)</u> must consider and lay before the Assembly, no later than 22 November, <u>a report including the estimate, with any modifications which the responsible committee, having consulted and taken into account any representations made by the Auditor General and the Wales Audit Office, considers appropriate.</u></p>	<p>Amend Standing Order</p> <p>The proposed amendments provide that the consideration of the estimates of income and expenses must now be allocated to a responsible committee other than PAC, and the fact that the estimate will already have been laid under SO20.21, so the committee will instead lay a report with the (modified) estimate as part of it.</p>
<p>Annual Budget Motions</p>	<p>No amendment necessary</p>
<p>20.25 An annual budget motion as required under section 125 of the Act must be tabled by a Welsh Minister, in accordance with Standing Order 20.2 (or Standing Order 20.6).</p>	<p>No amendment necessary</p>
<p>20.26 An annual budget motion must incorporate:</p> <ul style="list-style-type: none"> (i) the final budget for the government; (ii) the final budget for the Commission as agreed by the Assembly under Standing Order 20.16 or 20.17, or as determined under Standing Order 20.19; (iii) the estimate for the Auditor General <u>Wales Audit Office</u>, as laid before the Assembly under Standing Order 20.22; and (iv) the estimate for the Ombudsman as laid before 	<p>Amend Standing Order</p> <p>Sub-point (iii) is amended to reflect the fact that the estimate will now be that of the Wales Audit Office, and will be as included in the responsible committee's report</p>

the Assembly under Standing Order 20.24.	
20.27 An annual budget motion may also incorporate any motion for a resolution to be made for the relevant financial year under section 120(2)(a) of the Act.	No amendment necessary
20.28 The information produced in support of an annual budget motion must include as a minimum: <ul style="list-style-type: none"><li data-bbox="376 671 1032 735">(i) the written statement required under section 125(3) of the Act;<li data-bbox="376 775 1093 879">(ii) the resources agreed by the Treasury for the Welsh block budget for the financial year covered by the motion;<li data-bbox="376 919 1077 1054">(iii) a reconciliation between the resources allocated to the Welsh block budget by the Treasury and the resources to be authorised for use in the motion;<li data-bbox="376 1094 1070 1270">(iv) a reconciliation between the estimated amounts to be paid into the Welsh Consolidated Fund by the Secretary of State and the amounts to be authorised for payment out of the Fund in the motion; and<li data-bbox="376 1310 1088 1374">(v) a reconciliation between the resources to be authorised under section 125(1)(a) and (b) of the	No amendment necessary

<p>Act and the amounts to be authorised for payment out of the Welsh Consolidated Fund under section 125(1)(c).</p>	
<p>20.29 An annual budget motion may only be moved by a Welsh Minister. No amendment to an annual budget motion may be tabled.</p>	<p>No amendment necessary</p>
<p>Supplementary Budget Motions</p>	<p>No amendment necessary</p>
<p>20.30 A Welsh Minister may table a supplementary budget motion under section 126 at any time after the annual budget resolution has been passed.</p>	<p>No amendment necessary</p>
<p>20.31 The information provided in support of a supplementary budget motion must include any variations to that provided in accordance with Standing Order 20.28.</p>	<p>No amendment necessary</p>
<p>20.32 If the supplementary budget motion proposes a variation to the budget of the Commission, a member of the Commission must lay an explanatory memorandum stating why it is required.</p>	<p>No amendment necessary</p>
<p>20.33 A supplementary budget motion tabled under Standing Order 20.30 may not be moved until either:</p> <ul style="list-style-type: none"> (i) the responsible committee has reported on the motion; or (ii) if the responsible committee has not reported on the motion, three weeks have elapsed after it has 	<p>No amendment necessary</p>

been tabled.	
20.34 The responsible committee's report may recommend changes to the amounts proposed in the supplementary budget motion provided that the net effect of those variations would not increase or decrease the aggregate amounts of resources or cash proposed in the supplementary budget motion.	No amendment necessary
<p>20.35 If the supplementary budget motion proposes a variation to the budget for the Auditor General:</p> <ul style="list-style-type: none"> (i) the Auditor General must provide an explanatory memorandum to the <u>responsible committee under Standing Order 18.10(ii) Public Accounts Committee</u> stating why the variation to the budget is required; (ii) the Public Accounts Committee <u>responsible committee under Standing Order 18.10(ii)</u> may report on the proposed variation within three weeks of the supplementary budget motion being tabled. The report may propose any modifications to the proposed variation which the Public Accounts Committee <u>responsible committee under Standing Order 18.10(ii)</u>, having consulted and taken into account any representations made by the Auditor General, considers appropriate. 	<p>Amend Standing Order</p> <p>Reflects switch from PAC to a responsible committee. Any supplementary budget motions for the year 2013-14 will refer to the budget of the Auditor General rather than the WAO, and so a further change to this SO is proposed for April 2014.</p>
20.36 If the supplementary budget motion proposes a variation to	No amendment necessary

<p>the budget for the Ombudsman:</p> <ul style="list-style-type: none">(i) the Ombudsman must provide an explanatory memorandum to the responsible committee stating why the variation to the budget is required;(ii) the responsible committee may lay before the Assembly a report on the proposed variation within three weeks of the supplementary budget motion being tabled. The report may propose any modifications to the proposed variation which the Finance Committee, having consulted and taken into account any representations made by the Ombudsman, considers appropriate.	
<p>20.37 A supplementary budget motion may only be moved by a Welsh Minister. No amendment may be tabled or moved except by a Welsh Minister.</p>	<p>No amendment necessary</p>

Excess Use of Resources	No amendment necessary
20.38 Standing Order 20.39 applies if the audited accounts of the Commission, the Auditor General or the Ombudsman for any financial year record an excess of resources used to the amounts authorised or deemed under the Act to be authorised by Assembly budget resolutions.	No amendment necessary
20.39 A Welsh Minister must, if requested to do so by the Commission, the Auditor General or the Ombudsman, table a supplementary budget motion seeking retrospective authorisation for excesses recorded in that person's audited accounts.	No amendment necessary
<p>20.40 A supplementary budget motion tabled under Standing Order 20.39 may not be moved until either:</p> <ul style="list-style-type: none"> (i) the Public Accounts Committee <u>or the responsible committee under Standing Order 18.10(iv) if it relates to the Auditor General</u>, has reported on the motion; or (ii) if the Public Accounts Committee <u>or the responsible committee under Standing Order 18.10(iv) if it relates to the Auditor General</u>, has not reported on the motion, 6 months have elapsed after it has been tabled. 	<p>Amend Standing Order</p> <p>Reflects the fact that this function in the draft new SO18 would rest with the responsible committee, rather than PAC.</p>

20.41 Standing Orders 20.30 to 20.36 do not apply to motions tabled under Standing Order 20.39.

No amendment necessary

Annex B**STANDING ORDER 18 – Public Accounts and Oversight of the Wales Audit Office****General**

18.1 In proposing the remits of committees under Standing Order 16.2 or 16.3, the Business Committee must ensure that:

- (i) there is a committee (referred to as “the Public Accounts Committee” in accordance with section 30 of the Act) with responsibility for the functions specified in Standing Orders 18.2 and 18.3; and
- (ii) responsibility for the functions in Standing Orders 18.10 and 18.11 in relation to the Wales Audit Office and the Auditor General for Wales is assigned to a committee (referred to within Standing Order 18 as “a responsible committee”).

Public Accounts Committee Functions

18.2 The Public Accounts Committee (“the Committee”) must:

- (i) present views to the Auditor General from time to time on the Auditor General’s exercise of his or her powers to undertake economy, efficiency and effectiveness examinations; and
- (ii) consider and report to the Assembly on any use of resources in excess of that authorised or deemed to be authorised that is recorded in the audited accounts of Welsh Ministers, the Commission, or the Ombudsman, recommending whether the Assembly should authorise the excesses retrospectively by supplementary budget resolution.

18.3 The Committee may:

- (i) consider and report to the Assembly in accordance with section 143(1) of the Act on documents laid before the Assembly by the Auditor General;
- (ii) consider and report to the Assembly on any other document concerning financial control, accounting and auditing in relation to public expenditure (except those relating to the internal governance of the Wales Audit Office); and
- (iii) take evidence and report to the House of Commons Public Accounts Committee if requested by that Committee to do so.

18.4 In the performance of its responsibilities under Standing Order 18.3(i) or 18.3(ii) the Committee must not question the merits of the policy objectives of the government, or those of any other body or person which is the subject of the Committee's report.

Public Accounts Committee Membership

18.5 Standing Orders 17.3 and 17.7 apply to the Committee except that it must consist of no fewer than 5 Members and no more than 10 Members and no person specified in section 30(3) of the Act may be proposed as a member of it.

18.6 Standing Order 17.21 applies to the Committee, except that it must not be chaired by a Member who is a member of a political group with an executive role.

18.7 Standing Order 17.48 applies to the Committee, except that no person specified in section 30(3) of the Act may be nominated as a representative.

18.8 No member of the Committee may participate in its consideration of any matter if he or she was at the relevant time the member of the government directly responsible for that matter.

18.9 No member of the Committee may participate in its consideration of any matter which was within the responsibility of the House Committee (as constituted between 18 December 2002 and 2 May 2007), or is within the responsibility of the Commission, if he or she was at the relevant time a member of the House Committee or the Commission.

Committee Functions Relating to the Oversight of the Wales Audit Office

18.10 A responsible committee must:

- (i) exercise the functions set out in section 20 of the Public Audit (Wales) Act 2013 relating to the estimate of income and expenses for the Wales Audit Office jointly laid by the Auditor General and the Wales Audit Office for each financial year;
- (ii) consider any supplementary budget motions tabled under section 126 of the Act that seek to amend amounts previously authorised by a budget resolution or supplementary budget resolution in respect of the Auditor General;
- (iii) consider and report to the Assembly on any use of resources in excess of that authorised or deemed to be authorised that is recorded in the audited accounts of the Auditor General, recommending whether the Assembly should authorise the excesses retrospectively by supplementary budget resolution;

- (iv) in accordance with Standing Order 10, advise the Assembly in the exercise of its functions under the Public Audit (Wales) Act 2013 relating to the appointment and removal from office of the chair of the Wales Audit Office,
- (v) exercise the functions under the Public Audit (Wales) Act 2013 relating to the appointment and removal from office of the non-executive members of the Wales Audit Office other than the chair, and the designation of a temporary Auditor General. Standing Order 10 does not apply to these appointments;
- (vi) in accordance with Standing Order 10, advise the Assembly in the exercise of its functions under paragraph 14 of Schedule 8 to the Act relating to the appointment of the auditor of the accounts of the Auditor General;
- (vii) exercise the functions set out in the Public Audit (Wales) Act 2013 relating to the making of remuneration arrangements in respect of the chair and other non-executive members of the Wales Audit Office;
- (viii) exercise the functions set out in Paragraphs 8 and 9 of Schedule 1 to the Public Audit (Wales) Act 2013 relating to the determining of other terms of appointment to the Wales Audit Office;
- (ix) exercise the functions set out in Paragraph 1(4) of Schedule 2 to the Public Audit (Wales) Act 2013 relating to the approval of a Code of Practice dealing with the relationship between the Auditor General and the Wales Audit Office;
- (x) exercise the functions set out in Section 24(7) of the Public Audit (Wales) Act relating the approval of a scheme for charging fees by the Wales Audit Office.

18.11 A responsible committee may consider matters relating to the governance of the Wales Audit Office and oversight of the Wales Audit Office and Auditor General, including:

- (i) considering and reporting to the Assembly on the Annual Plan jointly laid before the Assembly by the Auditor General and the chair of the Wales Audit Office under Section 26 of the Public

Audit (Wales) Act 2013;

- (ii) advising the Auditor General's auditor on the examinations to be carried out under Paragraph 15(6) of Schedule 8 to the Act.

Consequential Changes

Finance Procedure

Auditor General and the Wales Audit Office

20.21 The Auditor General and the Wales Audit Office must jointly lay the estimate of income and expenses required under Section 20 of the Public Audit (Wales) Act 2013 before the Assembly as soon as practicable but in any event no later than 1 November in each financial year.

20.22 The responsible committee under Standing Order 18.10(i) must consider and lay before the Assembly, no later than 22 November, a report including the estimate, with any modifications which the responsible committee, having consulted and taken into account any representations made by the Auditor General and the Wales Audit Office, considers appropriate.

Annual Budget Motions

20.25 An annual budget motion as required under section 125 of the Act must be tabled by a Welsh Minister, in accordance with Standing Order 20.2 (or Standing Order 20.6).

20.26 An annual budget motion must incorporate:

- (i) the final budget for the government;
- (ii) the final budget for the Commission as agreed by the Assembly under Standing Order 20.16 or 20.17, or as determined under Standing Order 20.19;
- (iii) the estimate for the Wales Audit Office, as laid before the Assembly under Standing Order 20.22; and
- (iv) the estimate for the Ombudsman as laid before the Assembly under Standing Order 20.24.

20.27 An annual budget motion may also incorporate any motion for a resolution to be made for the relevant financial year under section 120(2)(a) of the Act.

20.28 The information produced in support of an annual budget motion must include as a minimum:

- (i) the written statement required under section 125(3) of the Act;
- (ii) the resources agreed by the Treasury for the Welsh block budget for the financial year covered by the motion;
- (iii) a reconciliation between the resources allocated to the Welsh block budget by the Treasury and the resources to be authorised for use in the motion;
- (iv) a reconciliation between the estimated amounts to be paid into the Welsh Consolidated Fund by the Secretary of State and the amounts to be authorised for payment out of the Fund in the motion; and
- (v) a reconciliation between the resources to be authorised under section 125(1)(a) and (b) of the Act and the amounts to be authorised for payment out of the Welsh Consolidated Fund under section 125(1)(c).

20.29 An annual budget motion may only be moved by a Welsh Minister. No amendment to an annual budget motion may be tabled.

Supplementary Budget Motions

20.30 A Welsh Minister may table a supplementary budget motion under section 126 at any time after the annual budget resolution has been passed.

20.31 The information provided in support of a supplementary budget motion must include any variations to that provided in accordance with Standing Order 20.28.

20.32 If the supplementary budget motion proposes a variation to the budget of the Commission, a member of the Commission must lay an explanatory memorandum stating why it is required.

20.33 A supplementary budget motion tabled under Standing Order 20.30 may not be moved until either:

- (i) the responsible committee has reported on the motion; or
- (ii) if the responsible committee has not reported on the motion, three weeks have elapsed after it has been tabled.

20.34 The responsible committee's report may recommend changes to the amounts proposed in the supplementary budget motion provided that the net effect of those variations would not increase or decrease the aggregate amounts of resources or cash proposed in the supplementary budget motion.

20.35 If the supplementary budget motion proposes a variation to the budget for the Auditor General:

- (i) the Auditor General must provide an explanatory memorandum to the responsible committee under Standing Order 18.10(ii) stating why the variation to the budget is required;
- (ii) the responsible committee under Standing Order 18.10(ii) may report on the proposed variation within three weeks of the supplementary budget motion being tabled. The report may propose any modifications to the proposed variation which the responsible committee under Standing Order 18.10(ii), having consulted and taken into account any representations made by the Auditor General, considers appropriate.

20.36 If the supplementary budget motion proposes a variation to the budget for the Ombudsman:

- (i) the Ombudsman must provide an explanatory memorandum to the responsible committee stating why the variation to the budget is required;
- (ii) the responsible committee may lay before the Assembly a report on the proposed variation within three weeks of the supplementary budget motion being tabled. The report may propose any modifications to the proposed variation which the Finance Committee, having consulted and taken into account any representations made by the Ombudsman, considers appropriate.

20.37 A supplementary budget motion may only be moved by a Welsh Minister. No amendment may be tabled or moved except by a Welsh Minister.

Excess Use of Resources

20.38 Standing Order 20.39 applies if the audited accounts of the Commission, the Auditor General or the Ombudsman for any financial year record an excess of resources used to the amounts authorised or deemed under the Act to be authorised by Assembly budget resolutions.

20.39 A Welsh Minister must, if requested to do so by the Commission, the Auditor General or the Ombudsman, table a supplementary budget motion seeking retrospective authorisation for excesses recorded in that person's audited accounts.

20.40 A supplementary budget motion tabled under Standing Order 20.39 may not be moved until either:

- (i) the Public Accounts Committee or the responsible committee under Standing Order 18.10(iv) if it relates to the Auditor General, has reported on the motion; or
- (ii) if the Public Accounts Committee or the responsible committee under Standing Order 18.10(iv) if it relates to the Auditor General, has not reported on the motion, 6 months have elapsed after it has been tabled.

20.41 Standing Orders 20.30 to 20.36 do not apply to motions tabled under Standing Order 20.39.

Annex C – changes to come into effect in April 2014

STANDING ORDER 18 – Public Accounts and Oversight of the Wales Audit Office	No amendment necessary
General	No amendment necessary
<p>18.1 In proposing the remits of committees under Standing Order 16.2 or 16.3, the Business Committee must ensure that:</p> <ul style="list-style-type: none"> (i) there is a committee (referred to as “the Public Accounts Committee” in accordance with section 30 of the Act) with responsibility for the functions specified in Standing Orders 18.2 and 18.3; and (ii) responsibility for the functions in Standing Orders 18.10 and 18.11 in relation to the Wales Audit Office and the Auditor General for Wales is assigned to a committee (referred to within Standing Order 18 as “a responsible committee”). 	No amendment necessary
Public Accounts Committee Functions	No amendment necessary
<p>18.3 The Public Accounts Committee (“the Committee”) must:</p> <ul style="list-style-type: none"> (i) present views to the Auditor General from time to time on the Auditor General’s exercise of his or her powers to undertake economy, efficiency and effectiveness examinations; and (ii) consider and report to the Assembly on any use 	No amendment necessary

<p>of resources in excess of that authorised or deemed to be authorised that is recorded in the audited accounts of Welsh Ministers, the Commission, or the Ombudsman, recommending whether the Assembly should authorise the excesses retrospectively by supplementary budget resolution.</p>	
<p>18.3 The Committee may:</p> <ul style="list-style-type: none">(i) consider and report to the Assembly in accordance with section 143(1) of the Act on documents laid before the Assembly by the Auditor General;(ii) consider and report to the Assembly on any other document concerning financial control, accounting and auditing in relation to public expenditure (except those relating to the internal governance of the Wales Audit Office); and(iii) take evidence and report to the House of Commons Public Accounts Committee if requested by that Committee to do so.	<p>No amendment necessary</p>
<p>18.4 In the performance of its responsibilities under Standing Order 18.3(i) or 18.3(ii) the Committee must not question the merits of the policy objectives of the government, or those of any other body or person which is the subject of the Committee's report.</p>	<p>No amendment necessary</p>

Public Accounts Committee Membership	No amendment necessary
18.5 Standing Orders 17.3 and 17.7 apply to the Committee except that it must consist of no fewer than 5 Members and no more than 10 Members and no person specified in section 30(3) of the Act may be proposed as a member of it.	No amendment necessary
18.6 Standing Order 17.21 applies to the Committee, except that it must not be chaired by a Member who is a member of a political group with an executive role.	No amendment necessary
18.7 Standing Order 17.48 applies to the Committee, except that no person specified in section 30(3) of the Act may be nominated as a representative.	No amendment necessary
18.8 No member of the Committee may participate in its consideration of any matter if he or she was at the relevant time the member of the government directly responsible for that matter.	No amendment necessary
18.9 No member of the Committee may participate in its consideration of any matter which was within the responsibility of the House Committee (as constituted between 18 December 2002 and 2 May 2007), or is within the responsibility of the Commission, if he or she was at the relevant time a member of the House Committee or the Commission.	No amendment necessary
Committee Functions Relating to the Oversight of the Wales Audit Office	No amendment necessary

18.10 A responsible committee must:

- (i) exercise the functions set out in section 20 of the Public Audit (Wales) Act 2013 relating to the estimate of income and expenses for the Wales Audit Office jointly laid by the Auditor General and the Wales Audit Office for each financial year;
- (ii) consider any supplementary budget motions tabled under section 126 of the Act that seek to amend amounts previously authorised by a budget resolution or supplementary budget resolution in respect of the Auditor General Wales Audit Office;
- (iii) consider and report to the Assembly on any use of resources in excess of that authorised or deemed to be authorised that is recorded in the audited accounts of the Auditor General Wales Audit Office, recommending whether the Assembly should authorise the excesses retrospectively by supplementary budget resolution;
- (iv) in accordance with Standing Order 10, advise the Assembly in the exercise of its functions under the Public Audit (Wales) Act 2013 relating to the appointment and removal from office of the Auditor General and the chair of the Wales Audit Office,

Amend Standing Order

The Standing Order sets out the functions that must be fulfilled by a committee. These functions are ones that have to be carried out by the Assembly under PAWA or GOWA, but which it may delegate to a committee via Standing Orders.

The amendments add those functions that come into effect in April 2014 to the responsible committee's remit, and change references to the Auditor General to the Wales Audit Office where appropriate, as well as introducing references to the Auditor General to those functions relevant to the making of appointments and remuneration arrangements.

The change to (vi) reflects the coming into effect of this function in relation to the WAO under PAWA, where previously it had been carried out under GOWA in relation to the Auditor General's accounts. Previously, the committee had exercised the function of advising the Assembly on the appointment of the auditor to the accounts of the Auditor General. Business Managers considered that in future it would be appropriate for the responsible committee to exercise this function in full, and so the provisions of Standing Order 10 will not apply.

The new (xi) delegates the function under PAWA requiring the Assembly to publish a list of offices and positions, agreements and other arrangements that a person who previously held the office of Auditor General may not take up or enter into. The proposed Standing

<p>(v) exercise the functions under the Public Audit (Wales) Act 2013 relating to the appointment and removal from office of the non-executive members of the Wales Audit Office other than the chair, and the designation of a temporary Auditor General. Standing Order 10 does not apply to these appointments;</p> <p>(vi) advise the Assembly in the exercise of its functions under paragraph 14 of Schedule 8 to the Act relating to the appointment of the auditor of the accounts of the Auditor General; exercise the functions under Paragraph 34 of Schedule 1 to the Public Audit (Wales) Act 2013 relating to the appointment of the auditor of the accounts of the Wales Audit Office. Standing Order 10 does not apply to this appointment;</p> <p>(vii) exercise the functions set out in the Public Audit (Wales) Act 2013 relating to the making of remuneration arrangements in respect of <u>the Auditor General, and of the chair and other non-executive members of the Wales Audit Office;</u></p> <p>(viii) exercise the functions set out in Paragraphs 8 and 9 of Schedule 1 to the Public Audit (Wales) Act 2013 relating to the determining of other terms of appointment to the Wales Audit Office;</p>	<p>Order delegates responsibility for drawing up such a list to the responsible committee.</p>
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<ul style="list-style-type: none"> (ix) exercise the functions set out in Paragraph 1(4) of Schedule 2 to the Public Audit (Wales) Act 2013 relating to the approval of a Code of Practice dealing with the relationship between the Auditor General and the Wales Audit Office; (x) exercise the functions set out in Section 24(7) of the Public Audit (Wales) Act relating the approval of a scheme for charging fees by the Wales Audit Office. (xi) <u>exercise the functions set out in section 5(3) of the Public Audit (Wales) Act 2013 relating the publication of a list of offices, positions, agreements and other arrangements specified for the purposes of section 5(2) of that Act;</u> 	
<p>18.11 A responsible committee may consider matters relating to the governance of the Wales Audit Office and oversight of the Wales Audit Office and Auditor General, including:</p> <ul style="list-style-type: none"> (i) considering and reporting to the Assembly on the Annual Plan jointly laid before the Assembly by the Auditor General and the chair of the Wales Audit Office under Section 26 of the Public Audit (Wales) Act 2013; (ii) advising the Auditor General's auditor on the examinations to be carried out under Paragraph 15(6) of Schedule 8 to the Act. <u>advising the Wales</u> 	<p>Amend Standing Order</p> <p>These functions give the responsible committee a broad enabling power relating to any governance or oversight matters as well as listing more specific enabling powers where PAWA provides that the Assembly 'may' do something or that the AGW/WAO or their Auditors must lay documents before the Assembly, thereby giving the responsible committee the option of taking these forward.</p> <p>The changes reflect new functions under PAWA having effect from April 2014. The amendment to SO18.11(ii) reflects that this function</p>

<p><u>Audit Office’s auditor on the examinations to be carried out under Paragraph 35(7) of Schedule 1 to the Public Audit (Wales) Act 2013;</u></p> <p>(iii) <u>considering and reporting to the Assembly on documents laid before the Assembly by the auditor of the Wales Audit Office’s accounts under Paragraphs 35(2) and 35(7) of Schedule 1 to the Public Audit (Wales) Act 2013;</u></p> <p>(iv) <u>considering and reporting to the Assembly on the Annual Report and any interim reports jointly laid before the Assembly by the Auditor General and the chair of the Wales Audit Office under Paragraph 3(6) of Schedule 2 to the Public Audit (Wales) Act 2013;</u></p> <p>(v) <u>determining dates for the Auditor General and the chair of the Wales Audit Office to jointly lay interim reports before the Assembly, in accordance with Paragraph 3(6)(b) of Schedule 2 to the Public Audit (Wales) Act 2013;</u></p>	<p>will now be carried out under PAWA rather than GOWA, and will relate to the accounts of the WAO rather than the AGW.</p>
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Consequential Changes

<p>Finance Procedure</p>	<p>No amendment necessary</p>
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Auditor General and the Wales Audit Office	No amendments necessary
20.21 The Auditor General and the Wales Audit Office must jointly lay the estimate of income and expenses required under Section 20 of the Public Audit (Wales) Act 2013 before the Assembly as soon as practicable but in any event no later than 1 November in each financial year.	No amendment necessary
20.22 The responsible committee under Standing Order 18.10(i) must consider and lay before the Assembly, no later than 22 November, a report including the estimate, with any modifications which the responsible committee, having consulted and taken into account any representations made by the Auditor General and the Wales Audit Office, considers appropriate.	No amendment necessary
Annual Budget Motions	No amendment necessary
20.25 An annual budget motion as required under section 125 of the Act must be tabled by a Welsh Minister, in accordance with Standing Order 20.2 (or Standing Order 20.6).	No amendment necessary
20.26 An annual budget motion must incorporate:	No amendment necessary

<ul style="list-style-type: none"> (i) the final budget for the government; (ii) the final budget for the Commission as agreed by the Assembly under Standing Order 20.16 or 20.17, or as determined under Standing Order 20.19; (iii) the estimate for the Wales Audit Office, as laid before the Assembly under Standing Order 20.22; and (iv) the estimate for the Ombudsman as laid before the Assembly under Standing Order 20.24. 	
<p>20.27 An annual budget motion may also incorporate any motion for a resolution to be made for the relevant financial year under section 120(2)(a) of the Act.</p>	<p>No amendment necessary</p>
<p>20.28 The information produced in support of an annual budget motion must include as a minimum:</p> <ul style="list-style-type: none"> (vi) the written statement required under section 125(3) of the Act; (vii) the resources agreed by the Treasury for the Welsh block budget for the financial year covered by the motion; (viii) a reconciliation between the resources allocated 	<p>No amendment necessary</p>

<p>to the Welsh block budget by the Treasury and the resources to be authorised for use in the motion;</p> <p>(ix) a reconciliation between the estimated amounts to be paid into the Welsh Consolidated Fund by the Secretary of State and the amounts to be authorised for payment out of the Fund in the motion; and</p> <p>(x) a reconciliation between the resources to be authorised under section 125(1)(a) and (b) of the Act and the amounts to be authorised for payment out of the Welsh Consolidated Fund under section 125(1)(c).</p>	
<p>20.29 An annual budget motion may only be moved by a Welsh Minister. No amendment to an annual budget motion may be tabled.</p>	<p>No amendment necessary</p>
<p>Supplementary Budget Motions</p>	<p>Retain Heading</p>
<p>20.30 A Welsh Minister may table a supplementary budget motion under section 126 at any time after the annual budget resolution has been passed.</p>	<p>No amendment necessary</p>
<p>20.31 The information provided in support of a supplementary budget motion must include any variations to that provided in accordance with Standing Order 20.28.</p>	<p>No amendment necessary</p>

<p>20.32 If the supplementary budget motion proposes a variation to the budget of the Commission, a member of the Commission must lay an explanatory memorandum stating why it is required.</p>	<p>No amendment necessary</p>
<p>20.33 A supplementary budget motion tabled under Standing Order 20.30 may not be moved until either:</p> <ul style="list-style-type: none"> (i) the responsible committee has reported on the motion; or (ii) if the responsible committee has not reported on the motion, three weeks have elapsed after it has been tabled. 	<p>No amendment necessary</p>
<p>20.34 The responsible committee's report may recommend changes to the amounts proposed in the supplementary budget motion provided that the net effect of those variations would not increase or decrease the aggregate amounts of resources or cash proposed in the supplementary budget motion.</p>	<p>No amendment necessary</p>
<p>20.35 If the supplementary budget motion proposes a variation to the budget for the Auditor General <u>Wales Audit Office</u>:</p> <ul style="list-style-type: none"> (i) the Auditor General <u>and the Wales Audit Office</u> must <u>jointly</u> provide an explanatory memorandum to the responsible committee under Standing Order 18.10(ii) stating why the variation to the budget is required; (ii) the responsible committee under Standing Order 18.10(ii) may report on the proposed variation 	<p>Amend Standing Order</p> <p>Reflects the fact that from April 2014, PAWA required the Auditor General and Wales Audit Office to be jointly responsible for proposing the WAO's budget</p>

<p>within three weeks of the supplementary budget motion being tabled. The report may propose any modifications to the proposed variation which the responsible committee under Standing Order 18.10(ii), having consulted and taken into account any representations made by the Auditor General <u>and the Wales Audit Office</u>, considers appropriate.</p>	
<p>20.36 If the supplementary budget motion proposes a variation to the budget for the Ombudsman:</p> <ul style="list-style-type: none">(iii) the Ombudsman must provide an explanatory memorandum to the responsible committee stating why the variation to the budget is required;(iv) the responsible committee may lay before the Assembly a report on the proposed variation within three weeks of the supplementary budget motion being tabled. The report may propose any modifications to the proposed variation which the Finance Committee, having consulted and taken into account any representations made by the Ombudsman, considers appropriate.	No amendment necessary
<p>20.37 A supplementary budget motion may only be moved by a Welsh Minister. No amendment may be tabled or moved except by a Welsh Minister.</p>	No amendment necessary

Excess Use of Resources	No amendment necessary
20.38 Standing Order 20.39 applies if the audited accounts of the Commission, the Auditor General Wales Audit Office or the Ombudsman for any financial year record an excess of resources used to the amounts authorised or deemed under the Act to be authorised by Assembly budget resolutions.	Amend Standing Order Reflects change from Auditor General to Wales Audit Office as of April 2014.
20.39 A Welsh Minister must, if requested to do so by the Commission, the Auditor General Wales Audit Office or the Ombudsman, table a supplementary budget motion seeking retrospective authorisation for excesses recorded in that person's audited accounts.	Amend Standing Order Reflects change from Auditor General to Wales Audit Office as of April 2014.
20.40 A supplementary budget motion tabled under Standing Order 20.39 may not be moved until either: <ul style="list-style-type: none"> (i) the Public Accounts Committee or the responsible committee under Standing Order 18.10(iv) if it relates to the Auditor General Wales Audit Office, has reported on the motion; or (ii) if the Public Accounts Committee or the responsible committee under Standing Order 18.10(iv) if it relates to the Auditor General Wales Audit Office, has not reported on the motion, 6 months have elapsed after it has been tabled. 	Amend Standing Order Reflects change from Auditor General to Wales Audit Office as of April 2014.

20.41 Standing Orders 20.30 to 20.36 do not apply to motions tabled under Standing Order 20.39.	No amendment necessary

Annex D

STANDING ORDER 18 – Public Accounts and Oversight of the Wales Audit Office

General

18.1 In proposing the remits of committees under Standing Order 16.2 or 16.3, the Business Committee must ensure that:

- (i) there is a committee (referred to as “the Public Accounts Committee” in accordance with section 30 of the Act) with responsibility for the functions specified in Standing Orders 18.2 and 18.3; and
- (ii) responsibility for the functions in Standing Orders 18.10 and 18.11 in relation to the Wales Audit Office and the Auditor General for Wales is assigned to a committee (referred to within Standing Order 18 as “a responsible committee”).

Public Accounts Committee Functions

18.2 The Public Accounts Committee (“the Committee”) must:

- (i) present views to the Auditor General from time to time on the Auditor General’s exercise of his or her powers to undertake economy, efficiency and effectiveness examinations; and
- (ii) consider and report to the Assembly on any use of resources in excess of that authorised or deemed to be authorised that is recorded in the audited accounts of Welsh Ministers, the Commission, or the Ombudsman, recommending whether the Assembly should authorise the excesses retrospectively by supplementary budget resolution.

18.3 The Committee may:

- (i) consider and report to the Assembly in accordance with section 143(1) of the Act on documents laid before the Assembly by the Auditor General;
- (ii) consider and report to the Assembly on any other document concerning financial control, accounting and auditing in relation to public expenditure (except those relating to the internal governance of the Wales Audit Office); and
- (iii) take evidence and report to the House of Commons Public Accounts Committee if requested by that Committee to do so.

18.4 In the performance of its responsibilities under Standing Order 18.3(i) or 18.3(ii) the Committee must not question the merits of the policy objectives of the government, or those of any other body or person which is the subject of the Committee's report.

Public Accounts Committee Membership

18.5 Standing Orders 17.3 and 17.7 apply to the Committee except that it must consist of no fewer than 5 Members and no more than 10 Members and no person specified in section 30(3) of the Act may be proposed as a member of it.

18.6 Standing Order 17.21 applies to the Committee, except that it must not be chaired by a Member who is a member of a political group with an executive role.

18.7 Standing Order 17.48 applies to the Committee, except that no person specified in section 30(3) of the Act may be nominated as a representative.

18.8 No member of the Committee may participate in its consideration of any matter if he or she was at the relevant time the member of the government directly responsible for that matter.

18.9 No member of the Committee may participate in its consideration of any matter which was within the responsibility of the House Committee (as constituted between 18 December 2002 and 2 May 2007), or is within the responsibility of the Commission, if he or she was at the relevant time a member of the House Committee or the Commission.

Committee Functions Relating to the Oversight of the Wales Audit Office

18.10 A responsible committee must:

- (i) exercise the functions set out in section 20 of the Public Audit (Wales) Act 2013 relating to the estimate of income and expenses for the Wales Audit Office jointly laid by the Auditor General and the Wales Audit Office for each financial year;
- (ii) consider any supplementary budget motions tabled under section 126 of the Act that seek to amend amounts previously authorised by a budget resolution or supplementary budget resolution in respect of the Wales Audit Office;
- (iii) consider and report to the Assembly on any use of resources in excess of that authorised or deemed to be authorised that is recorded in the audited accounts of the Wales Audit Office,

recommending whether the Assembly should authorise the excesses retrospectively by supplementary budget resolution;

- (iv) in accordance with Standing Order 10, advise the Assembly in the exercise of its functions under the Public Audit (Wales) Act 2013 relating to the appointment and removal from office of the Auditor General and the chair of the Wales Audit Office,
- (v) exercise the functions under the Public Audit (Wales) Act 2013 relating to the appointment and removal from office of the non-executive members of the Wales Audit Office other than the chair, and the designation of a temporary Auditor General. Standing Order 10 does not apply to these appointments;
- (vi) exercise the functions under Paragraph 34 of Schedule 1 to the Public Audit (Wales) Act 2013 relating to the appointment of the auditor of the accounts of the Wales Audit Office. Standing Order 10 does not apply to this appointment;
- (vii) exercise the functions set out in the Public Audit (Wales) Act 2013 relating to the making of remuneration arrangements in respect of the Auditor General, and of the chair and other non-executive members of the Wales Audit Office;
- (viii) exercise the functions set out in Paragraphs 8 and 9 of Schedule 1 to the Public Audit (Wales) Act 2013 relating to the determining of other terms of appointment to the Wales Audit Office;
- (ix) exercise the functions set out in Paragraph 1(4) of Schedule 2 to the Public Audit (Wales) Act 2013 relating to the approval of a Code of Practice dealing with the relationship between the Auditor General and the Wales Audit Office;
- (x) exercise the functions set out in Section 24(7) of the Public Audit (Wales) Act relating the approval of a scheme for charging fees by the Wales Audit Office.
- (xi) exercise the functions set out in section 5(3) of the Public Audit (Wales) Act 2013 relating the publication of a list of

offices, positions, agreements and other arrangements specified for the purposes of section 5(2) of that Act;

18.11 A responsible committee may consider matters relating to the governance of the Wales Audit Office and oversight of the Wales Audit Office and Auditor General, including:

- (i) considering and reporting to the Assembly on the Annual Plan jointly laid before the Assembly by the Auditor General and the chair of the Wales Audit Office under Section 26 of the Public Audit (Wales) Act 2013;
- (ii) advising the Wales Audit Office's auditor on the examinations to be carried out under Paragraph 35(7) of Schedule 1 to the Public Audit (Wales) Act 2013;
- (iii) considering and reporting to the Assembly on documents laid before the Assembly by the auditor of the Wales Audit Office's accounts under Paragraphs 35(2) and 35(7) of Schedule 1 to the Public Audit (Wales) Act 2013;
- (iv) considering and reporting to the Assembly on the Annual Report and any interim reports jointly laid before the Assembly by the Auditor General and the chair of the Wales Audit Office under Paragraph 3(6) of Schedule 2 to the Public Audit (Wales) Act 2013;
- (v) determining dates for the Auditor General and the chair of the Wales Audit Office to jointly lay interim reports before the Assembly, in accordance with Paragraph 3(6)(b) of Schedule 2 to the Public Audit (Wales) Act 2013;

Consequential Changes

Finance Procedure

Auditor General and the Wales Audit Office

20.21 The Auditor General and the Wales Audit Office must jointly lay the estimate of income and expenses required under Section 20 of the Public Audit (Wales) Act 2013 before the Assembly as soon as practicable but in any event no later than 1 November in each financial year.

20.22 The responsible committee under Standing Order 18.10(i) must consider and lay before the Assembly, no later than 22 November, a report including the estimate, with any modifications which the responsible

committee, having consulted and taken into account any representations made by the Auditor General and the Wales Audit Office, considers appropriate.

Annual Budget Motions

20.25 An annual budget motion as required under section 125 of the Act must be tabled by a Welsh Minister, in accordance with Standing Order 20.2 (or Standing Order 20.6).

20.26 An annual budget motion must incorporate:

- (i) the final budget for the government;
- (ii) the final budget for the Commission as agreed by the Assembly under Standing Order 20.16 or 20.17, or as determined under Standing Order 20.19;
- (iii) the estimate for the Wales Audit Office, as laid before the Assembly under Standing Order 20.22; and
- (iv) the estimate for the Ombudsman as laid before the Assembly under Standing Order 20.24.

20.27 An annual budget motion may also incorporate any motion for a resolution to be made for the relevant financial year under section 120(2)(a) of the Act.

20.28 The information produced in support of an annual budget motion must include as a minimum:

- (i) the written statement required under section 125(3) of the Act;
- (ii) the resources agreed by the Treasury for the Welsh block budget for the financial year covered by the motion;
- (iii) a reconciliation between the resources allocated to the Welsh block budget by the Treasury and the resources to be authorised for use in the motion;
- (iv) a reconciliation between the estimated amounts to be paid into the Welsh Consolidated Fund by the Secretary of State and the amounts to be authorised for payment out of the Fund in the motion; and
- (v) a reconciliation between the resources to be authorised under section 125(1)(a) and (b) of the Act and the amounts to be

authorised for payment out of the Welsh Consolidated Fund under section 125(1)(c).

20.29 An annual budget motion may only be moved by a Welsh Minister. No amendment to an annual budget motion may be tabled.

Supplementary Budget Motions

20.30 A Welsh Minister may table a supplementary budget motion under section 126 at any time after the annual budget resolution has been passed.

20.31 The information provided in support of a supplementary budget motion must include any variations to that provided in accordance with Standing Order 20.28.

20.32 If the supplementary budget motion proposes a variation to the budget of the Commission, a member of the Commission must lay an explanatory memorandum stating why it is required.

20.33 A supplementary budget motion tabled under Standing Order 20.30 may not be moved until either:

- (i) the responsible committee has reported on the motion; or
- (ii) if the responsible committee has not reported on the motion, three weeks have elapsed after it has been tabled.

20.34 The responsible committee's report may recommend changes to the amounts proposed in the supplementary budget motion provided that the net effect of those variations would not increase or decrease the aggregate amounts of resources or cash proposed in the supplementary budget motion.

20.35 If the supplementary budget motion proposes a variation to the budget for the Wales Audit Office:

- (i) the Auditor General and the Wales Audit Office must jointly provide an explanatory memorandum to the responsible committee under Standing Order 18.10(ii) stating why the variation to the budget is required;
- (ii) the responsible committee under Standing Order 18.10(ii) may report on the proposed variation within three weeks of the supplementary budget motion being tabled. The report may propose any modifications to the proposed variation which the responsible committee under Standing Order 18.10(ii), having consulted and taken into account any representations made by the Auditor General and the Wales Audit Office, considers appropriate.

20.36 If the supplementary budget motion proposes a variation to the budget for the Ombudsman:

- (i) the Ombudsman must provide an explanatory memorandum to the responsible committee stating why the variation to the budget is required;
- (ii) the responsible committee may lay before the Assembly a report on the proposed variation within three weeks of the supplementary budget motion being tabled. The report may propose any modifications to the proposed variation which the Finance Committee, having consulted and taken into account any representations made by the Ombudsman, considers appropriate.

20.37 A supplementary budget motion may only be moved by a Welsh Minister. No amendment may be tabled or moved except by a Welsh Minister.

Excess Use of Resources

20.38 Standing Order 20.39 applies if the audited accounts of the Commission, the Wales Audit Office or the Ombudsman for any financial year record an excess of resources used to the amounts authorised or deemed under the Act to be authorised by Assembly budget resolutions.

20.39 A Welsh Minister must, if requested to do so by the Commission, the Wales Audit Office or the Ombudsman, table a supplementary budget motion seeking retrospective authorisation for excesses recorded in that person's audited accounts.

20.40 A supplementary budget motion tabled under Standing Order 20.39 may not be moved until either:

- (i) the Public Accounts Committee or the responsible committee under Standing Order 18.10(iv) if it relates to the Wales Audit Office, has reported on the motion; or
- (ii) if the Public Accounts Committee or the responsible committee under Standing Order 18.10(iv) if it relates to the Wales Audit Office, has not reported on the motion, 6 months have elapsed after it has been tabled.

20.41 Standing Orders 20.30 to 20.36 do not apply to motions tabled under Standing Order 20.39.