

Isobel Garner  
Chair, Wales Audit Office

08 July 2015

Dear Isobel

### **The Public Audit (Wales) Act 2013**

I am writing in response to your letter of 19 June 2015 in relation to the Public Audit (Wales) Act 2013.

The Finance Committee discussed your proposals at its meeting of 1 July and some of the specific points in your letter are addressed below.

#### Provisions relating to fees

With regard to fees, you will be aware that the one of the bases for introducing the 2013 Act was to increase transparency and accountability of the WAO. Sections 23 and 24 of the Act were formulated with this in mind. The Act is prescriptive only to the extent that fees may not exceed the full cost of the functions to which they relate; it does not prescribe the internal mechanism for calculating and administering the fees.

#### Appointments of non-executive Members

As Chair of the Committee, when discussing this change I recognised the helpful contribution you made to the recent recruitment undertaken for a non-executive Member. Members agree it is important that there is mix of skills, knowledge and experience on the board and consulting the Chair when undertaking further recruitments is seen by Members as good practice. This is something we will be recommending future Committees take into account when undertaking WAO recruitment. However, as a Committee we did not feel it was appropriate to prescribe that the Chair of the WAO Board must be involved in all recruitment



exercises relating to non-executive Members of the Board as this could lead to unintended consequences and on some occasions it may not be appropriate to have this involvement.

### Means of affecting the changes

The Committee also considered the suggestion that the matters raised in your letter could be considered to be “minor drafting issues” which could be accommodated by means of an order made under section 33 of the Act. The Committee took advice from its legal adviser on this point and concluded the suggestions related to matters which go to the substance and intent of the Act and as such go beyond what may be regarded as supplementary or consequential to the Act and accordingly could not be accommodated by way of an order made under section 33 of the Act.

I wish to refer you to my letter of 6 March 2015, where I indicated that the view of the Committee is that this legislation has not yet been in place for 2 years, and that any departure from the specific provisions of the Act at this time would be premature. With this in mind, the Committee’s position remains that it is too soon to look at making wholesale changes to the Act at this time. However, the Committee will include this in its legacy report to allow more time for consideration of the issues.

I am also copying this to the Minister for Finance and Government Business.

Yours sincerely,

**Jocelyn Davies AM**  
Chair

