

Huw Vaughan Thomas
Auditor General for Wales

25 January 2017

Dear Huw

Thank you for your letter dated 22 December 2016, I discussed this correspondence with the members of the Finance Committee at our meeting on 19 January 2017.

Whilst understanding the different statutory obligations which you are required to meet, the Committee was not persuaded that your obligation under section 10 of the Public Audit (Wales) Act (the Act) permitted you to not meet your statutory obligation under Paragraph 23 of Schedule 1 to The Natural Resources Body for Wales (Establishment) Order 2012 (SI 2012/1903). Section 10 of the Act requires you to produce a code of audit practice, and whilst you have a statutory obligation in section 10(3) to comply with this code, we believe the code could be drafted differently to prevent the conflict of statutory obligations you have described. Furthermore, having reviewed the code it is apparent that the obligations on page 11, paragraph 31 themselves conflict as they require you to:

d) Offer audited bodies and relevant third parties the opportunity to comment on the factual accuracy of the findings, as appropriate

and

f) Produce outputs that:

i) comply with statutory and professional reporting requirements;

ii) are rigorous, timely, clear and concise.



However, whilst we believe you should have met your statutory obligations, we do note that in some circumstances it may be difficult for you to meet the statutory reporting obligations in terms of laying accounts within a four month period and the Committee are keen to work with you to address this.

I would like to invite you to attend a meeting of the Finance Committee, to discuss what lessons have been learnt from this process and how this could be prevented from happening in future. The Committee has agreed that we will wait for you to lay the Natural Resources Wales accounts before this session, to avoid any difficulties, as such I would be grateful if you could liaise with the Clerk of the Committee (Bethan Davies, 0300 200 6372, seneddfinance@assembly.wales) to arrange this session.

Yours sincerely



Simon Thomas AM

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

