



Llywodraeth Cymru  
Welsh Government

Mr Huw Vaughan Thomas  
Auditor General for Wales  
Wales Audit Office  
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Dear Auditor General for Wales

**Response to the report 'Update on preparations for the implementation of fiscal devolution in Wales' (21 December 2017)**

I would like to thank you for this report. I am pleased that our significant achievements over the past twelve months have been recognised, and I very much welcome the recommendations made by the WAO.

As the report rightly identifies, this is a dynamic programme of activity, which is constantly adapting to deliver during this critical time in our fiscal devolution journey. The report clearly identifies the specific areas for action which are essential to move us forward to April 2018. We are confident that we can meet these challenges and that the successful devolution of taxes to Wales will be achieved.

Engagement between the WAO and the Welsh Government continues to be active and constructive. As a result, once again, this report provides a well-informed and accurate reflection of our efforts to deliver fiscal reform for Wales. I welcome the AGW's intention to carry out a further review into the success of operations and preparations for the Welsh Rate of Income Tax in the autumn.

Yours sincerely

**Andrew Jeffreys**  
Director  
Welsh Treasury

c.c. Cabinet Secretary for Finance  
Chair of the NAW Finance Committee  
Chair of the NAW Public Accounts Committee  
Welsh Government Corporate Governance Unit  
Permanent Secretary, Welsh Government  
Chair of the Welsh Revenue Authority  
Chief Executive of the Welsh Revenue Authority