



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Wales Audit Office / Swyddfa Archwilio Cymru

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ

Llyr Gruffydd AM
Chair, Finance Committee
National Assembly for Wales

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

By email to:

SeneddFinance@Assembly.Wales

info@audit.wales / post@archwilio.cymru

www.audit.wales / www.archwilio.cymru

Reference: IG19006/SD

Date: 1 May 2019

Annwyl Llyr

Directly funded bodies' annual budget proposals

Thank you for your letter of 4 April 2019 setting out proposals for a Memorandum of Understanding for the future approach to the annual budget process.

We welcome the approach set out in the Memorandum of Understanding, which very much aligns with the approach taken by the Board since its creation.

Might we respectfully suggest naming the document a "Statement of Principles that the Finance Committee of the National Assembly for Wales expects Directly Funded Bodies to have regard to when making budget proposals" rather than a Memorandum of Understanding? Our thinking here is that it sets clear expectations for all parties, rather than making the Committee and the other parties subject to an agreement.

We would also suggest clarification of the phrase "This information will be forwarded to..." at the end of paragraph 8, so that it is clear who will be forwarding the information.

We request that the reference to the Auditor General for Wales, in the footnote that defines the Directly Funded Bodies, be deleted. While we recognise that our Estimate is laid jointly by the Auditor General and the Board, it is in law an “estimate of the income and expenses of the Wales Audit Office”, and it is the WAO that is the directly funded body. The Auditor General is not a “relevant person” under the Government of Wales Act 2006, so he does not actually feature as a body in the Budget Motion (which puts the Estimate into effect) and does not receive any funds. It is for this reason that I am responding to you instead of the Auditor General.

Subject to those amendments, we fully endorse the substance of the document and look forward to engaging with the Committee later this year for our 2020-21 Estimate.

Yn gywir

A handwritten signature in black ink, appearing to read 'Isobel Everett', with a stylized, cursive script.

Isobel Everett
Chair, Wales Audit Office