

Isobel Everett
Chair, Wales Audit Office

22 May 2019

Dear Isobel,

Directly funded bodies' annual budget proposals

Thank you for your response of 1 May 2019, providing comments on the proposed draft Memorandum of Understanding between the Finance Committee and Directly Funded Bodies (DFBs) for preparing annual budget proposals.

The Finance Committee considered your response, along with responses from the other DFBs and the Minister for Finance and Trefnydd at our meeting on 15 May 2019.

The Finance Committee carefully considered the views of the DFBs and has agreed to issue a 'Statement of Principles' as guidance for DFBs to take account of when preparing their annual budget proposals, rather than a formal Memorandum of Understanding.

Whilst the Finance Committee recognises the independent nature of DFBs, it is our responsibility to scrutinise and report on the annual budget proposals. The Finance Committee believes this guidance will assist DFBs in ensuring their budgets are transparent, prudent and reflect the financial constraints in the wider public sector and we hope DFBs will fully commit to taking this guidance on board.



The Statement of Principles is available via the Finance Committee's website at:

<http://senedd.assembly.wales/documents/s88393/Statement%20of%20Principles%20-%20May%202019.pdf>

Yn gywir



Llyr Gruffydd AM

Chair

Croesewir gohebiaeth yn Gymraeg neu'n Saesneg.

We welcome correspondence in Welsh or English.

Cc Adrian Crompton, Auditor General for Wales

