

Y Pwyllgor Cyllid | Finance Committee

Bil Archwilio Cyhoeddus (Diwygio) (Cymru) drafft | Draft Public Audit (Amendment) (Wales) Bill

PAAW 11 Cyngor Bwrdeistref Sirol Conwy | Conwy County Borough Council

National Assembly for Wales
Finance Committee

Consultation Document

Draft Public Audit (Amendment) (Wales) Bill

Date of issue: 18 December 2019

Closing date: 7 February 2020

Conwy County Borough Council's Response – February 2020

Consultation Question	Yes / No	Commentary
FEE CHARGING		
Proposal:		
<p>To amend the Public Audit (Wales) Act 2013 to: - remove the requirement that fees must not exceed the full cost of the function to which they relate, and - enable the Wales Audit Office to ensure that the sum of the fees charged for all of the work undertaken is broadly equivalent to all of its expenditure in connection with that work, taking one year with another. To retain the requirement for fees to be paid by the body to which the function relates in order to ensure transparency for audited bodies, effective engagement in the audit and to maintain the relationship between the auditor and audited body.</p>		
<p>1. Do you agree that the Wales Audit Office should be given flexibility in how it charges and administers its fees by allowing it to broadly breakeven, taking one year with another?</p>	<p>Yes</p>	<p>All public sector organisations need flexibility to enable them to balance their books. However this has to be balanced with an obligation to make efficiencies, and not to pass this cost onto other public sector organisations who are facing year on year budget cuts.</p>
<p>2. If so, do you agree with the approach taken in sections 3 and 4 of the Draft Bill?</p>	<p>Yes</p>	<p>It will be of great importance to consult on the fees.</p>
AGREEMENT WORK		
Proposal:		
<p>To amend the Public Audit (Wales) Act 2013 to remove the link between agreement work and the fee scheme to allow the Wales Audit Office to set its own terms and conditions. This would enable the Wales Audit Office to earn</p>		
<p>3. Do you agree that the Wales Audit Office should be allowed to set its own terms and conditions for agreement work?</p>	<p>Yes</p>	<p>If this enables a reduction in unnecessary bureaucracy and unnecessary costs.</p>
<p>4. If so, do you agree with the approach taken in section 2 of the Draft Bill?</p>		
QUORUM ARRANGEMENTS		
Proposal:		
<p>To retain the requirement for a non-executive member majority to ensure independent oversight and provide constructive challenge to the executive directors, but amend paragraph 28(3) of Schedule 1 of the Public Audit (Wales) Act 2013 to allow executive members to remain at the meeting in a non-voting capacity when there is not a majority of non-executive Members present.</p>		

Consultation Question	Yes / No	Commentary
5. Do you agree that the current Wales Audit Office Board quorum requirement for a majority of non-executive members should be retained in legislation?	No	Clearly this is proving problematic and therefore more practical arrangements should be considered.
6. Do you agree that if the majority of members present at a meeting of the Wales Audit Office Board are not non-executive members, an executive member should be allowed to continue in a non-voting capacity in order to satisfy the quorum requirement?6.	yes	
7. If so, do you agree with the approach taken in section 13 of the Draft Bill?		
INTERIM REPORTS Proposal: To replace the requirement in paragraph 3(3) of Schedule 2 of the Public Audit (Wales) Act 2013, to produce an interim report at least once a year, with a provision requiring the production of an interim report (as currently defined) if requested by the Assembly.		
8. Do you agree that the Auditor General for Wales and the Chair of the Wales Audit Office should no longer be required to produce an interim report at least once a year, but a requirement to produce an interim report upon the Assembly's request should be included in legislation?	Yes	It is clear that it is not being widely read and therefore adding little value.
9. If so, do you agree with the approach taken in section 16 of the Draft Bill?	yes	
LAYING REPORTS AND ACCOUNTS Proposal: To simplify the provisions in the Public Audit (Wales) Act 2013 to enable: - the Auditor General for Wales and the Chair of the Wales Audit Office to provide the external auditor of the Wales Audit Office with their annual report no later than five months after the end of the financial year; and - subsequently require the external auditor to lay the report as part of the laying of the annual accounts.		
10. Do you agree that the requirement to lay the annual report (on the exercise of functions of the Auditor General for Wales and Wales Audit Office) in paragraph 3(1) of Schedule 2 of the Public Audit (Wales)	Yes	It is also important that all public accountability reports also have an accessible summary version for the general public.

Consultation Question	Yes / No	Commentary
Act 2013 should be amended to require the external auditor to lay the report as part of the laying of the annual report and accounts?		
11. If so, do you agree with the approach taken in section 15 of the Draft Bill?	yes	
CERTIFICATION DEADLINES Proposal: To amend enactments that specify a four month deadline for the Auditor General for Wales to certify and lay a copy of an audited body's accounts and report to: - allow the Auditor General for Wales to lay a copy of the certified accounts and report after the four month deadline; - require the Auditor General for Wales to explain to the Assembly why the four month deadline cannot be met; and - require the Auditor General for Wales to lay the certified accounts and report as soon as reasonably practicable.		
12. Do you agree that existing legislation requiring the Auditor General for Wales to certify and lay an audited body's accounts and report within four months should be amended to: ▪ allow the Auditor General for Wales to lay a copy of the certified accounts and report after the four month deadline, ▪ require the Auditor General for Wales to explain to the Assembly why the four month deadline cannot be met, and ▪ require the Auditor General for Wales to lay the certified accounts and report as soon as reasonably practicable?	yes	
13. If so, do you agree with the approach taken in section 17 and Schedule 1 of the Draft Bill?		
APPOINTMENT OF THE AUDITORS OF THE WAO'S ACCOUNTS Proposal: To amend the Public Audit (Wales) Act 2013 to allow the Wales Audit Office to appoint its external auditors, subject to the Assembly's approval of: - the appointment, - the terms and the method of procurement.		
14. Do you agree that engagement of the auditor of the Wales Audit Office should be a contractual matter between the Wales Audit Office	yes	

Consultation Question	Yes / No	Commentary
and the auditor, with the appointment (and associated terms and conditions) being subject to the approval of the Assembly?		
15. If so, do you agree with the approach taken in section 14 of the Draft Bill?		
APPOINTMENT OF NOJ-EXECUTIVE MEMBERS OF THE WAO AND THE CHAIR OF THE WAO Proposal: To amend the Public Audit (Wales) Act 2013 to allow the appointment of a serving non-executive member to be extended for a second term of up to four years, subject to acceptable performance.		
16. Do you agree that the Public Audit (Wales) Act 2013 should be amended to allow the appointment of a serving non-executive member to be extended for a second term of up to four years, subject to acceptable performance?	yes	This should be reviewed however, if there is significant interest from external candidates who wish to be considered for a position on the Board.
17. If so, do you agree with the approach taken in sections 7, 8 and 9 of the Draft Bill?		
REQUIREMENT TO CONSULT ON CERTAIN ASPECTS OF THE APPOINTMENT PROCESS Proposal: To remove the requirements placed on the Assembly to consult the First Minister on: - the appointment of the Chair of the Wales Audit Office, - the remuneration arrangements for the Chair and the Auditor General for Wales, and - the termination of the Chair's appointment in the interest of protecting the independence of those roles. To remove the requirement to consult "an appropriate person with oversight for public appointments" on remuneration arrangements and other terms of appointment for WAO non-executive members and the Chair and replace it with a general provision permitting the Assembly to consult with any persons it deems appropriate. To amend section 5(3) of the Public Audit (Wales) Act 2013 to require the Assembly to publish a list of restricted offices, positions or arrangements, which a former Auditor General for Wales would need to consult with the Assembly before accepting or entering into after leaving office, only if any such restrictions are identified.		
18. Do you agree that the requirement for the Assembly to consult the First Minister on the following should be removed: ▪ the appointment of the Chair of the Wales Audit Office; ▪ the remuneration	yes	

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arrangements for the Chair and the Auditor General for Wales; and ▪ the termination of the Chair's appointment?		
19. Do you agree that the requirement for the Assembly to consult an appropriate person with oversight for public appointments on remuneration arrangements and other terms of appointment should be removed?	yes	
20. Do you agree that a general provision should be included, permitting the Assembly to consult with any persons it deems appropriate before exercising any functions in relation to the Auditor General for Wales or the Wales Audit Office?	yes	
21. If so, do you agree with the approach taken in sections 6, 10 and 11 of the Draft Bill?		
22. Do you agree that section 5(3) of the Public Audit (Wales) Act 2013 should be amended to require the Assembly to publish a list of restricted offices, positions or arrangements, which a former Auditor General for Wales would need to consult with the Assembly before accepting or entering into after leaving office, only if any such restrictions are identified?	yes	
23. If so, do you agree with the approach taken in section 5 of the Draft Bill?		

Consultation Question	Yes / No	Commentary
ISSUES WITH THE WIDER PUBLIC AUDIT LEGISLATION IN WALES		
<p>24. Do you feel the Draft Bill should include provisions relating to: ▪ the lack of a value for money conclusion duty on the Auditor General for Wales and central government bodies; ▪ the absence of explicit provisions in statute for regularity opinions among many central government bodies; ▪ the overlapping laying requirements; ▪ Welsh data matching powers?</p>		
Other Matters		
<p>25. Will any of the proposals included in the Draft Public Audit (Amendment) (Wales) Bill lead to any financial implications (for example, costs or benefits) for you or your organisation? If you have identified financial implications for you or your organisation can you describe what these could be and provide an estimated cost (if possible).</p>		
<p>26. Do you have any other observations or general comments on the Public Audit (Wales) Act 2013 or the Committee's Draft Public Audit (Amendment) (Wales) Bill?</p>		