

National Assembly for Wales
Public Accounts Committee

Report on the estimate of the income and
expenses of the office of the Auditor General
for Wales, for the year ending 31 March 2014

November 2012



The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

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Public Accounts Committee

Powers

The Public Accounts Committee was established on 22 June 2011.

The Public Accounts Committee is not part of the Welsh Government. Rather, the role of the Public Accounts Committee is to ensure that proper and thorough scrutiny is given to the Welsh Government's expenditure.

The Committee's powers are set out in the National Assembly for Wales' Standing Orders, with its specific functions of the Committee are set out in Standing Order 18 (available at www.assemblywales.org). In particular, the Committee may consider reports prepared by the Auditor General for Wales on the accounts of the Welsh Government and other public bodies, and on the economy, efficiency and effectiveness with which resources were employed in the discharge of public functions.

The Committee also has specific statutory powers under the Government of Wales Act 2006 relating to the appointment of the Auditor General, his or her budget and the auditors of that office.

Current Committee membership



Darren Millar (Chair)
Welsh Conservatives
Clwyd West



Mohammad Asghar (Oscar)
Welsh Conservatives
South Wales East



Mike Hedges
Welsh Labour
Swansea East



Julie Morgan
Welsh Labour
Cardiff North



Gwyn R Price
Welsh Labour
Islwyn



Jenny Rathbone
Welsh Labour
Cardiff Central



Aled Roberts
Welsh Liberal Democrats
North Wales



Lindsay Whittle
Plaid Cymru
South Wales East

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The Committee's Recommendations

The Committee's recommendations to the Auditor General are listed below, in the order that they appear in this Report. Please refer to the relevant pages of the report to see the supporting evidence and conclusions:

Recommendation 1. We recommend that the Auditor General produces impact reports on the quantifiable savings and non-quantifiable benefits realised from his investigations, including those delivered as a consequence of the Good Practice Exchange. (Page 15)

Recommendation 2. We recommend that the Auditor General provides a detailed breakdown in his annual report (for 2013-2014 and onwards) of the use of the contingency of £250,000 for maintaining his pre-planned value-for-money programme. We anticipate this would include information on any amounts returned to the Welsh Consolidated Fund, as a result of there being no (or limited) need for ad-hoc inquiries during a financial year. (Page 18)

Introduction

What is the Public Accounts Committee?

1. We (the Public Accounts Committee) are a cross party committee of the National Assembly for Wales, made up of Members from all 4 political parties represented at the Assembly.
2. We have a variety of roles and functions. One of our responsibilities is to consider the Auditor General for Wales' estimate of income and expenses for the financial year ahead.¹
3. The National Assembly for Wales' Standing Orders set out that the Auditor General has to submit this estimate to us as soon as practicable, but in any event no later than 1 November in each financial year.²
4. We must then consider the estimate and lay it before the Assembly, along with any modifications that we consider appropriate, before 22 November.³ In our consideration we must take account of any representations made by the Auditor General.
5. This estimate is then incorporated into the annual budget motion, tabled by a Welsh Minister.⁴ The annual budget motion is then voted on by the Members of the National Assembly for Wales. No amendments can be tabled to this annual budget motion: it is either approved or rejected. This motion authorises a range of matters, including:
 - the amount of resources that may be used in the financial year by the Auditor General;

¹ Our consideration of these estimates is specifically set out under paragraph 12 of Schedule 8 of the Government of Wales Act 2006. Notably, we are not authorised to examine parts of the Auditor General's estimated income or expenses which relate to: Part 1 of the Local Government Act 1999 (c.27)(best value audits and inspections); section 33(3)(b) of that Act (grants to the Auditor General); or Part 2 of the Public Audit (Wales) Act 2004 (c.23)(local government audit), apart from section 44.

² National Assembly for Wales, Standing Orders of the National Assembly for Wales, June 2012, Standing Order 20.21

³ National Assembly for Wales, Standing Orders of the National Assembly for Wales, June 2012, Standing Order 20.22

⁴ National Assembly for Wales, Standing Orders of the National Assembly for Wales, June 2012, Standing Order 20.26

- the amount of resources accruing to the Auditor General that may be retained and used by him (rather than paid into the Welsh Consolidated Fund); and
- the amount of cash that may be paid out of the Welsh Consolidated Fund to the Auditor General.

What is the Auditor General for Wales, and the Wales Audit Office?

6. The Auditor General and the auditors he appoints in local government are the statutory external auditors of most of the Welsh public sector. They are responsible for the annual audit of the majority of public money spent in Wales. This includes auditing elements of funding which are passed by the Welsh Government to other bodies, such as the NHS in Wales and local government.

7. The Auditor General and his staff together form the Wales Audit Office, which was established in April 2005. The Auditor General is the Accounting Officer for the Wales Audit Office and is personally responsible for its overall organisation, management and staffing as well as its procedures in relation to financial and other matters.

Do we endorse the Auditor General's estimated budget requirement for the 2013-2014 financial year?

8. Yes. We endorse the Auditor General's estimate of his income and expenses for the 2013-2014 financial year, as detailed in annex 1 of this report.

9. Notably, we considered an initial version of the Auditor General's estimate at our meeting of 23 October 2012, which requested authorisation for the use of resources and the issue of cash from the Welsh Consolidated Fund of £5.494 million.

10. However, following this meeting, the Auditor General withdrew one element of his estimate, totalling £250,000. This portion of the estimate was originally intended to fund the costs of new arrangements set out in the Public Audit (Wales) Bill.

11. It is the revised estimate of income and expenditure for the 2013-2014 financial year which is included in annex 1 of this report, and which we now endorse. This revised estimate details a net resource and cash requirement of £5.244 million.

Structure of this report

12. In the first chapter of this report we have considered an overview of the Auditor General's estimate of expenditure.

13. In chapter two, we have considered the Auditor General's request for an increase of £250,000 beyond the previous financial year, for the purpose of supporting the exchange of good practice.

14. In chapter three, we have considered the Auditor General's request for a separate additional investment of £250,000 beyond the previous financial year, for the purpose of providing prompt responses to ad hoc work.

15. Finally, in chapter four, we have considered the Auditor General's original request for a further investment of £250,000 for 2013-14 to fund the costs of new arrangements set out in the Public Audit (Wales) Bill. Following our meeting of 23 October, this request was withdrawn. However, we believe it is appropriate for us to comment on the original request, as we anticipate additional funding may be required in the future to meet the costs of arrangements set out in the Public Audit (Wales) Bill.

1. Our overview of the Auditor General's estimate for 2013-14

Capital funding

16. Capital funding is spent on significant assets that typically have a life of many years, such as buildings or ICT systems.

17. The Auditor General's estimates included a capital request for 2013-14 of £20,000. We noted that this request compares with £16,000 in 2012-13 and £20,000 in 2011-12. The Auditor General stated that this was "intended to support the development of our ICT infrastructure, such as renewal of our computer servers."⁵

18. We asked why these servers needed to be replaced now, and were advised that:

"We have a programme of ICT replacement and upgrading, which we apply to all of our ICT kit—laptops, servers and so on. We work on the basis that we want to replace before systems fail, rather than when they fail. Therefore, for example, with the new server, there is a dual requirement. One is that it is nearing the end of its useful life, and we believe that it is time to replace before it fails. Failure would cause significant adverse consequences for the organisation... A breakdown may be rare, but it would be catastrophic for any organisation, and we have to take a prudent approach to ensure that the kit is in proper working order."⁶

19. The Wales Audit Office also detailed that there was increased demand on their servers and ICT kit, commenting that:

"We need additional bandwidth, as there is more homeworking or remote working by our auditors, who work at sites across Wales. Therefore, with that increase in demand, we need a better and improved server to ensure that we provide all the tools that our auditors need to discharge their duties."⁷

⁵ Wales Audit Office, Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014, Paragraph (Para) 16

⁶ Record of Proceedings of the National Assembly for Wales (RoP), Public Accounts Committee, 23 October 2012, Paragraphs (Paras) 80 and 84

⁷ RoP, Public Accounts Committee, 23 October 2012, Para 80

20. We are content to approve this increase in the Auditor General's capital funding. However, we have asked the Auditor General to provide us with information on the capacity of the current ICT server at the Wales Audit Office and how the Wales Audit Office determined when it would need to replace its server.

Revenue Funding

21. Revenue Funding is spent on day-to-day items to run services, such as staffing, supplies or externally contracted services.

22. The Auditor General's estimate for 2013-2014 assumes that his resource requirements will be the same in nominal terms as 2012-2013 with two exceptions. These are:

- £250,000 additional investment for supporting good practice; and
- £250,000 additional investment to ensure the Auditor General can provide prompt responses to increasing requests for ad hoc work;

23. We have considered these increases in chapters 2 and 3 of this report.

Efficiency savings

24. Apart from the two exceptional increases considered in chapters 2 and 3, all the Auditor General's other expenditure headings will see no change in funding. We noted that because of inflation (general costs going up) this meant that in real terms most of the Auditor General's expenditure areas would be subject to a fall in funding.

25. The Auditor General concurred with this analysis, and estimated that in real terms he was looking at "a 2.5 per cent reduction in the costs of my office."⁸ The Auditor General noted that as a result he was "currently looking at a need to make efficiency savings of around £500,000 next year."⁹ The Auditor General detailed to us a number of actions intended to take these savings forward, including £70,000 on his use of fleet vehicles,¹⁰ and "tasking the staff generally to drive

⁸ Wales Audit Office, Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014, para 8

⁹ RoP, Public Accounts Committee, 23 October 2012, Para 93

¹⁰ RoP, Public Accounts Committee, 23 October 2012, Para 102

down costs, with around 2.5% extra efficiency savings on our existing cost base.”¹¹

26. We welcome the Auditor General’s actions to drive forward efficiency savings. We believe the current economic climate only highlights the need for all public sector bodies to deliver the greatest value for public money possible.

Audit fees

27. The Auditor General receives the majority of his income from fees charged as a result of particular pieces of audit work (e.g. fees for the audit of accounts) with the remaining work (notably the programme of national value for money studies) being financed by a grant from the Welsh Consolidated Fund.

28. The Auditor General advised us that he did not intend to increase his routine fees and charges for conducting audit and related services, although his fee levels are already partially dependent on each local body’s circumstances. We note, for example, that a fee would need to be sufficient to fund the work required to enable auditors to properly discharge their responsibilities, considering local circumstances such as the governance environment, risk profile, financial and performance management arrangements, size, complexity and the body’s track record on improvement.

29. We are pleased that the Auditor General does not intend to increase his audit fees. We note that local authorities in Wales are already under considerable financial pressure, and that the maintenance of existing fee levels can only help them in balancing their budgeting processes. We consider it appropriate that any improvements in the Auditor General’s service- such as the delivery of good practice seminars- are funded directly from the Welsh Consolidated Fund, rather than through an increase in fees.

30. However, we also noted that in his estimate documentation, the Auditor General commented that it was possible that he might:

“have to change the way in which I charge VAT in the future. If this is the case, my costs would probably increase by approximately £600,000 per annum, which I would need to

¹¹ RoP, Public Accounts Committee, 23 October 2012, Para 98

include in a supplementary estimate for the year in which any change was implemented by HMRC.”¹²

31. We asked the Auditor General whether this increase in costs of £600,000 per annum would be funded through an increase in fees or a supplementary request for additional funding from the Welsh Consolidated fund. However, with the Auditor General still in negotiation with Her Majesty’s Revenue and Custom (HMRC) on this issue, we were advised that:

“If that came to pass, the Auditor General would have to take a view on what balance could be recovered from fees and what balance would need to be sought from the consolidated fund. We are still waiting to hear back from HMRC.”¹³

32. We also asked when a decision might be made on this issue, but were advised that:

“this situation has been ongoing since about 2004. I would not have expected it to take that amount of time to resolve, but it is not a quick process, I am sorry to say.”¹⁴

33. We note the Auditor General’s efforts to resolve this issue, and were pleased to recently hear that a single, dedicated office has been set up within HMRC to progress these issues.¹⁵ We anticipate that the Auditor General will have further dialogue with us once a resolution has been determined on what his increase in costs will be due to VAT, and what impact- if any- this would have on his audit fees.

Corporate Strategy

34. The strategic objectives of any effective organisation play a critical role in determining how its budgets are balanced and prioritised. In his estimate documentation, the Auditor General noted that he would shortly be consulting on a new corporate strategy for 2013 to 2016. This consultation will outline six strategic commitments:

¹² Wales Audit Office, Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014, para 37

¹³ RoP, Public Accounts Committee, 23 October 2012, Para 108

¹⁴ RoP, Public Accounts Committee, 23 October 2012, Para 110

¹⁵ RoP, Public Accounts Committee, 2 October 2012, Para 25

- undertake value-for-money work with an ‘austerity emphasis’ to support the public sector in Wales in achieving savings and other efficiency gains;
- enhance our work on benchmarking and performance comparison, and increase our sharing of audit knowledge and exchange of good practice to allow the public sector in Wales to benefit from experiences elsewhere;
- revise our audit framework with a view to providing further assurance on the effectiveness of governance arrangements and other issues of public interest;
- report more comprehensively through our audit work on, and demonstrate our own, compliance with duties on sustainable development, equality and the use of the Welsh language;
- work more closely with other external review bodies and improve the way we run our business through a period of transition; and
- improve our own use of, and report more comprehensively on whether others are making the most of, information technology.¹⁶

35. We noted that these commitments would inform how the Auditor General’s 2013-2014 budget was utilised, and asked the Auditor General how the Public Accounts Committee would input into his strategy’s development. The Auditor General advised us that:

“by the end of this month, I will have written to a large number of stakeholders in Wales, including this committee, with the approach that I intend to take to the strategy, seeking your views on it. This is not a document that I am publishing and saying, ‘This is my strategy’. It is more a case of, ‘This is on the way towards being a strategy, and these are the factors that we want to take into account’. We will very much welcome the views of this committee and of the wider group of stakeholders in Wales.”¹⁷

36. We look forward to considering the Auditor General’s corporate strategy in further detail.

¹⁶ Wales Audit Office, Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014, para 19

¹⁷ RoP, Public Accounts Committee, 23 October 2012, Para 121

2. Working with others to share learning

37. In 2012-13 the Auditor General allocated £200,000 for '*working with others to share learning, including provision of the Good Practice Exchange (GPX)*.' However, the 2013-14 estimate requests £450,000 for this same function. This represents an increase of £250,000.

38. The Auditor General stated in his estimate documentation that as public sector auditors, the Wales Audit Office has a key role to play in helping public bodies to identify scope for savings. The feedback he has received from stakeholders is that this could be done more effectively with increased investment in activities such as the Good Practice Exchange and by producing additional tools including a new suite of shorter and more timeous reports and aides for the public sector. In his estimate documentation, he highlighted the Cost Reduction Guide as an example of this, as it provides guidance and direction on managing public services reductions.

39. To illustrate how the Good Practice Exchange adds value to his work, the Auditor General also gave us an example of his office's recent work on asset management energy efficiency. This investigation identified a case study where one authority had implemented software that installed energy saving measures on 400 of the organisation's personal/desktop computers. This software cost £39,000 to purchase and delivered around £80,000 of energy savings annually.

40. The Auditor General detailed that this case study was shared through the National Asset Management working group and globally through the Good Practice Exchange. The Auditor General stated in his estimate documentation that he was aware of at least two other organisations subsequently implemented this approach, resulting in minimum annual savings of £160,000 per annum. The Auditor General considered that "increased investment will allow me to do considerable more work in this area."¹⁸

41. We asked the Auditor General whether this would be a reoccurring request, and he confirmed that he would "see it as built into the baseline from then on."¹⁹ The Auditor General also clarified that this

¹⁸ Wales Audit Office, Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014, para 33

¹⁹ Record of Proceedings of the National Assembly for Wales (RoP), Public Accounts Committee, 23 October 2012, Para 16

funding would be utilised both to develop his web portal and to enable the delivery of additional seminars on good practice following an investigation. He explained that a single good practice seminar was often built into the costs of an investigation, but- using Grants Management as an example- explained that when a seminar was delivered:

“it became clear that the Welsh Government needed another five or so seminars to cover all the staff who needed to be exposed, if you like, to the good practice. There was only so much that I had built into the studies. Normally, I build one session on good practice exchange into most studies, but I am looking to increase that number.”²⁰

42. We consider that there is considerable potential merit in the Auditor General delivering good practice seminars. We consider that this expenditure could potentially drive down costs more broadly across the public sector, and could therefore represent excellent value for money.

43. However, we also consider that in the longer term this increased expenditure needs to produce clear, quantifiable results. While we support the Auditor General’s increase, we are therefore recommending that he produce impact reports on the quantifiable savings realised (as well as any non-quantifiable benefits) from his investigations - including subsequent good practice seminars. We appreciate that such impact reports would need to be produced at an appropriate point in time after an initial investigation has been completed.

We recommend that the Auditor General produces impact reports on the quantifiable savings and non-quantifiable benefits realised from his investigations, including those delivered as a consequence of the Good Practice Exchange.

²⁰ RoP, Public Accounts Committee, 23 October 2012, Para 16

3. Maintaining a value for money programme while responding to ad-hoc requests for investigations

44. In his estimate documentation the Auditor General also requested an additional resource of £250,000 to ensure that he could maintain his pre-planned value-for-money programme. He reminded us that this pre-planned programme had been designed to provide comprehensive coverage of the Welsh public sector. However, he noted that in the past the delivery of individual investigations had been delayed and deferred by the need to divert resources in order to provide a swift response to urgent projects. For example, as matters of high public interest and profile the Auditor General was recently asked to undertake special investigations into:

- the Welsh Government's relationship with the All Wales Ethnic Minority Association; and
- the Welsh Government's acquisition and disposal of the River Lodge Hotel, Llangollen.

45. The Auditor General also stated to us that more generally he intends to introduce a new suite of shorter and more timeous value-for-money studies.

46. Without this additional funding, the Auditor General stated that there would inevitably be delays in the delivery of the National Studies Programme, when ad-hoc requests for investigations arise.²¹ He commented that:

“Currently, you provide funding to allow me to carry out something of the order of 10 to 12 value-for-money studies each year. If I do not get that extra money, I will simply be shifting one study in order to allow another study to take place. For example, AWEMA took the place of a study that was intended to look at the impact on the third sector of the various funding decisions that the Welsh Government was taking under austerity, and the role that the third sector could

²¹ Wales Audit Office, Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014, para 33

play in that regard. I simply could not afford to do that study and AWEMA alongside each other.”²²

47. We asked the Auditor General for more detail as to how this £250,000 would be utilised. Responding to our questions, he advised us that:

“It would allow us to buy a range of resources, some of which may well be knock-on. For example, we could bring in extra contractors to carry out standard value-for-money activity and maintain the pattern of 10 to 12, while I use my staff on particular studies. In other cases, such as one that I am currently looking at, I need to buy in some extra speciality to deliver that study. So, this would give the flexibility that I would need to allow that study to take place.”²³

48. We noted that an alternative mechanism for providing this funding to the Auditor General would be for him to seek a supplementary increase in his budget when the need for an ad-hoc study arose. However, the Auditor General noted that as this would require the Assembly to agree such increases at the time of an ad-hoc study being undertaken “that might politicise some of my studies a bit too much.”²⁴

49. We consider this to be a reasonable concern and that there is merit in the Auditor General’s request for additional resources to respond to unanticipated needs for ad-hoc investigations. The Auditor General’s recent ad-hoc investigations have had a particularly high public profile, but we note that needs for ad-hoc investigations have historically arisen over a number of years. We also note that if these resources were not required (or only a part of these funds), the Auditor General would be able to return these funds to the Welsh Consolidated Fund at the end of the year.

50. On this basis, we support the Auditor General’s request for £250,000 to ensure that he can maintain his pre-planned value-for-money programme when the need for ad-hoc inquiries emerges. In the interest of transparency we are recommending that in his annual

²² RoP, Public Accounts Committee, 23 October 2012, Para 23

²³ RoP, Public Accounts Committee, 23 October 2012, Para 40

²⁴ RoP, Public Accounts Committee, 23 October 2012, Para 50

report the Auditor General provides a detailed breakdown of how this contingency fund has been utilised.

We recommend that the Auditor General provides a detailed breakdown in his annual report (for 2013-2014 and onwards) of the use of the contingency of £250,000 for maintaining his pre-planned value-for-money programme. We anticipate this would include information on any amounts returned to the Welsh Consolidated Fund, as a result of there being no (or limited) need for ad-hoc inquiries during a financial year.

4. The financial implications of the Public Audit (Wales) Bill for the Wales Audit Office

51. In the original estimate we considered on 23 October 2012, the Auditor General requested £250,000 for 2013-2014 to fund the costs of new arrangements set out in the Public Audit (Wales) Bill. His paper also estimated that a further £350,000 would be required for 2014-2015 to enable new arrangements required by the Bill.

52. Notably, these figures were substantially different to those in the Public Audit (Wales) Bill's Explanatory Memorandum prepared by the Welsh Government. This detailed that the preferred option within the Bill would give rise to transitional costs of around £20,000 and annual costs of approximately £155,000.²⁵

53. However, the Auditor General had previously stated that in his opinion the cost of the Bill, as it stands, would be significantly higher than that estimated in the Explanatory Memorandum. In correspondence he set out in detail his rationale for considering these costs to be significantly higher than those estimated by the Welsh Government.²⁶ He commented to us that:

“There are transitional costs to do with setting up and issues to do with developing codes of audit practice. The codes in the Bill look as though they have been passed round policy branches in the Welsh Government with each one adding an extra requirement, so the codes have to be rewritten. In my own right, I have to prepare a freedom of information scheme and an equality scheme, as does the Wales Audit Office... Finally, there is an issue that we still need to bottom out to do with whether staff who carry out their work for me, as auditor general, despite the fact that they are employed by the Wales Audit Office, might fall foul of a taxation requirement.”²⁷

54. However, at the time of this report's publication, we have not yet completed our consideration of the general principles of the Public Audit (Wales) Bill. As such, we believe it would be inappropriate for us

²⁵ Welsh Government, Public Audit Wales Bill: Explanatory Memorandum, incorporating the Regulatory Impact Assessment and Explanatory Notes, Para 96-97

²⁶ Auditor General for Wales, PAC inquiry into the general principles of the Public Audit Wales Bill: estimate of costs, 12 October 2012.

²⁷ RoP, Public Accounts Committee, 23 October 2012, Para 58

to effectively arbitrate now on what the final costs of the Public Audit (Wales) Bill will ultimately be.

55. We were therefore pleased that the Auditor General has withdrawn his request for an additional £250,000 for 2013-2014. His revised estimate is attached at annex 1 of this report.

56. At such time as the actual costs resultant from the final Bill are clearer we anticipate that the Auditor General would be able to present a supplementary budget request, should resources be required within the 2013-2014 financial year. On this basis, we anticipate that a Welsh Minister would table a supplementary budget motion at the Auditor General's request, at any time after the annual budget motion has been passed.

57. Similarly, we anticipate that the Auditor General would be able to include estimates for costs resultant from the final Bill in future financial years.

Annex 1: Estimated budget requirements of the Auditor General for the year ending 31 March 2014



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

October 2012
www.wao.gov.uk

Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014

Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014

Submitted to the Public Accounts Committee of the National Assembly for Wales under Paragraph 12 of Schedule 8 to the Government of Wales Act 2006

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The Auditor General and the auditors he appoints in local government are the statutory external auditors of most of the Welsh public sector. They are responsible for the annual audit of the majority of public money spent in Wales, including the £15 billion of funds that are voted on annually by the National Assembly for Wales. Elements of this funding are passed by the Welsh Government to the NHS in Wales (over £5 billion) and to local government (over £4 billion).

The Auditor General and his staff together form the Wales Audit Office, which was established in April 2005. The Auditor General is the Accounting Officer for the Wales Audit Office and is personally responsible for its overall organisation, management and staffing as well as its procedures in relation to financial and other matters.

A summary of the main operational activities of the Auditor General and the auditors he appoints in local government, alongside associated sources of funding, is provided in Appendix 1 of this estimate. The staff of the Wales Audit Office deliver approximately two-thirds of the annual audit work. The remainder is contracted out by the Auditor General to private sector accountancy firms.

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Introduction and summary of budget requirements

- 1 As Auditor General, I must prepare an estimate of the income and expenses of my office (the Wales Audit Office) for each financial year and submit the estimate to the Public Accounts Committee¹.
- 2 I invite the Public Accounts Committee to examine and lay this estimate of my income and expenses for the year ending 31 March 2014 before the National Assembly.
- 3 The estimate that I am presenting provides for an increase of £0.5 million in the amount of revenue funding requested this year, from £4.724 million to £5.224 million.
- 4 I am seeking this additional resource of £0.5 million specifically to increase the level of support that I can provide to public bodies looking to achieve increased efficiency and improvement, through innovation, which is particularly important in the current economic climate: as I set out below £250,000 of this would allow me to support additional investment in sharing good practice and £250,000 would allow me to respond promptly to increasing requests for ad hoc work without delaying the delivery of my national studies programme.
- 5 Over the past few years, we have both facilitated and driven service improvement, value-for-money and citizen participation across Welsh Public Services through excellent knowledge transfer using the *Good Practice Exchange* (GPX). While our good practice work is highly regarded, I consider that we are not yet fully maximising the potential of our audit knowledge and access to good practice to benefit Welsh public services. We are now seeking to increase the level of annual investment in the GPX by £250,000, in order to deliver:
 - further service improvements and better value-for-money through the widespread use of knowledge and good practice which will be disseminated through a process of face to face and virtual activities; and
 - greater citizen involvement through active dissemination of information via the GPX.
- 6 Additional funding of £250,000 will also allow us to respond promptly to the increasing number of requests that I am receiving for special investigations and ad hoc pieces of work, some of which have come from the Public Accounts Committee. Recent examples have included the AWEMA and River Lodge investigations. Without this additional funding, there will inevitably be an impact on the number of pre-planned national studies I can deliver, which would affect my ability to provide comprehensive coverage of public sector expenditure within Wales.

¹ At least five months before the beginning of the financial year to which it relates, as laid out under Paragraph 12 of Schedule 8 to the Government of Wales Act 2006 (the 2006 Act).

- 7 I have outlined in the Areas of Uncertainty section of this Estimate that additional costs may arise from implementing the Public Audit (Wales) Bill. Following the presentation of my original Estimate to the Public Accounts Committee on 23 October 2012, and at the request of the Committee, I have excluded these Bill related costs of £250,000 in 2013-14 from this final Estimate. I will include an updated estimate of the costs that I believe will arise from implementing the Bill's requirements in a Supplementary Estimate as the Bill's proposed requirements become clearer.
- 8 Other than the £0.5 million additional earmarked funding, which should be considered separately, my revenue request is frozen in cash terms at the level approved for 2012-13, and in real terms represents a 2.5 per cent reduction in the costs of my office. The level of revenue requested for 2013-14 is the minimum necessary for the Wales Audit Office to continue to provide an effective service to the bodies we audit on behalf of the people of Wales.
- 9 I set out in this estimate my intention to hold overall fee levels at the same cash level as for 2012-13 (a real terms reduction of 2.5 per cent following further significant real terms reductions in earlier years as illustrated in [Exhibit 3](#)). My ability to hold fee levels at this level, against year-on-year efficiency savings, is however dependent upon approval of the resource request contained within this estimate.
- 10 We will continue to seek further savings and efficiencies wherever possible, which will require some difficult decisions being taken as is the case across the whole of the public sector. However, these savings will not be at the level achieved in 2011-12, where significant reductions in our cost base and the generation of additional income enabled us to fund taxation provisions totalling in excess of £2.6 million.
- 11 The fact that we were able to fund these provisions from existing resources prevented a request for supplementary funding from the National Assembly in 2011-12. This situation could not have been achieved without the Wales Audit Office deferring some expenditure originally budgeted for 2011-12, and without the support and commitment of many of my staff who worked extra hours to deliver additional projects that generated further income amounting to £1.4 million.
- 12 Examples of areas where we had to defer expenditure in 2011-12 included delaying capital expenditure on additional video conferencing units which are necessary to further reduce our travel and subsistence expenditure going forward, and postponing commencement of our *Ignite 2* management development training programme. This expenditure will need to be funded in 2012-13 and in 2013-14.
- 13 The level of additional income generated in 2011-12 was unprecedented and is unlikely to be repeated. I set out in my letter of 26 September 2012 to the PAC regarding my annual report and accounts the main reasons why this additional income arose.

- 14** **Exhibit 1** illustrates the cumulative real terms variance in the total net revenue resource requirement sought for each of the years 2009-10 to 2013-14. Members of the Public Accounts Committee will note that even taking into account the additional £0.5 million requested for 2013-14, there has been a real terms reduction in our net resource request over the five year period of 6.6 per cent. Without this additional request, which is required in order to help promote improvement in public services, the reduction in real terms is 15.5 per cent.
- 15** I provide in **Exhibit 2(a)** an estimate of how the net revenue resource requested for the year ending 31 March 2014 will be used.
- 16** I have also included a capital resource request of £20,000 to support the development of our ICT infrastructure, such as renewal of our computer servers. This capital resource request is at the same level in cash terms as my request for 2011-12 (as illustrated in **Exhibit 2(b)**).
- 17** My budget requirements for the year ending 31 March 2014 are presented in a format appropriate for inclusion in the Ministers' Budget Motion in **Appendix 2**, alongside reconciliation of the net resource requirement to the cash drawdown requirement from the Welsh Consolidated Fund.
- 18** In addition to the amounts shown in **Appendix 2**, I receive income from local government audit, assessment and inspection work, which does not form part of the amount to be authorised by Budget Motion but is included for information within this estimate. During 2013-14, these income streams are estimated to amount to £9.825 million, compared with £9.576 million in 2012-13 (see **Appendix 3** for a reconciliation of income accruals estimate to fees and other income total).

Exhibit 1 - Cumulative real terms variance in the net revenue resource requirement sought by the Auditor General for each of the years 2009-10 to 2013-14

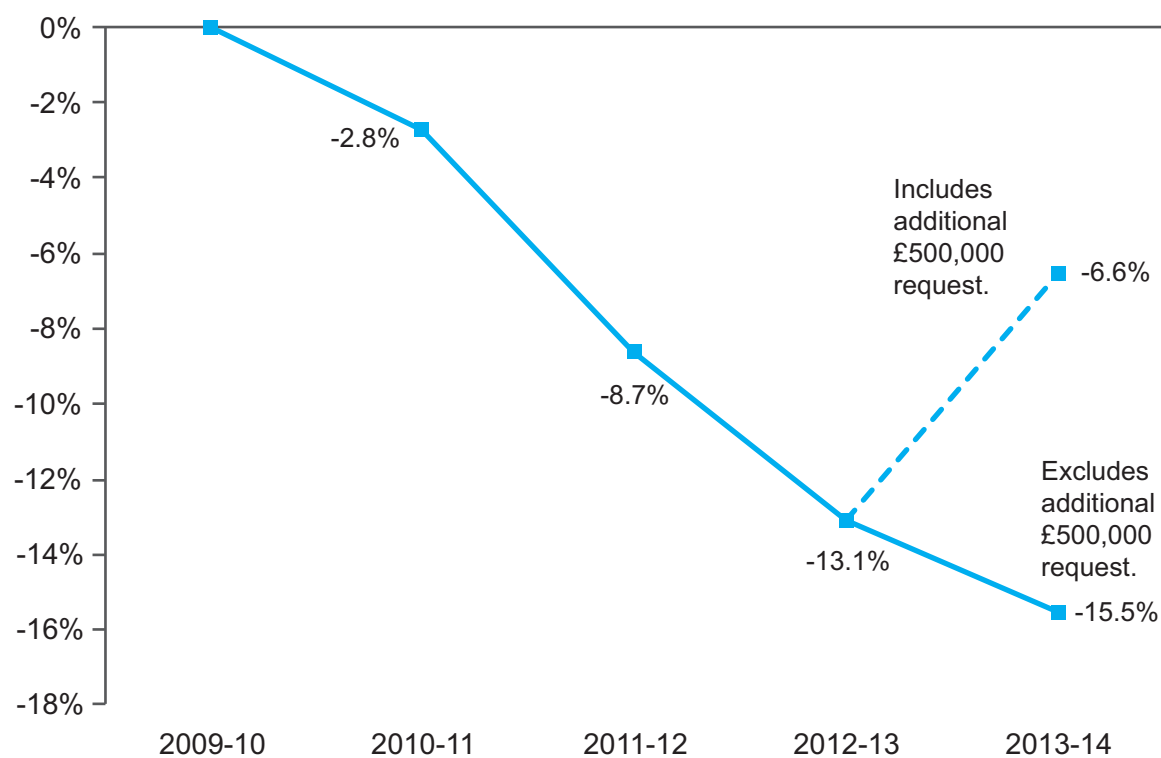


Exhibit 2(a) - Estimate of use of net revenue resource requirement in 2013-14 and comparison with approved requests for 2012-13 and 2011-12

	Year to 31 March 2014 £'000	Year to 31 March 2013 £'000	Year to 31 March 2012 £'000
Value-for-money examinations and studies by the Auditor General	1,885	1,635	1,635
Working with others to share learning, including provision of the GPX	450	200	200
Providing support to the Public Accounts Committee and other National Assembly committees	250	250	250
Responding to issues that have been brought to our attention through correspondence from the public, elected representatives and others	80	80	80
Granting of approvals to draw from the Welsh Consolidated Fund	15	15	15
Contributions to the following:			
Staff training and development	792	792	850
ICT infrastructure	772	772	850
Technical support, research and development	500	500	500
Business development and improvement	360	360	453
Meeting equality duties	80	80	0
Remuneration of governance committee members (and costs of proposed legislative changes)	40	40	0
Voluntary exit scheme	0	0	550
Total revenue expenditure requirement	5,224	4,724	5,383

Exhibit 2(b) - Estimate of net capital resource requirement in 2013-14 and comparison with approved requests for 2012-13 and 2011-12

	Year to 31 March 2014 £'000	Year to 31 March 2013 £'000	Year to 31 March 2012 £'000
Total capital expenditure requirement	20	16	20

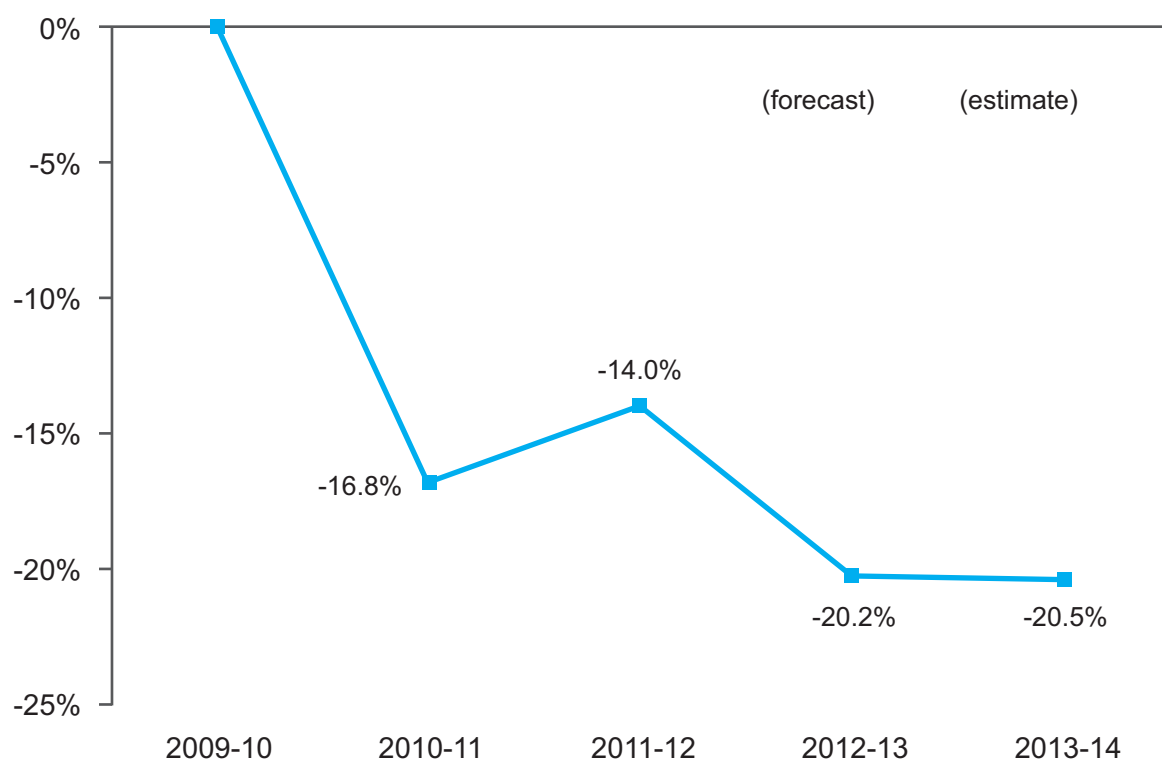
Strategic approach

- 19** I will shortly be consulting on a new corporate strategy that will cover the period 2013 to 2016. Within my consultation draft I will be outlining strategic commitments to:
- undertake value-for-money work with an 'austerity emphasis' to support the public sector in Wales in achieving savings and other efficiency gains;
 - enhance our work on benchmarking and performance comparison, and increase our sharing of audit knowledge and exchange of good practice to allow the public sector in Wales to benefit from experiences elsewhere;
 - revise our audit framework with a view to providing further assurance on the effectiveness of governance arrangements and other issues of public interest;
 - report more comprehensively through our audit work on, and demonstrate our own, compliance with duties on sustainable development, equality and the use of the Welsh language;
 - work more closely with other external review bodies and improve the way we run our business through a period of transition; and
 - improve our own use of, and report more comprehensively on whether others are making the most of, information technology.
- 20** My estimate has been developed to provide me with a foundation to support the achievement of these strategic commitments.

Estimate of income and expenses

- 21** My estimate of the income and expenses of the Wales Audit Office, and the resultant net resource requirement for the year ending 31 March 2014 is provided in [Appendix 3](#).
- 22** [Exhibits 3 and 4](#) illustrate the cumulative real terms reductions in Wales Audit Office revenue expenditure and audit fee income respectively between 2009-10 and 2013-14.

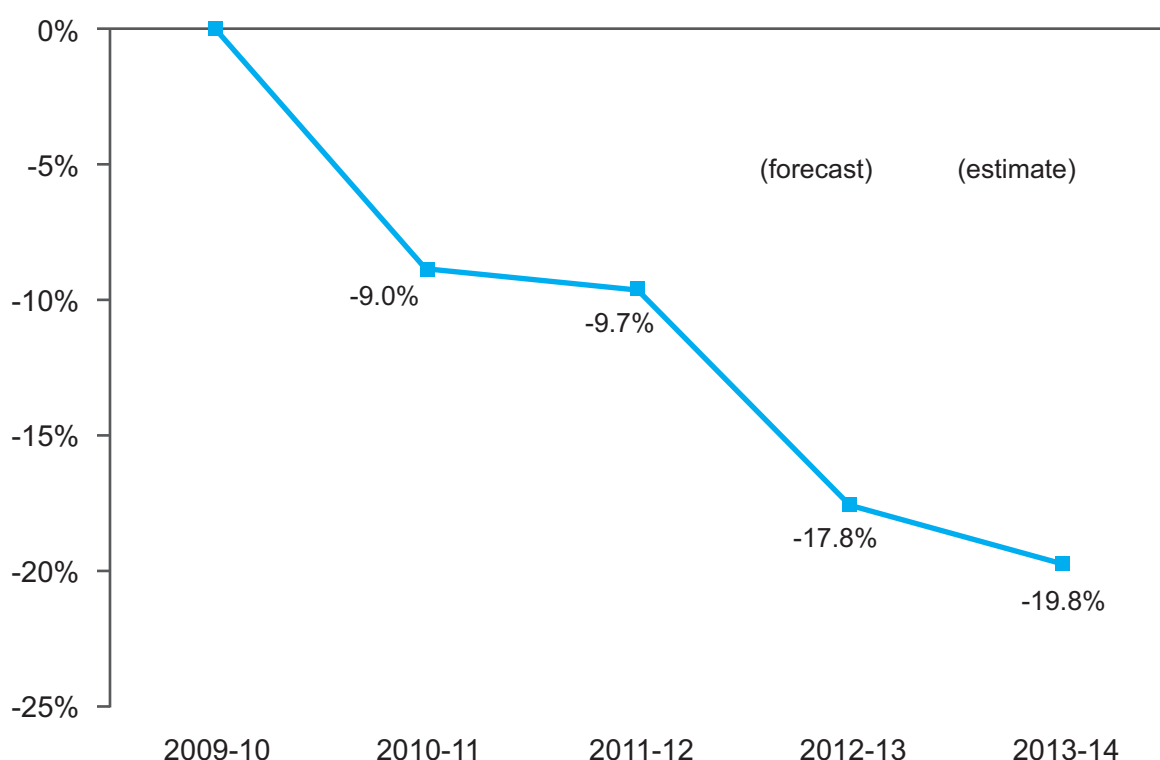
Exhibit 3 - Cumulative real terms reduction in Wales Audit Office total annual revenue expenditure between 2009-10 and 2013-14



23 Exhibit 3 demonstrates my ongoing commitment to reduce my annual expenditure, which I estimate will have fallen in real terms by 20.5 per cent between 2009-10 and 2013-14 (including the additional £500,000 I am seeking to fund through this estimate). As explained at paragraph 10-12 (above), the increase between budgeted expenditure for 2012-13 and outturn expenditure in 2011-12 is largely due to the deferral of certain 2011-12 expenditure which enabled us to fund historical tax liabilities that we have identified, which otherwise would have required supplementary funding from the National Assembly.

24 However, I cannot sustain expenditure at the 2011-12 level indefinitely whilst continuing to provide an effective audit service on behalf of the people of Wales. Much of the expenditure deferred from 2011-12 is necessary in order to invest in staff and other developments and to achieve longer term cost reductions (e.g. increased use of video conferencing facilities to reduce travel expenditure), and will need to be funded in 2012-13 or in 2013-14. I am proposing to meet this increased expenditure by setting internal efficiency targets for 2013-14, and achieving a real terms reduction in expenditure of approximately 2.5 per cent.

Exhibit 4 - Cumulative real terms reduction in fees charged annually to audited bodies between 2009-10 and 2013-14



Reductions to fee income

- 25** In my Estimate last year and in giving oral evidence to the Committee I noted that we had achieved a cash terms reduction of £1.27 million (8 per cent) between 2009 and 2011 in the fees we charged for local government, NHS and central government audits, and local government work. We had achieved this reduction by making cost savings, through achieving efficiency improvements and by taking a more proportionate approach to our work. I stated that I was planning to achieve further reductions of up to 5 per cent in 2012-13 but that there was only limited scope for further reductions in 2013-14. The Committee's Task and Finish Group expressed some concern about the level of reduction and asked me to confirm that ongoing reductions would not affect the quality of my work. I can confirm that this has not been the case, and this view is supported by my quality monitoring arrangements.
- 26** During 2013-14, I intend to hold fees at 2012-13 levels wherever possible and will continue to seek efficiencies in our audit approach so as to achieve an average real terms reduction in the level of our audit fees. This will result in an average real terms decrease in audit fees across all audited bodies of 19.8 per cent between 2009-10 and 2013-14. However, the potential for any fee reductions at individual bodies is dependent on each local body's circumstances. The fee must be sufficient to fund the work required to enable my auditors to properly discharge their responsibilities, considering local circumstances such as the governance environment, risk profile, financial and performance management arrangements, size, complexity and the body's track record

on improvement. If unplanned or additional work is required as a result of failures by audited bodies to provide what my staff need for them to do their work efficiently, I will charge additional fees commensurate with the additional work involved. My fee scales are benchmarked against fees charged by other UK audit agencies, and the results of the exercise are available on the Wales Audit Office's web site.²

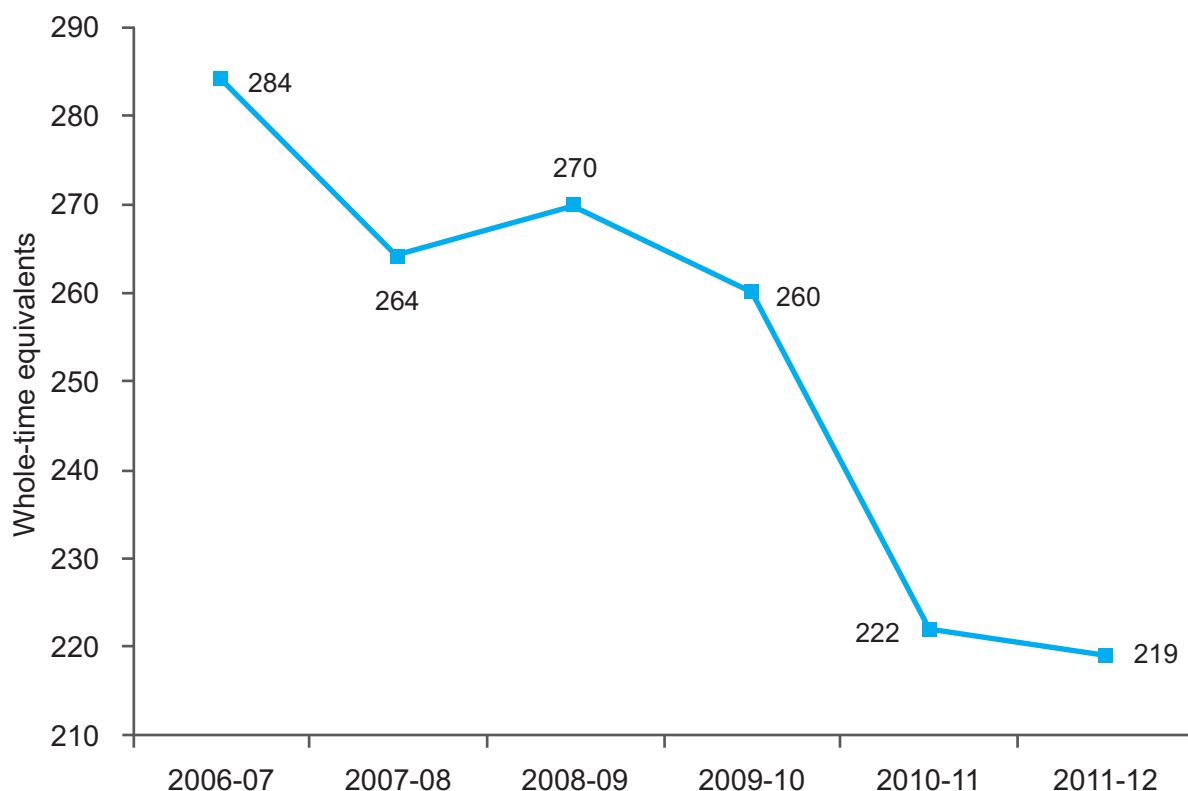
- 27** In addition to funding from the National Assembly and audit fee income, I also receive an annual grant from the Welsh Government to support my work in local government on the Wales Programme for Improvement. Between 2009-10 and 2012-13 that funding reduced in real terms by 25.6 per cent to £1.347 million. I have assumed for the purposes of this estimate that this grant will be frozen in cash terms at £1.347 million for 2013-14 representing a further real terms reduction of 2.5 per cent.

Further savings and efficiencies

- 28** All public sector bodies, including the Wales Audit Office, face the challenge of continuing to deliver the best possible services against a background of unprecedented pressures on public finances.
- 29** In common with many public bodies, the largest area of Wales Audit Office expenditure is staff salaries and associated costs. **Exhibit 5** illustrates the reduction in the numbers of whole-time equivalent staff over the six-year period 2006-07 to 2011-12 (22.9 per cent) as set out in our audited annual report and accounts.

² www.wao.gov.uk/aboutus/4240.asp

Exhibit 5 - Numbers of Wales Audit Office whole-time equivalent staff over the six-year period 2006-07 to 2011-12



30 I have operated voluntary exit schemes during both 2010-11 and 2011-12 to achieve over time a staff mix more aligned to future work demands (including recruiting at lower grades where appropriate to achieve a leaner skill mix) and further reduce the staff costs of the Wales Audit Office. Fourteen members of staff left under the 2010-11 scheme. Staff interest in the 2011-12 scheme was lower than I had hoped, with approval being granted to six members of staff to leave, one of whom left in 2011-12 with a further five leaving in 2012-13. The cost of the 2011-12 scheme was £0.35 million, which will save £82,000 per annum.

I received a supplementary approval of £0.55 million to help fund the 2011-12 scheme. I used £0.1 million of this approval, with the unspent element of the approval reverting to the Welsh Consolidated Fund.

31 My staff and I continue to seek other efficiencies that will help us to further reduce our cost base in 2013-14 and I have tasked different parts of the business with generating efficiency savings of approximately 2.5 per cent to further reduce our cost base beyond 2012-13.

32 I have now also implemented new vehicle fleet arrangements in the Wales Audit Office to help improve staff safety and well-being, reduce our impact on the environment and generate cost savings. These new arrangements include the competitive procurement of a new fleet provider, restriction in the choice of vehicles to three manufacturers (all of which must meet the highest safety standards, and not exceed 140g/cm² emissions), reduction of the transport allowance and measures to reduce all forms of staff travel more generally through, for example, greater use of videoconferencing. The PAC has commissioned a value-for-money review of these new arrangements.

Additional costs to be incurred

33 While we shall continue to review our expenditure and to exercise pay constraints in line with central government guidelines, we also face a number of increasing cost pressures.

a I am seeking an additional £250,000 to develop the good practice work we undertake. As public sector auditors, the Wales Audit Office has a key role to play in helping public bodies to identify scope for savings. The feedback we have received from our stakeholders is that we could do this more effectively with increased investment in activities such as our Good Practice Exchange and by producing additional tools including a new suite of shorter and more timeous reports and aides for the public sector. Our Cost Reduction Guide is one such example, which provides guidance and direction on managing public services reductions.

b By sharing good practice, Public Sector Bodies can more readily identify areas for improvement and maximise efficiencies. For example, our recent work on asset management energy efficiency identified a case study where one authority had implemented software that installed energy saving measures on 400 of the organisation's personal/desktop computers. This software cost £39,000 to purchase and delivered around £80,000 of energy savings annually. The case study was shared through the National Asset Management working group and globally through our Good Practice Exchange. We are aware that at least two other organisations subsequently implemented this approach, resulting in minimum annual savings of £160,000 per annum. The Good Practice Exchange content on the Wales Audit Office's website is already well used. In the year October 2011 to October 2012, there were over 140,000 page views of the existing materials posted on the website. Increased investment will allow me to do considerable more work in this area.

c I am also seeking additional resource of £250,000 to ensure I can maintain my pre-planned value-for-money programme which is designed to provide comprehensive coverage of the Welsh public sector while also providing for a swift response to urgent projects without the need to defer planned work. I am receiving an increasing number of requests for special investigations, some of which have come from the Public Accounts Committee. Recent examples have included the Awema and River Lodge investigations. Without this additional funding, there will inevitably be delays in the delivery of my National Studies Programme. I am also intending to introduce a new suite of shorter and more timeous value-for-money studies.

- d** Looking beyond 2013-14, my staff are in the process of estimating how much extra work we may have to carry out as a result of the potential additional duties that are likely to arise from enactment of the Sustainable Development Bill. Such duties will, inevitably, lead to additional development and training costs. I anticipate at present that these additional costs would be incurred over a three year period covering 2014-15 to 2016-17, and would need to be included as additional resource requests in the estimates for those years.

Areas of uncertainty

Public Audit (Wales) Bill

- 34** I wrote to the Chair of the PAC on 5 September 2012 setting out my views on the Public Audit (Wales) Bill. In that letter, I expressed the view that the cost of the Bill as it stands is likely to be significantly higher than that estimated in the Explanatory Memorandum. In my subsequent letter of 12 October I have provided a breakdown of my estimate of those costs. As agreed with the Public Accounts Committee, I will seek funding for these costs in a Supplementary Estimate for 2013-14 once the Bill's proposed requirements become clearer.

Value Added Tax

- 35** As reported in both the Auditor General estimate papers and also the annual report and accounts for every year since the creation of the Wales Audit Office in 2005, discussions are continuing with HMRC on my Value Added Tax (VAT) position. My estimates in previous years have reported that the potential liability associated with any change in my VAT status might be significant and might require me to make a future request for supplementary resources.
- 36** During 2011-12 HMRC made a ruling on my VAT status but discussions are continuing regarding the VAT treatment of work completed for me. Following this ruling, and based on independent expert advice, I made a substantial provision in my accounts for the year ended 31 March 2012 to cover potential historical liabilities should HMRC rule that that the work completed for me should have been treated differently for VAT purposes.
- 37** Although I have been able to make an accounting provision for these historical liabilities, should these liabilities crystallise I may need to seek additional cash from the Welsh Consolidated Fund as I outlined in my letter to the PAC of 26 September 2012. It is also possible that I may have to change the way in which I charge VAT in the future. If this is the case, my costs would probably increase by approximately £600,000 per annum, which I would need to include in a supplementary estimate for the year in which any change was implemented by HMRC.

Employee travel and subsistence expenses

- 38** I reported in my 2011-12 annual report and accounts that the way in which my staff need to work may have led to some having established permanent places of work at the offices of my audited bodies. It is possible that some payments for expenses incurred in travelling to these offices should have been subject to tax and national insurance. I am aware that other Welsh public sector bodies and another UK audit agency are experiencing similar problems. I am currently in discussion with HMRC to resolve this matter. Should HMRC rule that I should have deducted PAYE when paying these expenses, I may need to seek extra revenue and cash resources through a supplementary estimate.

Legislative changes: Westminster

- 39** In my estimate for the year ending 31 March 2012, I emphasised the potential impact for the Wales Audit Office of the abolition of the Audit Commission. The impact of this change is becoming clearer, but there are still issues to be resolved, such as arrangements for undertaking the National Fraud Initiative. I am continuing to keep this situation under review to assess any cost and operational implications for the Wales Audit Office.

Appendix 1 - Main operational activities of the Auditor General and the auditors he appoints in local government, and associated sources of funding

Activity	Scale	Source of funding
Audit of accounts prepared by central government and health bodies	Eight accounts prepared by the Welsh Government; 31 other accounts, including the Assembly Commission; seven health boards; and, three NHS trusts.	Fees charged to audited bodies.
Audit of accounts prepared by local government bodies	22 unitary authorities, four police authorities, three fire and rescue authorities, one probation trust, three national park authorities, one internal drainage board, eight pension funds, approximately 750 community councils and other small bodies.	Fees charged to audited bodies.
Local government improvement assessments	Includes audits of whether authorities have discharged their improvement planning and performance reporting duties, assessments of the likelihood of compliance with improvement duties and special inspections. Undertaken at 22 unitary authorities, three fire and rescue authorities and three national park authorities.	Fees charged to audited bodies. The Welsh Government also provides grant funding to support improvement assessment work.
Local performance audit work at health bodies	Includes assessments of arrangements to secure value-for-money in use of resources. Undertaken at seven health boards and three NHS trusts.	Fees charged to audited bodies.
Certification of grant claims and returns	34 local government schemes (around 800 claims with a total value of some £1.6 billion), alongside European structural fund claims with a total annual claim value of around £300 million.	Fees charged to audited bodies.
Value-for-money examinations and studies	Typically 12 examinations, studies and other outputs are undertaken in the course of a calendar year, looking at value-for-money in key areas of public spending. Often this work is undertaken from a 'whole-system' or 'cross-cutting' perspective, where public spending is examined irrespective of who delivers the services.	Financed mostly from the Welsh Consolidated Fund, following approval by the National Assembly. The Welsh Government also provides grant funding to support local government studies.
Other significant activities	Includes: <ul style="list-style-type: none"> checking requests for grant of approval to draw from the Welsh Consolidated Fund; working with others to share learning, including provision of the Good Practice Exchange; anti-fraud and other data matching exercises, including the National Fraud Initiative; responding to issues that have been brought to our attention through correspondence from the public, elected representatives and others; providing support to the Public Accounts Committee and other National Assembly committees; and administration of the Wales Audit Office. 	Financed mostly from the Welsh Consolidated Fund, following approval by the National Assembly. Some activities are also funded in part by fees charged to audited bodies.

Appendix 2 - Estimated budget requirements of the Auditor General for the year ending 31 March 2014

The Welsh Ministers must move an annual Budget Motion in the National Assembly for Wales³ to authorise, amongst other things:

- a the amount of resources which may be used in the financial year by the Auditor General;
- b the amount of resources accruing to the Auditor General which may be retained by him (rather than paid into the Welsh Consolidated Fund); and
- c the amount which may be paid out of the Welsh Consolidated Fund to the Auditor General.

The estimate examined and laid by the Public Accounts Committee is incorporated into the Budget Motion.

These resource and cash requirements, which due to the variability of income streams can only be estimates, are summarised below.

Estimated budget requirements of the Auditor General for the year ending 31 March 2013

Resources other than accruing resources for use by the Auditor General on the discharge of the statutory functions of the Auditor General and local government appointed auditors, and on the administration of the Wales Audit Office ⁴ .	£ million
<ul style="list-style-type: none"> • Revenue • Capital 	<p>5.224</p> <p>0.020</p>
Accruing resources from fees and charges for audit and related services (excluding for local government audit, assessment and inspection work); other recoveries of costs associated with the functions of the Auditor General; miscellaneous income from publications, conferences, provision of administrative and professional and technical services; recoveries of costs of seconded staff; repayments of staff loans; recoveries of car leasing payments; and interest received on working balances for use by the Auditor General on related services and the administration of the Wales Audit Office ⁵ .	£ million
	7,944
Net cash requirement from the Welsh Consolidated Fund to meet the net amounts falling due for payment in the year by the Auditor General ⁶ .	£ million
	5,224

³ Under Section 125 of the 2006 Act.

⁴ This is the net revenue and capital expenditure in resource terms that the National Assembly will be requested to authorise by Budget Motion under Section 125(1)(a) of the 2006 Act.

⁵ This is the income accruing to the Auditor General (other than that arising from local government activities under Part 1 and Section 33 of the Local Government Act 1999, Part 2 of the Public Audit (Wales) Act 2004 and Part 1 of the Local Government (Wales) Measure 2009) that the National Assembly will be asked to authorise by Budget Motion under Section 125(1)(b) of the 2006 Act for use on related services rather than being paid into the Welsh Consolidated Fund.

⁶ This is the cash needed from the Welsh Consolidated Fund to meet the Auditor General's estimated net payments (payments less receipts) falling due in the year for authorisation by the National Assembly by Budget Motion under Section 125(1)(c) of the 2006 Act.

Reconciliation of net resource requirement to cash drawing requirement from the Welsh Consolidated Fund

	Year to 31 March 2014 £000
Net request for resources – revenue and capital	5,224
Adjustments	0
NET CASH REQUIREMENT	5,224

Appendix 3 - Estimate of the income and expenses of the Wales Audit Office for the year ending 31 March 2014

		Year to 31 March 2014 £000
Expenses	Staff-related costs	16,452
	Accommodation costs	907
	Training and development costs ⁷	260
	IT costs	726
	Supplies and services	4,648
	EXPENSES TOTAL	22,993
Income	Audit and inspection fees	14,301
	Wales Programme for Improvement grant from the Welsh Government	1,347
	Local government grant certification fees	1,774
	Other income	347
	FEES AND OTHER INCOME TOTAL	17,769
TOTAL NET REVENUE EXPENDITURE REQUIREMENT		5,224

⁷ Includes staff time and direct costs.

Reconciliation of income accruals estimate to fees and other income total

	Year to 31 March 2014 £000
Income accruing to the Auditor General other than that arising from local government activities	7,944
Income accruing to the Auditor General from local government audit, assessment and inspection work	9,825
FEES AND OTHER INCOME TOTAL	17,769

Witnesses

The following witness provided oral evidence to the Committee on the date noted below. Transcripts of all oral evidence sessions can be viewed in full at

<http://www.senedd.assemblywales.org/ieListDocuments.aspx?CId=230&MId=1224&Ver=4>

23 October 2012

Huw Vaughan Thomas

Wales Audit Office

List of written evidence

The following provided written evidence to the Committee. All written evidence can be viewed in full at <http://www.senedd.assemblywales.org/mgIssueHistoryChronology.aspx?Id=1940&Opt=2>

<i>Organisation</i>	<i>Reference</i>
Wales Audit Office	PAC(4) 22-12 – Paper 5 Letter from the Auditor General for Wales Estimate of Costs