



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE Consultation Paper – The draft Public Audit (Wales) Bill

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On 12 July 2011 the First Minister made a Statement on the Legislative Programme for the Welsh Government in which he announced the introduction of a Bill to establish arrangements for more effective accountability, governance and oversight of the Auditor General for Wales (AGW) and his Office.

Today (15 March 2012) I am issuing a consultation paper, seeking comments on a Draft Bill designed to achieve those aims and more.

The Draft Bill does not diminish the AGW's' independence from the National Assembly for Wales or the Welsh Government. In fact, it safeguards that independence, while at the same time reforming and modernising the governance and accountability arrangements relating to the AGW and his office and establishing the Wales Audit Office (WAO) as a corporate body with a distinct and definitive legal status.

The new WAO would be responsible for the full range of corporate-type functions currently vested in the AGW. The policy intent is to ensure that such powers no longer rest solely in the hands of one individual.

The new WAO would comprise seven members, the majority (five) of which would be non-executive (or non-employee) members. The five non-executive members would be appointed, on merit following fair and open competition, by the Assembly's Public Accounts Committee (PAC). The Chair of the new WAO would be appointed, also on merit following fair and open competition, by the Assembly on a motion tabled by the PAC.

The AGW would automatically be a member of the new WAO, and its Chief Executive Officer. There would be one employee-member of the new WAO who would be appointed by the non-executive members.

The new WAO would be the employer and budget-holder. The WAO's entire budget estimate would be subject to the Assembly's Annual Budget Motion procedure with the PAC, as now, laying the estimate (with or without modifications) before the Assembly. The new WAO would also have responsibility for establishing a fee scheme, and would be

responsible for the collection of fee income associated with the AGW's functions. It would be required (jointly with the AGW) to produce an annual plan setting out, the intended work programme, its cost and projected outcomes for each coming financial year, and would be required, at least twice a year, to make interim reports and an annual report to the PAC on the progress made against the plan.

The AGW would continue to be a corporation sole and would continue to retain responsibility for his or her audit, examination and inspection etc functions, funded by the new WAO on the basis of due regard to the annual plan of work, with the WAO releasing resources to the AGW provided the resources requested by the AGW were reasonable.

The Draft Bill would also clarify, simplify and consolidate, as far as is practicable, numerous provisions relating to the statutory functions of the AGW to provide a consistent body of law that would replace the fragmented nature of existing legislation developed over time.

The consultation will end on 15 May, after which responses will be considered. It is my intention to introduce the Bill prior to the National Assembly's Summer Recess.