

**Public Accounts Committee
Public Audit (Wales) Bill
PA9 – Welsh Local Government Association**



Our Ref/Ein Cyf: ST/JR
Your Ref/Eich Cyf:
Date/Dyddiad: 26 Sept 2012
Please ask for/Gofynnwch am: Steve Thomas
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Mr Darren Millar AM
Chair Public Accounts Committee
Welsh Government
1st Floor North
Cathays Park
Cardiff
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Dear Mr Millar,

Consultation on the Public Audit (Wales) Bill

Thank you for the opportunity in allowing us to respond to the Stage 1 consultation on the Public Audit (Wales) Bill. The Association has already commented on the Welsh Government consultation and in that we recognised the essential role that Public Audit plays in holding government and public services to account. Over the past decades Public Audit has moved beyond issues of legality and propriety to emphasise performance and improvement.

It is of course vital that the governance arrangements around the Wales Audit Office (WAO) and the Auditor-General for Wales (AGW) are as clear and as transparent as possible so that we avoid some of the well documented issues that have arisen in recent years.

Overall we believe it is a step forward to have legislation that underpins the accountability and governance arrangements relating to the office of AGW and the WAO. We welcome the move to establish a board for the WAO on a statutory basis. This will establish oversight of the AGW and senior management and bolsters the current governance arrangements. However there are still key weaknesses in the proposals in terms of detail and how far they go.

Under current proposals, the Bill provides for a board that is tautological in nature. The proposed board seems to have two objectives: oversight of the AGW and managing the Audit Office. It is likely the latter 'executive' functions will clash with its 'oversight functions'.

In our detailed response to Welsh Government we referred to a supervisory model. Our view is that it is likely that a supervisory model would not have the financial implications that are implied under the current proposals. Focussing on the supervisory role would allow

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the board to concentrate on considering whether the AGW was running the organisation properly.

In summary, while the firmer statutory footing is desirable we believe that the provisions, as drafted, seem burdensome to the effective running of the WAO and the independence of the AGW. Local government values the ability of the AGW to speak without fear or favour and his independence is a fundamental public good.

I trust this is helpful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve Thomas', written in a cursive style.

Steve Thomas CBE

Chief Executive / Prif Weithredwr