

## Procedural Guidance for Handling Audit-Related Correspondence

### Note from the Secretariat

1. From time to time Members of the Audit Committee may receive information on an audit-related issue (regularity, propriety or value for money) that they feel should be investigated by the Auditor General for Wales, with a possible view to the Committee taking evidence on the matter in due course. The Chair and the Auditor General for Wales may also receive information of a similar nature directly – possibly from a "whistleblower" taking advantage of the Public Interest Disclosure Act 1998.
2. Section 92 of the Government of Wales Act 1998 envisages that the Auditor General will make arrangements with the Comptroller and Auditor General to use the resources of the National Audit Office to provide administrative, professional and technical services which would include the investigation of matters raised with him by Assembly Members (including members of the Audit Committee).
3. The Auditor General will always respond to letters received from the Assembly Members (including Members of the Audit Committee) or the public. Committee Members may prefer to write to the Auditor General through the Chair or to copy the correspondence to the Chair. Any audit related correspondence received by the Chair or the Secretariat will be forwarded to the Auditor General for advice. Where appropriate, the Auditor General will consult the Assembly's Compliance Officer and copy relevant correspondence to him as he has responsibility for liaison on audit matters.
4. The Auditor General will normally ask for any request for a matter to be investigated to be put in writing in order to avoid possible misunderstandings as to the issues being raised and to conserve the use of audit resources. During the course of an investigation the Auditor General would make every effort to keep the identity of the source of the enquiry confidential if so requested.
5. The access that the Auditor General has to the documents, information and other matters for the purposes of his examination are set out in Section 95 of the Government of Wales Act 1998. Sections 100(2) and 145(2) of the Act make clear that the scope of examinations undertaken by the Auditor General may not extend to questioning merits of the policy

objectives of the Assembly. Taken together, these provisions may influence the scope of the Auditor General's investigation work in relation to matters referred to him by Assembly Members, and the documents that he can expect to examine for that purpose. The Auditor General would not, for example, expect routinely to have access to Cabinet papers or those relating to policy formulation.

6. Where correspondence has been forwarded by the Chair, the Auditor General will advise on the terms of a draft reply that the Chair or Clerk might send.

7. In some cases the information received and audit conclusions reached may lead the Auditor General to conclude that a more detailed investigation, possibly leading to a report by him to the Assembly and an Audit Committee session, may be appropriate. This could have an impact on the Auditor General's work programme. The costs of his office are approved annually by the Committee and as it will be difficult to find additional funds in mid-year, other mainstream work planned by the Auditor General may have to be rescheduled. If this is the case, he will discuss the matter with the Chair in the first instance, who may then raise the matter with Members as appropriate.

8. The procedures set out in this note have a number of advantages. They provide an assurance that independent professional auditors working for the Auditor General and using his legal rights of access to the records of the Assembly and its sponsored public bodies, will ascertain the facts of any case. The Auditor General can then respond to the member either directly or through the Chair as appropriate and can advise the Chair as to whether further detailed scrutiny might be necessary and as to the timing of any such work. In the meantime, the Committee can continue to pursue its agreed work programme without diversions. The procedures also help to keep political sensitivities at arms-length and to protect the position of all of those involved.

9. The Committee is invited to note the proposed arrangements outlined above.