



Llywodraeth Cymru
Welsh Government

Mr Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
CARDIFF
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9 December 2016

Dear Auditor General for Wales

**Response to the report 'Preparations for the implementation of fiscal devolution'
(1 December 2016)**

I would like to thank you for this report. I am pleased that the significant progress made to date has been recognised, and I very much welcome the recommendations made by the WAO.

Engagement between the WAO and the Welsh Government has been active and constructive throughout the fiscal devolution process so far. As a result, this report provides a well-informed and accurate reflection of our efforts to deliver fiscal reform for Wales.

As the report rightly recognises, this is a complex programme of activity and it is moving at pace towards April 2018. There will undoubtedly be some significant challenges ahead. The report clearly identifies these potential challenges and this will be helpful as we move forward with the Welsh Revenue Authority Implementation Programme and the wider work to implement fiscal devolution. We are confident that these challenges can be met with the appropriate plans and skilled and committed staff in place.

Yours sincerely

Andrew Jeffreys
Cyfarwyddwr - Director
Trysorlys Cymru - Welsh Treasury

c.c. Cabinet Secretary for Finance and Local Government
Chair of the NAW Finance Committee
Chair of the NAW Public Accounts Committee
Welsh Government Corporate Governance Unit
Permanent Secretary, Welsh Government
Welsh Revenue Authority Implementation Director