

Consultation Document – Draft Public Audit (Amendment) (Wales) Bill

Proposal

To amend the Public Audit (Wales) Act 2013 to:

- remove the requirement that fees must not exceed the full cost of the function to which they relate, and
- enable the Wales Audit Office to ensure that the sum of the fees charged for all of the work undertaken is broadly equivalent to all of its expenditure in connection with that work, taking one year with another.

To retain the requirement for fees to be paid by the body to which the function relates in order to ensure transparency for audited bodies, effective engagement in the audit and to maintain the relationship between the auditor and audited body.

Question 1

Do you agree that the Wales Audit Office should be given flexibility in how it charges and administers its fees by allowing it to broadly breakeven, taking one year with another?

Whilst the Health Board broadly agrees with the proposed changes in how Wales Audit Office charges and administers fees, transparency of any new arrangements will be essential for audited bodies.

Question 2

If so, do you agree with the approach taken in sections 3 and 4 of the Draft Bill?

The Health Board agrees with the approach taken in sections 2 and 4 of the Draft Bill

Proposal

To amend the Public Audit (Wales) Act 2013 to remove the link between agreement work and the fee scheme to allow Wales Audit office to set its own terms and conditions. This would enable the Wales Audit Office to earn additional reasonable fees to reinvest in the organisation or surrender to the Welsh Consolidated Fund, subject to sufficient safeguards being in place to protect its statutory work and prevent conflicts of interests.

Question 3

Do you agree that the Wales Audit Office should be allowed to set its own terms and conditions for agreement work?

The Health Board agrees that the Wales Audit Office should be able to set its own terms and conditions for services provided to other public bodies including bodies outside of Wales (“agreement work”) rather than exercising the “no more than full cost rule”.

Question 4

If so, do you agree with the approach taken in section 2 of the Draft Bill?

The Health Board agrees with the approach taken in section 2 of the Draft Bill

Proposal

To retain the requirement for a non-executive member majority to ensure independent oversight and provide constructive challenge to the executive directors, but amend paragraph 28(3) of Schedule 1 of the Public Audit (Wales) Act 2013 to allow executive members to remain at the meeting in a non-voting capacity when there is not a majority of non-executive Members present.

Question 5

Do you agree that the current Wales Audit Office Board quorum requirement for a majority of non-executive members should be retained in legislation?

The Health Board agrees that the quorum requirement for a majority of non-executive members should be retained in legislation to ensure independent oversight and provide constructive challenges to the executive directors

Question 6

Do you agree that if the majority of members present at a meeting of the Wales Audit Office Board are not non-executive members, an executive member should be allowed to continue in a non-voting capacity in order to satisfy the quorum requirement?

The Health Board recognises the problem that the quorum provision can cause as non-executive members only have a majority of one on the board and agrees with the proposal that, where necessary, an executive member should adopt a non-voting role in order to satisfy the quorum requirement and allow meetings to proceed.

Question 7

If so, do you agree with the approach taken in section 13 of the Draft Bill?

The Health Board agrees with the approach taken in section 13 of the Draft Bill

Proposal

To replace the requirement in paragraph 3(3) of Schedule 2 of the Public Audit (Wales) Act 2013, to produce an interim report at least once a year, with a provision requiring the production of an interim report (as currently defined) if requested by the Assembly.

Question 8

Do you agree that the Auditor General for Wales and the Chair of the Wales Audit Office should no longer be required to produce an interim report at least once a year, but a requirement to produce an interim report upon the Assembly's request should be included in legislation?

The Health Board recognises that the routine production of interim reports appears to be disproportionately resource consuming and agrees that this requirement should cease as the Assembly can request that the AGW and Chair of the WAO produce interim reports at any time during a financial year.

Question 9

If so, do you agree with the approach taken in section 16 of the Draft Bill?

The Health Board agrees with the approach taken in section 16 of the Draft Bill

Proposal

To simplify the provisions in the Public Audit (Wales) Act 2013 to enable:

- the Auditor General for Wales and the Chair of the Wales Audit Office to provide the external auditor of the Wales Audit Office with their annual report no later than five months after the end of the financial year; and
- subsequently require the external auditor to lay the report as part of the laying of the annual accounts.

Question 10

Do you agree that the requirement to lay the annual report (on the exercise of functions of the Auditor General for Wales and Wales Audit Office) in paragraph 3(1) of Schedule 2 of the Public Audit (Wales) Act 2013 should be amended to require the external auditor to lay the report as part of the laying of the annual report and accounts?

The Health Board agrees with the proposal from the Wales Audit Office for their annual report to be laid by their external auditor as part of the laying of their annual report and accounts.

Question 11

If so, do you agree with the approach taken in section 15 of the Draft Bill?

The Health Board agrees with the approach taken in section 15 of the Draft Bill

Proposal

To amend enactments that specify a four month deadline for the Auditor General for Wales to certify and lay a copy of an audited body's accounts and report to:

- allow the Auditor General for Wales to lay a copy of the certified accounts and report after the four month deadline;
- require the Auditor General for Wales to explain to the Assembly why the four month deadline cannot be met; and
- require the Auditor General for Wales to lay the certified accounts and report as soon as reasonably practicable.

Question 12

Do you agree that existing legislation requiring the Auditor General for Wales to certify and lay an audited body's accounts and report within four months should be amended to:

- allow the Auditor General for Wales to lay a copy of the certified accounts and report after the four month deadline,
- require the Auditor General for Wales to explain to the Assembly why the four month deadline cannot be met, and
- require the Auditor General for Wales to lay the certified accounts and report as soon as reasonably practicable?

The Health Board agrees with the proposal to amend the deadline for certifying and laying accounts where the AGW needs to provide the audited body with sufficient time to comment on audit findings.

Question 13

If so, do you agree with the approach taken in section 17 and Schedule 1 of the Draft Bill?

The Health Board agrees with the approach taken in section 17 and Schedule 1 of the Draft Bill

Proposal

To amend the Public Audit (Wales) Act 2013 to allow the Wales Audit Office to appoint its external auditors, subject to the Assembly's approval of:

- the appointment,
- the terms of appointment, and
- the method of procurement.

Question 14

Do you agree that engagement of the auditor of the Wales Audit Office should be contractual matter between the Wales Audit Office and the auditor, with the appointment (and associated terms and conditions) being subject to the approval of the Assembly?

The Health Board agrees with proposals to simplify the appointment process for appointment of the auditors of the Wales Audit Office accounts.

Question 15

If so, do you agree with the approach taken in section 14 of the Draft Bill?

The Health Board agrees with the approach taken in section 14 of the Draft Bill

Proposal

To amend the Public Audit (Wales) Act 2013 to allow the appointment of a serving non-executive member to be extended for a second term of up to four years, subject to acceptable performance.

Question 16

Do you agree that the Public Audit (Wales) Act 2013 should be amended to allow the appointment of a serving non-executive member to be extended for a second term of up to four years, subject to acceptable performance?

The Health Board agrees with the proposal that, subject to acceptable performance, the Assembly should be able to reappoint serving non-executive directors of the Wales Audit Office for a second term of office.

Question 17

If so, do you agree with the approach taken in sections 7, 8 and 9 of the Draft Bill?

The Health Board agrees with the approach taken in sections 7 8 and 9 of the Draft Bill

Proposals

To remove the requirements placed on the Assembly to consult the First Minister on:

- the appointment of the Chair of the Wales Audit Office,
- the remuneration arrangements for the Chair and the Auditor General for Wales, and
- the termination of the Chair's appointment

in the interest of protecting the independence of those roles.

To remove the requirement to consult "an appropriate person with oversight for public appointments" on remuneration arrangements and other terms of appointment for WAO non-executive members and the Chair and replace it with a general provision permitting the Assembly to consult with any persons it deems appropriate.

To amend section 5(3) of the Public Audit (Wales) Act 2013 to require the Assembly to publish a list of restricted offices, positions or arrangements, which a former Auditor General for Wales would need to consult with the Assembly before accepting or entering into after leaving office, only if any such restrictions are identified.

Question 18

Do you agree that the requirement for the Assembly to consult the First Minister on the following should be removed:

- the appointment of the Chair of the Wales Audit Office;
- the remuneration arrangements for the Chair and the Auditor General for Wales; and
- the termination of the Chair's appointment?

The Health Board agrees with the proposal from the AGW, WAO, Assembly Commission and Welsh Government that the requirement to consult the First Minister on matters of appointments and remuneration should be removed.

Question 19

Do you agree that the requirement for the Assembly to consult an appropriate person with oversight for public appointments on remuneration arrangements and other terms of appointment should be removed?

The Health Board agrees with the proposal to replace the requirement to consult an appropriate person with oversight for public appointments with a general provision permitting the Assembly to consult with persons that it deems appropriate.

Question 20

Do you agree that a general provision should be included, permitting the Assembly to consult with any persons it deems appropriate before exercising any functions in relation to the Auditor General for Wales or the Wales Audit Office?

As per response to question 19 above

Question 21

If so, do you agree with the approach taken in sections 6, 10 and 11 of the Draft Bill?

The Health Board agrees with the approach taken in sections 6, 10 and 11 of the Draft Bill

Question 22

Do you agree that section 5(3) of the Public Audit (Wales) Act 2013 should be amended to require the Assembly to publish a list of restricted offices, positions or arrangements, which a former Auditor General for Wales would need to consult with the Assembly before accepting or entering into after leaving office, only if any such restrictions are identified?

The Health Board agrees with the proposal that a list of restricted offices should only be published when, and if, any such restrictions are identified.

Question 23

If so, do you agree with the approach taken in section 5 of the Draft Bill?

The Health Board agrees with the approach taken in section 5 of the Draft Bill

Other Questions

Question 25

Will any of the proposals included in the Draft Public Audit (Amendment) (Wales) Bill lead to any financial implications (for example, costs or benefits) for you or your organisation?

The Health Board does not anticipate that there will be any financial implications arising from the proposals included in the Draft Public Audit (Amendment) (Wales) Bill.

If you have identified financial implications for you or your organisation can you describe what these could be and provide an estimated cost (if possible).

Question 26

Do you have any other observations or general comments on the Public Audit (Wales) Act 2013 or the Committee's Draft Public Audit (Amendment) (Wales) Bill?

The Health Board does not have any other observations or general comments to make on the Public Audit (Wales) Act 2013 or the Committee's Draft Public Audit (amendment) (Wales) Bill.