

Auditor General for Wales' response to Welsh Government consultation on proposals for a sustainable development Bill

Promoting sustainable development (section 3)

Q.1 What are the principal barriers you face to taking more long-term, joined-up decisions?

In our view, the principal barriers that we face to taking a more long-term, joined-up approach to decisions are:

- a) the somewhat disjointed legal basis for our work—for example, the different funding and reporting arrangements between central government and local government value for money audit work leads to administrative complexity and costs that are barriers (albeit not always insuperable) to cross-sectoral examinations;
- b) a business and cultural context that has a short-term focus and is less than perfect in bringing long-term costs and benefits into consideration—for example, our suppliers of accommodation understandably tend to have a focus on cash-flow and short-term returns that militates against investment in energy-saving measures that have extended pay-back periods;
- c) legal requirements (which reflect underlying socio-economic expectations) that tend to lead to an annual focus in matters of financial management—for example, our estimate of income and expenses has to be produced on an annual basis, while there is no legal requirement to plan on a longer-term basis.

Q.2 What actions need to be taken, and by who, to reduce or remove these barriers?

We consider that the actions needed include:

- a) introducing legal requirements that encourage a longer-term view in decision-making processes—this is a matter for the Welsh Government to pursue through the National Assembly, as it proposes;
- b) rationalising existing legislation and guidance—for example, streamlining the improvement duties set out in Part 1 of the Local Government (Wales) Measure 2009—this is chiefly a matter for the Welsh Government (see response to Q21);
- c) development of legislation and guidance to improve transparency and accountability in decision-making through reporting—this will include robustly applying the principles of the International Integrated Reporting Initiative, Accounting for Sustainability and Connected Reporting. Application through secondary legislation is a matter for the Welsh Government, but compliance is a matter for all relevant Welsh public bodies, and scrutiny would appropriately fall to the Auditor General;
- d) developing public audit arrangements so as to provide appropriate scrutiny of compliance with a) and c) above, and to help progress more widely. Primary legislation to develop the legal framework for public audit is clearly a matter for the National Assembly, pursued by the Welsh Government with input from the Auditor General. Developing the actual audit practices is chiefly a matter for the Auditor General, though

any other auditors operating in the Welsh public sector will need to follow such developments;

- e) building on the positive progress made, in some areas, towards embedding sustainable development. This includes the Welsh Government continuing its commitment to a citizen centred approach. For the full range of Welsh public bodies this involves the pursuit of collaboration and drawing on over a decade of learning.

In relation to the matters above, we will need to engage our staff in a significant programme of awareness raising and knowledge development in relation to the audit implications of the proposed legislation. We will also need to explore further how best to access relevant external expertise to support our capability to undertake sustainable development examinations.

We will also need to work closely with the proposed new body in order to access advice and guidance. A key mechanism for managing the effects of the new duty will be working with other regulators and inspection bodies to agree a common approach. In relation to Local Government (Wales) Measure 2009 work, the AGW has a duty to coordinate relevant regulators, which could be an important mechanism in this respect. It would be helpful if there were reciprocal duties to collaborate between the new body and AGW and relevant regulators.

Evidence in relation to sustainable development (section 4)

Q.3 What other evidence is there about the extent of progress in relation to the Sustainable Development agenda and making Sustainable Development the central organising principle of public bodies?

Much of the evidence presented in our 2006 summary report on sustainable development and local government in Wales and in our 2010 report, *Sustainable development and decision making in the Welsh Assembly Government*, remains relevant, as do some of the conclusions and recommendations. The recent review of the Welsh Government's sustainable development scheme by PwC, published in January 2012, noted progress in several areas but confirmed that some of the issues identified in WAO's report of 2010 still need to be addressed.

There is a substantial body of research that supports the embedding of sustainable development in key decision making to improve the quality of public sector governance, at all levels. For example, *Governance for sustainable development: the challenge of adapting form to function*¹ draws on a wide range of international research to highlight both the challenges which a commitment to sustainable development poses, as well as how it can help tackle some of the deep seated problems facing governments. It notes that the starting point is that the task of achieving sustainable development is a rational one: a process that can, to a reasonable degree, be 'steered' by governing procedures and institutions; and that governments committed to sustainable development are willing to alter existing governing systems in order to better achieve sustainable development goals. In this respect,

¹ Governance for sustainable development: the challenge of adapting form to function, edited by William M. Laffery, Edward Elgar, Cheltenham, 2004

governance represents the totality of 'mechanisms' and 'instruments' available for influencing social change in pre-ordained directions.

A new sustainable development duty (section 6)

Q.4 Have we identified the most appropriate level of organisational decision-making at which the duty should be applied? Please explain.

It is difficult to be definitive about the most appropriate level, but the level identified seems consistent with the Government's intention to make sustainable development the central organising principle so as to target those decisions that have the greatest influence on behaviour while avoiding significant resources implications that are hard to justify. Addressing high-level decision making in the first instance does seem to be a prudent approach.

Q.5 Would this approach risk capturing some decisions which should not be subject to the duty? What would these be?

While the Welsh Government is right to consider whether some decisions require an independence of mind and whether such independence should be protected from a requirement to comply with sustainable development duty, given the proposed application to only higher-level decisions, we consider that this risk should not be overstated. For example, clinical judgements are mentioned at para 87 of the consultation document, but population-level clinical judgements, such as in relation to the implementation of particular health-improvement measures (e.g. drug use guidelines), are not taken in isolation—economic factors and environmental factors, among others, are also taken into account. In our view, such judgements should not necessarily be outside a suitably formulated sustainable development duty.

Q.6 Are there any decisions that are not captured by this approach which should be subject to the duty? Again, what would these be?

As mentioned below in response to Q7 and Q8, budget decisions and procurement are key areas that need to be captured. Our response to Q24 is also relevant, as decisions made by bodies that are not to be covered by the duty will be decisions that are not captured.

Q.7 Should we include decisions which govern an organisation's internal operations? If so, which internal operations should we include?

If the duty is to cover longer-term strategies, annual plans and policies that govern how an organisation is to deliver its services, use public money or govern others delivering services on its behalf (para 81 of the consultation document—which we consider appropriate), then clearly it will cover decisions that govern an organisation's internal operations, as services

cannot be delivered without internal operations. It may, however, be helpful to provide non-exclusive examples in legislation of internal operational decisions that are covered by the duty. We consider that such decisions should include the setting of procurement policies, estates strategies and operational transport strategies and policies.

Q.8 Should budget proposals be subject to the duty? Please explain.

Yes, embedding sustainable development in budget proposals and decisions is a key high level area to which the duty should apply. The substance of many significant business decisions is taken in budget allocation processes alongside, or in some cases instead of, annual plan decisions.

Finance professionals are increasingly being seen as having a crucial role to play in relation to embedding sustainable development in key decision making processes. There are international examples where the finance ministers have taken a lead role. In the private sector, examples of financial directors leading on sustainable development are increasing. A number of professional bodies in the field of accountancy, such as CIPFA, have produced a range of material aimed at supporting the accountancy profession to respond to the challenge of embedding sustainable development. Some of these contributions identify a transformational role for the accountancy profession, in relation to sustainable development. These include CIMA, ACCA and IFAC as well as Accounting for Sustainability.

The behaviours approach

Q.9 Are all of the behaviours we identify critical to acting in ways that reflect sustainable development thinking? Please explain.

It is difficult to be definitive about which behaviours are critical to acting in ways that reflect sustainable development thinking, but all those identified appear to be conducive to sustainable development. System-wide thinking may be a better description of what is in view than “working across organisational boundaries”.

Q.10 Are there critical behaviours that we have not identified? Please explain.

A focus on, and commitment to, sustainable development itself seems to be needed.

Q.11 What are the advantages and disadvantages of designating behaviours as the sustainable development factors that must influence high level decisions?

As the Government’s current sustainable development scheme, *One Wales: One Planet*, states, “sustainable development is a process”. The behaviours approach is important because it puts in place expectations in relation to how decisions will be made. It begins the process of establishing governance for sustainable development.

However, research, such as that set out in the United Nations Environment Programme report *Decoupling natural resource use and environmental impact from economic growth* (2011) has identified that decoupling socio-economic wellbeing from environmental impacts has to be emphasised as a goal, for sustainable development to be effective. (We regard such decoupling as the improvement of the wellbeing of people, for example in terms of economic security, without causing further adverse environmental impact, or, better, while reducing adverse environmental impact). As that goal will need to be in mind in decision-making, this aspect of delivering sustainable development is suited to an objectives-based or a combined approach. (See our response to Q13.)

Q.12 How much influence should sustainable development behaviours have over high level decisions – for example, should those decisions be lawful if they have been reached in a way that:

- is consistent with one, some or all of the behaviours;
- broadly reflects the behaviours;
- is not inconsistent with the behaviours?
- are there other options?

High level decisions should all be consistent with all behaviours. However, the legislation should provide for situations where the behaviour cannot reasonably be met, such as where engagement with all stakeholders is not practicable (e.g. decisions that concern substantial green-house gas emissions), so that evidence of a reasonable and considered approach may enable a decision to be deemed lawful. (Operational decisions may have to be made which are short term, or not focused on prevention etc, but these will need to be justified and be for a limited timeframe, and be taken in the context of a plan to comply with the duty.)

The objectives approach

Q.13 Are there core sustainable development objectives we have not identified above?

Following our reasons under our response to Q11, we suggest that the need to decouple socio-economic wellbeing from environmental impacts should be a core sustainable development objective.

Q.14 What are the advantages and disadvantages of designating sustainable objectives as the factors that must influence higher level decision making?

We consider that these objectives would not be effective in delivering sustainable development. They are likely to perpetuate the pick-and-mix approach to economic, social and environmental wellbeing that is taken in some parts of the public sector. They would be

unlikely to lead to integrated and balanced progress. There is also duplication and overlap among the objectives. With such flexibility and lack of clarity, it would be difficult to ascertain compliance, so we suspect that the objectives could not be monitored effectively and therefore would not support effective feedback and evaluation.

Identifying a small number of specific objectives and combining them with the behaviours approach might be effective, but there would be significant trade-offs between complexity and coverage.

Q.15 How much influence should the objectives have over high level decisions – for example, should those decisions be lawful:

- **only if they actively contribute to one or more of those objectives;**
- **if they do not detract from any of the objectives;**
- **even if they detract from some of those objectives, as long as they actively promote others?**
- **are there other options?**

This question highlights the key problems with this approach. Clearly few decisions can contribute to all the objectives, and many will involve detracting from some while meeting others. Selective application is therefore inevitable, and this is conducive to the pick-and-mix approach mentioned in response to Q14.

The combined approach

Q.16 What are the advantages and disadvantages of basing a duty on sustainable development behaviours and sustainable development objectives?

The combination of the current behaviours with the current objectives would have significant disadvantages. The overlapping nature of the objectives would result in complex and opaque reporting. It would also be unlikely to provide any information on whether progress was being made in decoupling economic and social wellbeing from adverse environmental impacts.

However, we consider that a combined behaviours and an objectives-based approach would be the most effective approach if a different approach were taken to objective setting. To be effective, objectives need to be specific and capable of being modified in the light of learning and performance. This does not make them suitable for inclusion in primary legislation.

We therefore favour a combined approach in which an organisation complies with the duty through the behaviours it demonstrates when making decisions, accompanied by the Welsh Government being required to set specific objectives at least every five years. The Welsh Government should be required to consult the new body regarding the setting of the objectives.

A single sustainable development proposition

Q.17 What are your views on basing a duty around a single sustainable development proposition?

We suspect that this single sustainable development proposition approach would lead to a lack of consistent effort and progress—even more so than under the objectives approach. Certain aspects of wellbeing would probably be favoured over others without this even being apparent in any record of the decision-making process. Consequently, it would be very difficult to achieve meaningful audit of compliance against the single proposition as set out in the consultation.

The time organisations may need to comply

Q.18 How much time should organisations be given to make these changes?

Public sector bodies will have to overhaul their key business planning and other decision-making processes in order to meet the duty. Key decision-making staff will need training on how to meet the duty. In addition, the new body will need to be properly established before it will be an effective source of expertise and guidance. We consider that at least 18 months will be needed for such preparations to be made.

The provision of guidance

Q. 19 Would it be helpful to issue formal guidance to organisations subject to the new duty?

Yes. Such guidance would be helpful in promoting a common and positive understanding of the duty. Among other things, such guidance would help prevent individual bodies wasting effort in developing approaches to compliance in isolation. It should also help reduce the amount of effort put into developing responses that subvert the duty.

Q. 20 Should any such guidance be issued by the Welsh Government or the new sustainable development body?

The question of who issues guidance is linked to the overall governance arrangements for the new duty (see Q28). If the new body is to follow the expert advice and guidance model set out in the consultation document, then it follows that that body should issue guidance.

However, if the new body is not established well before the commencement of the duty, it would be helpful if the Welsh Government issued formal guidance. It is important that government officials work with key stakeholders to develop the guidance, while the White Paper consultation is underway. This will ensure that the guidance is available in time to make preparations as opposed to some months after enactment, as has happened with some previous legislation.

The repeal of duties

Q.21 Are there any particular statutory duties which it would be appropriate to repeal, in light of the approach we are proposing under the Sustainable Development Bill?

Given the complexity of establishing sustainable development as the central organising principle of government, it is important to maintain clarity and focus. For that reason, the aspects of the Government of Wales Act 2006 that place a duty on Welsh Ministers to make a Scheme to promote sustainable development should be repealed. However, this should only be done if a durable and robust definition of sustainable development is included in the proposed sustainable development Bill.

Part 1 of the Local Government (Wales) Measure 2009 could be streamlined in the light of the proposed sustainable development duty. In particular, the aspects of improvement provided by sections 2 to 4 could be replaced by a reference to economy, efficiency and effectiveness (sustainable development being an intrinsic part of such a definition).

Q.22 Are there legal barriers to delivering in line with the sustainable development factors we have set out, which the Sustainable Development Bill could remove?

In our 2006 and 2010 reports noted that the potential of the 'Making the Connections' policy and WPI legislation and guidance had not been fulfilled in relation to sustainable development. The Local Government Measure (Wales) 2009 places sustainability as one of seven "aspects of improvement" and in effect establishes sustainable development as one of seven potentially competing priorities. This is clearly incompatible with the Welsh Government's stated intention to make sustainable development the central organising principle.

HM Treasury's guidance on public sector annual reporting sustainability reporting is helpful in terms of promoting a more rigorous approach to environmental stewardship reporting. However, by labelling its environmental stewardship reporting, "sustainability reporting", it is currently a barrier to the integrated and balanced approach to sustainability being proposed by the Welsh Government. We recognise that the Sustainable Development Bill cannot amend HM Treasury guidance. We suggest, however, that the Welsh Government, in framing the Bill, will need to try and integrate the requirements of this aspect of HM Treasury guidance into a more connected and integrated approach for reporting sustainability in the Welsh public sector.

Reporting

Q.23 Should organisations be required to report back on compliance with the duty through their existing annual reporting arrangements?

We have reservations about the value of organisations self-reporting on how their higher level decisions comply with the duty. We suspect that such a requirement may lead to extensive volumes of self-justificatory narrative. Alternatively (or in addition), it may lead to box-ticking compliance bureaucracy.

We do, however, see value in organisations properly recording their decision-making so as to enable it to be externally reviewed and failure to comply to be reported on by the AGW (or other auditor).

Avoiding separate ‘sustainability’ reports is consistent with the commitment to make sustainable development the central organising principle of the public sector. It is also consistent with the desire to streamline the obligations placed on the public sector. It therefore makes sense that if compliance is to be reported on by an external reviewer, such as the AGW, then the external review report should be included with the annual report.

If the Welsh Government is contemplating a wider form of reporting on compliance with sustainable development, such as might require the regular reporting of certain specified measures (and we do not think this is the case from the consultation document), then we suggest that the Welsh Government reviews the equivalent reporting in relation to the Equality Act 2010 and the Welsh regulations made under that Act² (SI 2011/1064). SI 2011/1064 requires bodies to report, for example, workforce statistics in relation to protected characteristics (such as gender and disability) but leave it open as to the vehicle to be used, though the explanatory notes suggest that the annual report is expected to be used. If such a wider form of reporting is in contemplation, we should note that existing annual reporting arrangements are not the ideal vehicle. This is because annual reports are subject to such a variety of complex requirements that it is often difficult for anyone to establish a clear picture of performance.

Encouraging public bodies to follow the Global Reporting Initiative, Accounting for Sustainability (A4S) and the Integrated Reporting approach (of the International Integrated Reporting Committee) may help. Indeed, these may help improvement reporting in the context of sustainable development being the central organising principle in any event, as it should prevent unbalanced and disjointed reporting that may arise if, for example, SI 2011/1064 requirements are given undue prominence. We recognise, however, that a Welsh Government Sustainable Development Bill will not be able to amend HM Treasury reporting requirements.

The organisations that might be subject to the duty

Q.24 Are there organisations on this list that should not be subject to the duty? Please explain.

We do not consider that any of the organisations on the list should be omitted. As stated in the consultation document, placing a duty on public bodies is an approach that has been taken to advance policy outcomes in other areas. It has a number of practical advantages. However, from an efficiency and effectiveness perspective, consideration should also be given to ensuring that the legislation is as future-proofed as possible. Focusing the duty entirely upon public bodies may not enable an agile and flexible response to public service delivery that could change radically, particularly as reductions in public expenditure continue. The Welsh Government may therefore wish to give some consideration to the duty applying to any person engaged in the provision of publicly funded functions and services. It may also

² The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 (SI 2011/1064)

wish to consider how the legislation might reflect sustainable procurement as a key delivery mechanism for establishing sustainable development as the central organising principle of the public sector in Wales.

Consideration of impact and capacity is clearly informing the Government's decision on which bodies should be subject to the duty. A phased approach may therefore be appropriate with, in the first instance, the duty applying to organisations which have the most significant impact and influence in terms of policy, delivery, funding and regulation. However, as the Government's stated intent is to "legislate to make sustainable development the central organising principle of the Welsh Government and public bodies in Wales", it should be made clear that the duty will eventually apply to all public bodies in Wales. It should be made clear that bodies later in the phasing will be expected to use that time to prepare themselves. The AGW will need to liaise with audited and inspected bodies on the potential impact on current audit and inspection regimes. The AGW has already established a task and finish group to explore the potential implications of the Welsh Government's proposals.

Q25. Are there organisations that are not listed above but which should be subject to the duty? Please explain.

We note that para 118 of the consultation document says that there are some organisations whose roles are such that it may not be appropriate to subject their high level decisions to a sustainable development duty. It is our view that not making organisations with significant regulatory and advisory functions subject to the duty would risk building in conflicting priorities. We therefore suggest that Estyn, the Children's Commissioner and the Older People's Commissioner are covered by the duty.

Defining sustainable development

Q.26 Are there other advantages or disadvantages to defining "sustainable development" and if so, what are they?

The WAO reports of 2006 and 2010, as well as numerous other reviews and academic research, highlight that understanding is a key prerequisite for effectively embedding sustainable development. A clear definition provides an anchor for the understanding of what embedding sustainable development in decision making means in practice. Our reports show that, for much of the last decade, the Welsh Government's ambitions for sustainable development were hampered by an elastic definition of sustainable development. The latest sustainable development scheme, *One Wales: One Planet* provides a clear definition and seeks to explain what it means in practice. Based on the evidence, defining sustainable development in relation to the duty would be consistent with underpinning the government's intention.

Q.27 If we were to define “sustainable development” do you think that the working definition above would be suitable and why?

The definition in *One Wales: One Planet* has proved useful in clarifying the concept of sustainable development in relation to Wales. However, given the context in which the public sector is likely to be operating for the next decade, it may be prudent to consider revising the definition. Terms such as ‘enhancing’ and ‘better quality of life’ seem out of step with the current context. The following definition is suggested as a way of defining sustainable development in terms of the Welsh Government’s intentions, as stated in this consultation:

Sustainable development means integrating the economic, social and environmental wellbeing of people and communities, and balancing the quality of life for our own and future generations in ways which:

- *promote social justice and equality of opportunity;*
- *conserve our cultural and natural legacy; and*
- *improve the efficiency with which we use natural resources and reduce the adverse impact of our activities.*

An independent sustainable development body (section 7) The purpose of the new body

Q.28 What should be the overall purpose for a new body?

We generally agree with the Welsh Government proposals for a new sustainable development body to be focused on providing expert advice, guidance and challenge (in the form of a ‘critical friend’ role), while having the AGW undertake examinations of sustainable development. In our view, this fits well with the Welsh Government’s proposals to mainstream the scrutiny of the implementation of the sustainable development duty into the main audit and inspection functions of the AGW.

It should also be helpful in terms of economy and efficiency, as the work needed to undertake sustainable development duty scrutiny, such as the examination of annual plans, substantially overlaps with financial, vfm and improvement scrutiny. Having the same organisation undertake these tasks together will be more economic and efficient than having separate organisations undertake them. (Further details of how we see sustainable development duty scrutiny may usefully be done are at the annex.)

The challenge role (or advocacy/ombudsman/case work model) described in the consultation document is evidently designed to avoid unwarranted duplication and unjustified cost. We consider this prudent. We consider that it would be appropriate for the new body to work collaboratively with organisations where such a collaborative approach is reciprocated, but to have the ability of pursuing obstructive organisations through the courts in serious cases. We also consider it appropriate that this role in particular should fall to the new body rather than to the Welsh Government, as there would be little credibility in the Welsh Government having an advocacy role that may be “against itself”.

Q.29 Do you have any views on the preferred approach regarding the main functions of a new body?

The preferred approach of being predominantly focused on advocacy and providing expert advice and guidance, while drawing on scrutiny work of the AGW, seems appropriate, particularly for the reasons set out under Q28.

Q.30 Are there significant disadvantages to establishing a new body on a statutory basis?

We do not see any disadvantages that are significant in the context of the advantages outlined in the consultation document.

Q.31 Do you agree with the proposed functions for a new body established on a statutory basis?

Yes. The proposed functions should to be undertaken by a new body established on a statutory basis so as to help ensure their continued delivery. A statutory basis will help protect the independence of the new body and may also help bolster its credibility.

Independence and accountability

Q.33 Do you have particular views on the independence of a new body?

We agree with the view set out in the consultation document that the body should be independent of Government. Such independence should enhance the credibility of the body's advice and guidance.

To ensure independence from Government, the members of the new body should be appointed by the National Assembly rather than by the Welsh Ministers.

Q.34. Do you have particular views on the accountability arrangements for a new body?

We agree with the view set out in the consultation document that the body should operate transparently and be clearly accountable for its actions. To help with this, and to further protect its independence from Government, we suggest that the body should be called to account by an appropriate committee of the Assembly (to be decided by the Assembly), rather than held to account by the Welsh Ministers.

As the new body will be a body exercising public functions and will probably be funded by public money, we suggest that it is audited by the AGW.

Other

Communication, engagement and securing ownership are key features of successful implementation of sustainable development. The Welsh Government should consider how it intends to subject its Regulatory Impact Assessment to external challenge from key external stakeholders.

Annex

Outline of how the AGW (and other public sector auditors) may undertake sustainable development duty scrutiny

If the preferred approach (i.e. a focus on higher level decisions etc, as set out at para 78 of the consultation document) proposed by the Welsh Government is pursued, then we suggest the following approach to scrutiny. In certain places, we refer to the “auditor”. For most public bodies, this will mean the AGW, but where bodies are still permitted to appoint their own auditors, to ensure consistent scrutiny, we suggest that the duties referred to apply to such auditors.

1. The auditor of a body subject to the sustainable development duty will have a duty to undertake a high level review of whether the sustainable development duty has been applied in higher-level decisions, in particular in its setting of long-term strategy, annual plan, annual corporate budget and key policies that govern how it is to deliver services or otherwise use public resources. Such a review would entail examination of the documents themselves, supplemented where necessary by examination of supporting records, such as records of public engagement, and interview (or survey) of relevant staff, users and stakeholders.
2. Having undertaken the high level review, the auditor will have a duty of providing a report on the review (a sustainable development compliance report) alongside or as part of his certificate/report on the accounts. In any event, the sustainable development compliance report should be subject to the same publication and consideration requirements as the certificate/report on the accounts. For example, for the Welsh Government, this will mean the sustainable development compliance report would be laid before the National Assembly. This would ensure sustainable development compliance reports are available for consideration by relevant Assembly committees, including PAC, councils and their scrutiny committees and the general public.
3. Also following the high level review, the auditor will have a duty of considering whether the review raises concerns about the body’s compliance with the sustainable development duty that merit further examination. Such examination could be pursued under AGW’s existing vfm examination and study functions, or the new legislation could provide specific sustainable development examination duties. (The AGW’s existing vfm examination and study functions do not, unfortunately, currently extend to individual education corporations, except by agreement. A sustainable development Bill might therefore usefully address that gap. If new specific sustainable development examination duties are pursued in the Bill, it may be helpful if these omitted the requirement for consultation with for example, associations of local government bodies, that are present in existing examination and study functions, so as to ensure significant issues are examined quickly.
4. The AGW may from time to time also undertake cross-cutting studies of sustainable development issues informed by work under 1 to 3 above, using existing examination and study powers. We envisage such studies might include periodic studies to summarise the results of all sustainable development review and examination work across all sectors.
5. Auditors would be under a duty to provide all sustainable development reports to the new sustainable development body for information. In absolute terms, this should not be

necessary as certified accounts of public bodies are already required to be published through laying or local authority publicity provisions. However, such a duty would make the new body's task of tracking reports much easier and would therefore save time and expense.

6. The AGW will include in his code of audit practice prescription of the way in which auditors (including himself) are to carry out sustainable development duty scrutiny functions.