



A guide to Welsh public audit legislation

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Status of document

This document sets out the main statutory authorities underpinning the work of the Auditor General for Wales and the Wales Audit Office. It is intended as a reference document for all Wales Audit Office staff and others who undertake work for the Auditor General by appointment or under contract.

The document does not purport to be a complete compendium of every relevant authority. The extracts from relevant legislation contained herein should not be taken out of context and need to be read in the context of the relevant enactment as a whole.

The statutory authorities change from time to time as new enactments are made and others are repealed. The Wales Audit Office's Law & Ethics Team therefore intends to update this document annually.

We accept no responsibility in the event that any person or organisation incurs claims or liabilities or sustains loss or damage as a result of their having relied on anything contained in this document.

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This document is also available in Welsh.

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Development of the office of Auditor General and the related statutory authorities

1. The Government of Wales Act 1998 established the National Assembly for Wales and the office of the Auditor General for Wales (the Auditor General). Under that Act, the National Assembly was constituted as a body corporate exercising government and scrutiny functions on behalf of the Crown. That National Assembly was not empowered to enact primary legislation but could make subordinate legislation where permitted by Acts of the UK Parliament.
2. Under the 1998 Act, the Auditor General became the external auditor of the National Assembly and its sponsored and related public bodies (except for the annual audit of local NHS bodies) and was empowered to undertake economy, efficiency and effectiveness examinations. The National Audit Office undertook this work for the Auditor General on a statutory basis. The Audit Commission continued to appoint auditors of, and undertake value for money examinations into, NHS and local government bodies in Wales. Its work was extended when it acquired inspection powers under the Local Government Act 1999 (the Wales Programme for Improvement).
3. The Public Audit (Wales) Act 2004, which came into effect on 1 April 2005, extended the Auditor General's remit to include the audit of NHS bodies in Wales and the local government audit and inspection functions previously exercised by the Audit Commission in Wales. The 2004 Act also provided for the transfer of the National Audit Office and the Audit Commission staff based in Wales to the Auditor General's employment to create the Wales Audit Office—a single audit body for Wales with responsibilities that span the devolved Welsh public sector.
4. Following the Report of the Richard Commission in 2004, Parliament enacted the Government of Wales Act 2006. That Act dissolved the National Assembly constituted by the 1998 Act and replaced it with a new National Assembly and a legally separate Executive known as the 'Welsh Assembly Government'. The 2006 Act had the effect of conferring government functions directly on Welsh Ministers—not on the National Assembly. Ministers exercise those functions on behalf of the Crown and are accountable to the National Assembly. This separation of the executive and scrutiny functions was intended to clarify the lines of accountability and the respective responsibilities of Ministers and National Assembly Members along the lines of the Whitehall/Westminster model.
5. The separation brought with it a new financial framework for the devolved structures and new responsibilities for the Auditor General. These included the granting of approvals to draw from the newly created Welsh Consolidated Fund.
6. The 2006 Act also gave the National Assembly the powers to pass new legislation (Assembly Measures) on specific matters specified by Orders in Council that have been approved by both Houses of Parliament. It is under these powers that the Local

Government (Wales) Measure 2009 replaced most of the provisions of the Local Government Act 1999 in respect of local government improvement arrangements.

7. The Act also provided for the National Assembly to gain full law making powers within devolved competence, subject to a referendum of the Welsh electorate. Those powers commenced following such a referendum on 3 March 2011, and with the Budget Responsibility and National Audit Act 2011, the Auditor General for Wales was added to the public administration devolved competence area (paragraph 14 of Schedule 7 to the 2006 Act). (This is subject to some exceptions and restrictions, such as legislation relating to regulation of the profession of auditor.)
8. In 2013 the National Assembly for Wales utilised this new law making power to enact the Public Audit (Wales) Act 2013. The Act brought new responsibility for the Auditor General to audit the accounts of local government bodies in Wales. It also established the Wales Audit Office (WAO) as a body corporate and contains provisions altering the governance arrangements for both the Auditor General and the WAO, and provisions regarding the relationship between the two. The 2013 Act commenced on 1 April 2014.
9. The Well-being of Future Generations (Wales) Act 2015 introduced a duty on the Auditor General to carry out examinations of most public bodies that he audits to assess the extent to which they have acted in accordance with the “sustainable development principle” when setting and taking steps to meet “well-being objectives”. Such examinations must be conducted of each public body at least once in every National Assembly electoral cycle.

The office of Auditor General

- 10.** The office of Auditor General exists by virtue of Section 2 of the Public Audit (Wales) Act 2013. Further provision relating to the Auditor General is contained in Part 1 of the 2013 Act and is summarised in Table 1 below. (Finance provisions are set out separately at paragraph 37 of this document and Table 8 below.)

Table 1: Provisions relating to the office of Auditor General

Authority	Statutory reference	Provision
Appointment	Section 2 of the Public Audit (Wales) Act 2013	<ul style="list-style-type: none"> (1) It is for Her Majesty to appoint a person to be Auditor General on the nomination of the National Assembly. (2) No nomination is to be made until the National Assembly is satisfied that reasonable consultation has been undertaken with such bodies as appear to the Assembly to represent the interests of local government bodies in Wales.
Tenure	<p>Section 2 of the 2013 Act</p> <p>Section 3 of the 2013 Act</p>	<ul style="list-style-type: none"> (2) The person appointed holds office for up to 8 years. (3) The person may not be appointed again. (3) A person appointed as Auditor General holds office until the end of the period for which the person was appointed (subject to subsections (2) and (3)). (4) Her Majesty may relieve a person from office as Auditor General before the end of the period for which the person was appointed: <ul style="list-style-type: none"> (a) at the person's request; or (b) on Her Majesty being satisfied that the person is incapable for medical reasons of performing the duties of the office and of requesting to be relieved of it. (5) Her Majesty may remove a person from office as Auditor General before the end of the period for which the person was appointed on the making of a recommendation, on the ground of the person's misbehaviour, that Her Majesty should do so. (6) A recommendation for the removal of a person from office as Auditor General may not be made unless: <ul style="list-style-type: none"> (a) the National Assembly has resolved that the recommendation should be made; and (b) the resolution of the Assembly is passed on a vote in which the number of Assembly members voting in favour of it is not less than two-thirds of the total number of Assembly seats.

Disqualification	Section 4 of the 2013 Act	<p>(1) A person cannot be appointed as Auditor General if the person is disqualified on any of the grounds specified in subsection (3).</p> <p>(2) A person ceases to be Auditor General if the person is disqualified on any of the grounds specified in subsection (3).</p> <p>(3) A person is disqualified from being Auditor General if the person is—</p> <ul style="list-style-type: none"> a) a Member of the National Assembly; b) the holder of any other office or position to which a person may be appointed, or recommended or nominated for appointment, by or on behalf of— <ul style="list-style-type: none"> (i) the Crown, (ii) the National Assembly, or (iii) the National Assembly Commission; c) a Member of the House of Commons or House of Lords; d) a Member of the Scottish Parliament; e) a Member of the Northern Ireland Assembly; f) an employee of the Wales Audit Office.
Employment etc. of former Auditor General	Section 5 of the 2013 Act	Restrictions are placed on former Auditor Generals from entering into certain arrangements specified by the National Assembly. Former Auditor Generals must also not hold a position to which they may be appointed by the Crown, National Assembly or National Commission for a period of two years after they cease to be Auditor General.
Independence and status	Section 6 of the 2013 Act	<p>(2) The Auditor General is not to be regarded as holding office under Her Majesty or as exercising any functions on behalf of the Crown.</p> <p>(3) But the Auditor General is to be taken to be a Crown servant for the purposes of the Official Secrets Act 1989.</p>
Corporation Sole	Section 6 of the 2013 Act	(1) The person for the time being holding the office of Auditor General continues, by the name of that office, to be a corporation sole.

Exercise of functions	Section 8 of the 2013 Act	<p>(1) The Auditor General has complete discretion as to the manner in which the functions of that office are exercised and is not subject to the direction or control of the National Assembly or the Welsh Government.</p> <p>(2) But this discretion is subject to subsection (3).</p> <p>(3) The Auditor General must—</p> <ol style="list-style-type: none"> a) aim to carry out his or her functions efficiently and cost-effectively; b) have regard, as he or she considers appropriate, to the standards and principles that an expert professional provider of accounting or auditing services would be expected to follow; c) have regard to advice given to him or her by the WAO.
	Section 10 of the 2013 Act	<p>(1) The Auditor General must issue a code of audit practice prescribing the way in which the functions of the Auditor General specified in subsection (2) are to be carried out.</p> <p>(2) The functions are—</p> <ol style="list-style-type: none"> a) examining any accounts or statements of accounts that fall to be examined by the Auditor General in accordance with provision made by or by virtue of an enactment; b) carrying out, undertaking or promoting value for money studies or examinations in accordance with provision made by or by virtue of an enactment; c) those contained in, or transferred to the Auditor General under, the following provisions of the Government of Wales Act 1998— <ol style="list-style-type: none"> (i) section 145A(2) (undertaking or promoting other studies relating to the provision of services by certain bodies); (ii) section 145C(8) (disclosing information obtained in the course of a study in respect of a registered social landlord to the Welsh Ministers); (iii) section 145D (providing advice and assistance to a registered social landlord); (iv) section 146 (transfer of functions of the Comptroller and Auditor General in respect of certain bodies to the Auditor General); (v) section 146A (transfer etc. to the Auditor General of supervisory functions of Welsh Ministers in respect of certain bodies); (vi) section 147 (transfer of functions of the Comptroller and Auditor General in respect of

		<p>the Environment Agency to the Auditor General);</p> <p>d) those contained in the following provisions of the Public Audit (Wales) Act 2004—</p> <ul style="list-style-type: none"> (i) Part 2 (audit of local government bodies in Wales); (ii) section 45 (conducting, or assisting the Secretary of State in conducting, benefit administration studies); (iii) section 51 (referring matters related to the Secretary of State); <p>e) those contained in the following provisions of Schedule 8 to the Government of Wales Act 2006—</p> <ul style="list-style-type: none"> (i) paragraph 17 (access to documents); (ii) paragraph 20 (certification of claims, returns etc. at the request of a body). <p>(3) The Auditor General must comply with the code.</p> <p>(4) The code must embody what appears to the Auditor General to be the best professional practice with respect to the standards, procedures and techniques to be adopted in carrying out functions of a kind specified in subsection (2).</p>
<p>Access to documents</p>	<p>Paragraph 17 of schedule 8 to the 2006 Act</p>	<p>(1) The Auditor General has the right of access at all reasonable times to every document relating to a relevant person which appears to the Auditor General necessary:</p> <ul style="list-style-type: none"> (a) for the purposes of the Auditor General's examination of any auditable accounts, (b) for the purposes of undertaking studies under section 145A (studies for improving economy etc. In services provided by relevant bodies) or 145C (studies relating to registered social landlords) of the Government of Wales Act 1998; or (c) for the purposes of carrying out, in accordance with any provision made by virtue of this or any other enactment, other examinations or studies into the economy, efficiency and effectiveness with which a person has used resources in discharging the person's functions. <p>(2) The documents relating to a relevant person to which the right conferred by sub-paragraph (1) applies include (in particular):</p> <ul style="list-style-type: none"> (a) a document which is in the possession, or under the control, of a person who has received financial assistance from the relevant person by means of a grant, loan or guarantee or as a result of the taking of an interest in any property or body corporate;

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- (b) a document which is in the possession, or under the control, of a person who has supplied goods or services to the relevant person in pursuance of a contract to which the relevant person was party or has supplied goods or services in pursuance of a relevant subcontract; and
 - (c) a document of a description specified in an order made by the Welsh Ministers.
- (3) The Auditor General may require a person whom the Auditor General thinks has information of the kind mentioned in sub-paragraph (4):
- (a) to give the Auditor General any assistance, information and explanation which the Auditor General thinks necessary for any of the purposes mentioned in sub-paragraph (1),
 - (b) to attend before the Auditor General in person to give the assistance, information or explanation, or to produce any document which is in the possession, or under the control, of the person and to which the right conferred by that sub-paragraph applies, or
 - (c) to provide any facility which the Auditor General may reasonably require for any of the purposes mentioned in that sub-paragraph.
- (4) The information referred to in sub-paragraph (3) is information which relates to—
- (a) a relevant person,
 - (b) a document to which the right conferred by sub paragraph (1) applies, or
 - (c) a person who possesses or controls such a document.
- (5) The Auditor General may, for the purposes of an examination of any auditable accounts, require a relevant person to provide the Auditor General, at times specified by the Auditor General, with accounts of such of the person's transactions as the Auditor General may specify.

This provision covers the Auditor General's rights of access to documents and information for the audit of accounts and performance examinations. The 2004 Act also makes separate provision for the Auditor General's access to data for the purpose of data matching and in respect of the audit of local government accounts. Table 7 provides further information on data matching functions. Further information on access rights can be found in the leaflet "Access rights of the Auditor General for Wales and Appointed Auditors", which is available on the WAO website.

<p>Other powers</p>	<p>Paragraph 18 of Schedule 8 to the 2006 Act</p>	<p>(1) Where:</p> <p>(a) the Welsh Ministers are entitled to appoint the auditor of the accounts of any person (other than the Auditor General), and</p> <p>(b) the Auditor General would not otherwise be eligible to be appointed as auditor of those accounts, the Welsh Ministers may, having first consulted the Wales Audit Office, appoint the Auditor General to be auditor of those accounts.</p> <p>(2) If in such a case the auditor is to be appointed annually, the Welsh Ministers may appoint the Auditor General:</p> <p>(a) for a year;</p> <p>(b) for two or more years; or</p> <p>(c) indefinitely until further exercise of the power of appointment.</p> <p>(3) The Auditor General may:</p> <p>(a) examine, certify or report on a person's accounts; or</p> <p>(b) carry out examinations into the economy, efficiency and effectiveness with which a person has used resources in discharging the person's functions, if provision is made for the Auditor General to do so by an agreement entered into by the person with either the Welsh Ministers or a Minister of the Crown.</p> <p>(3A) But before entering into an agreement under sub-paragraph (3), the Welsh Ministers or a Minister of the Crown (as the case may be) must consult the Wales Audit Office.</p> <p>(4) In determining how to exercise functions under paragraph (b) of sub-paragraph (3) the Auditor General must take into account the Audit [Public Accounts] Committee's views as to the examinations which the Auditor General should carry out under that paragraph.</p> <p><i>(1) allows Welsh Ministers to appoint the Auditor General as the auditor of any public body where they have the power of appointment but would not otherwise be empowered to appoint the Auditor General (as is the case, for example with urban development corporations). (3) allows the Auditor General to audit accounts and undertake VFM work by agreement.</i></p>
	<p>Section 9 of the 2013 Act</p>	<p>(1) The Auditor General may do anything calculated to facilitate, or which is incidental or conducive to, the carrying out of any of the Auditor General's functions.</p> <p>(2) But the Auditor General may not do anything which is or could become the responsibility of the WAO by virtue of paragraphs (a) to (c) of section 21(2) (provision of resources for Auditor General's functions).</p>

<p>Reports in the public interest</p>	<p>Paragraph 19 of Schedule 8 to the 2006 Act</p>	<p>(1) If the Auditor General thinks that it would be in the public interest to bring to the public's attention a matter coming to the Auditor General's notice in the course of an examination or study to which sub-paragraph (2) applies, the Auditor General may prepare a report on that matter.</p> <p>(2) This sub-paragraph applies to—</p> <p>(a) an examination of auditable accounts (other than accounts falling to be examined under paragraph 18(3)(a)), and</p> <p>(b) an examination or study under section 135 or 140 of this Act, section 145 of the Government of Wales Act 1998 (c. 38) (examinations into use of resources by body specified in Schedule 17 to that Act) or section 145A of that Act (studies for improving economy etc. in services provided by relevant bodies), except one undertaken at the request of the body or bodies to which it relates.</p> <p>(3) The Auditor General must, as soon as practicable after preparing a report under sub-paragraph (1), lay the report before the Assembly.</p>
<p>Transfer etc. of functions of Welsh Ministers</p>	<p>Section 146A of the Government of Wales Act 1998</p>	<p>(1) The Welsh Ministers may, with the consent of the Auditor General for Wales, by order provide for any of their supervisory functions in respect of a public body or a registered social landlord:</p> <p>(a) to be exercised on their behalf by the Auditor General for Wales; or</p> <p>(b) to be transferred to the Auditor General for Wales.</p> <p>(1A) But before making an order under subsection (1) the Welsh Ministers must consult the Wales Audit Office.</p> <p><i>This provision allows Welsh Ministers to transfer their own examination, inspection, and reviewing or study functions in relation to the bodies concerned to the Auditor General. The transfer order must have the Auditor General's consent and must be approved by the National Assembly.</i></p>

The Wales Audit Office

11. The Wales Audit Office is established as a corporation in Part 2 of the 2013 Act. Further provision relating to the WAO is found in Schedule 1 to the 2013 Act and the relevant sections of both parts of the Act are included below in Table 2.

Table 2: Provisions relating to the Wales Audit Office

Authority	Statutory reference	Provision
Incorporation of Wales Audit Office	Section 13 of the 2013 Act	(1) There is to be a body corporate called the Wales Audit Office (“the WAO”).
Membership	Paragraph 1 of Schedule 1 to the 2013 Act	(1) The WAO is to have 9 members. (2) They are to be— (a) 5 persons who are not employees of the WAO (“non-executive members”) (see Part 2 of this Schedule), (b) the Auditor General (see Part 3 of this Schedule), and (c) 3 employees of the WAO (“the employee members”) (see Parts 4 and 5 of this Schedule).
Appointment of non-executive and employee members	Paragraph 2 of Schedule 1 to the 2013 Act	(1) The members of the WAO (other than the Auditor General) are to be appointed in accordance with the provisions of this Schedule. (2) All appointments are to be on merit.
	Paragraph 4 of Schedule 1 to the 2013 Act	(1) Non-executive members are to be appointed by the National Assembly. (2) Appointments made under sub-paragraph (1) must be based on the conclusions of a fair and open competition.
	Paragraph 5 of Schedule 1 to the 2013 Act	(1) The chair of the WAO is to be appointed by the National Assembly from amongst the non-executive members. (2) But no appointment can be made until the First Minister has been consulted. (3) The National Assembly may extend an appointment under this paragraph in accordance with the procedure required for the original appointment.
	Paragraph 15 of Schedule 1 to the 2013 Act	(1) The Auditor General must recommend a person to the non-executive members for appointment under this paragraph.

	Paragraph 16 of Schedule 1 to the 2013 Act	<p>(2) The non-executive members must-</p> <ol style="list-style-type: none"> a) Appoint that person, or b) Require the Auditor General to recommend another person (in which event this subparagraph applies again and so on until someone is appointed). <p>(1) The WAO must conduct a ballot of its staff for the purpose of appointing a person or, as the case may be, persons under this paragraph.</p> <p>(2) The elected members are to be appointed by the non-executive members in accordance with the result of the ballot.</p>
Status	Paragraph 3 of Schedule 1 to the 2013 Act	<p>(1) Neither the WAO nor any of its members is to be regarded—</p> <ol style="list-style-type: none"> a) as the servant or agent of the Crown, or b) as enjoying any status, immunity or privilege of the Crown. <p>(2) But members of the WAO are to be taken to be Crown servants for the purposes of the Official Secrets Act 1989.</p> <p>(3) The WAO's property is not to be regarded as property of, or held on behalf of, the Crown.</p>
Powers	Section 14 of the 2013 Act	The WAO may do anything (including acquiring or disposing of any property or rights and accepting gifts of money or other property) which is calculated to facilitate, or which is incidental or conducive to, the exercise of any of its functions.
Efficiency	Section 15 of the 2013 Act	The WAO must aim to carry out its functions efficiently and cost-effectively.
Functions	Section 17 of the 2013 Act	<p>(1) The WAO must, in such manner as it considers appropriate, monitor the exercise of the Auditor General's functions.</p> <p>(2) The WAO may provide advice to the Auditor General about the Auditor General's functions.</p> <p>(3) The Auditor General must have regard to any advice given.</p>
	Section 18 of the 2013 Act	<p>(1) The Auditor General may delegate any of the functions of that office to –</p> <ol style="list-style-type: none"> a) An employee of the WAO, b) A person who provides services to the WAO, or c) An employee of the WAO and a person who provides services to the WAO acting jointly.

	Section 19 of the 2013 Act	<p>(1) Arrangements may be made between the WAO and a relevant authority—</p> <ul style="list-style-type: none"> a) for any function of the authority to be exercised by the WAO or by an employee of the WAO; b) for any function of the authority to be exercised by the Auditor General; c) for administrative, professional or technical services to be provided— <ul style="list-style-type: none"> (i) to or for the purposes of the authority by the WAO, (ii) by, or on behalf of, the authority to the WAO, or (iii) by, or on behalf of, the authority to the Auditor General;
Staff	Paragraph 22 of Schedule 1 to the 2013 Act	<p>(1) The WAO may employ staff.</p> <p>(2) A person cannot be appointed as a member of staff of the WAO if the person is disqualified from being appointed on any of the grounds specified in Part 6 of this Schedule.</p> <p>(3) A person ceases to be a member of staff of the WAO if the person is disqualified on any of those grounds.</p> <p>(4) Staff of the WAO are to be employed on such terms as the WAO may determine.</p> <p>(5) A person who is an employee of the WAO may not hold any office or position to which a person may be appointed, or recommended or nominated for appointment, by or on behalf of the Crown, the National Assembly or the National Assembly Commission.</p>
	Paragraph 23 of Schedule 1 to the 2013 Act	<p>(1) A member of the staff of the WAO is not to be regarded –</p> <ul style="list-style-type: none"> a) As the servant or agent of the Crown, or b) As enjoying any status, immunity or privilege of the Crown.
	Paragraph 24 of Schedule 1 to the 2013 Act	<p>But a member of the staff of the WAO is to be taken to be a Crown servant for the purposes of the Official Secrets Act 1989.</p>

Preparation and audit of accounts (non-local government)

12. Table 3 below summarises the legislation under which non-local government bodies are required to prepare accounts for audit by the Auditor General.
13. Most of the accounts listed in Table 3 are audited by statute rather than by agreement. Those statutes normally require the Auditor General to examine, certify and report on the accounts and to lay them before the National Assembly. Any accounts laid in this way must be published by the National Assembly by virtue of Section 144 of the 2006 Act, and Section 143 brings them within the remit of the National Assembly's Public Accounts Committee.
14. Under Section 144 of the Government of Wales Act 1998, Welsh Ministers may, by order, make provision about the accounts and audit of any public body listed in Schedule 17 to that Act. Ministers may also add certain public bodies to that schedule by Order subject to National Assembly approval. This provision may be used to extend the Auditor General's remit for example to further or higher education corporations or 'not for profit' companies¹ in the Welsh public sector. Public bodies in Table 3 that existed before the establishment of the first National Assembly in 1999 were, until that time, audited by the Comptroller and Auditor General. Those audits were transferred to the Auditor General by Order in Council made under Section 22 of the Government of Wales Act 1998.²
15. The audits of NHS bodies in Wales are undertaken under Section 61 of the Public Audit (Wales) Act 2004. This section requires the Auditor General, in auditing the accounts, to satisfy himself that the body concerned has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This requirement does not apply to other bodies listed in Table 3.

¹ Section 482 of the Companies Act 2006 will exempt 'not for profit companies' in the public sector from the requirements of Part 16 of that Act if they are audited by the Auditor General by agreement under paragraph 18 of schedule 8 to the 2006 Act or by Order under Section 144 of the 1998 Act.

² Section 22 of the 1998 Act has now been repealed but the Orders made thereunder continue to have effect and are deemed to have been made under Section 58 of the 2006 Act.

Table 3: Accounts audited by the Auditor General

Account	Authority for preparation	Accounts direction issued by	Authority for audit	Laid before the National Assembly
Welsh Ministers	Section 131 of the 2006 Act	Treasury	Section 131 of the 2006 Act	Yes
Welsh Consolidated Fund	Section 132 of the 2006 Act	Treasury	Section 132 of the 2006 Act	Yes
National Assembly for Wales Commission	Section 137 of the 2006 Act	Treasury	Section 137 of the 2006 Act	Yes
Whole of government of Wales account (<i>prepared by Welsh Ministers</i>)	Section 141 of the 2006 Act	Treasury	Section 142 of the 2006 Act	Yes
National Assembly Members Pension Fund	Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996	N/A – Trustees have opted to prepare accounts in compliance with the SORP for Financial Reports of Pension Schemes	Paragraph 18 of Schedule 8 to the 2006 Act	Yes (<i>by the client</i>)
Arts Council of Wales	Article 11 of the Council's Royal Charter and the Charities (Accounts and Reports) Regulations 2008	Welsh Ministers	Article 11 of the Council's Royal Charter	Yes
Career Choices Dewis Gyrfa	Section 394 of the Companies Act 2006		Paragraph 18 of Schedule 8 to the 2006 Act	No

Care Council for Wales	Paragraph 18 of schedule 1 to the Care Standards Act 2000	Welsh Ministers	Paragraph 18 of Schedule 1 to the Care Standards Act 2000	Yes
Charitable bodies with public authority trustees	Charities (Accounts and Reports) Regulations 2008	N/A – Trustees prepare accounts in accordance with the SORP on Accounting and Reporting by Charities	Section 19 of the Public Audit (Wales) Act 2013	No
Children’s Commissioner for Wales	Paragraph 7 of Schedule 2 to the Care Standards Act 2000	Welsh Ministers	Paragraph 9 of Schedule 2 to the Care Standards Act 2000	Yes
Older People’s Commissioner for Wales	Paragraph 10 of Schedule 1 to the Commissioner for Older People (Wales) Act 2006	Welsh Ministers	Paragraph 12 of Schedule 1 to the Commissioner for Older People (Wales) Act 2006	Yes
Education Workforce Council	Paragraph 21 of Schedule 1 to the Education (Wales) Act 2014	Welsh Ministers	Paragraph 21 of Schedule 1 to the Education (Wales) Act 2014	Yes
Estyn	Paragraph 5 of Schedule 6 to the Government of Wales Act 1998	Treasury	Paragraph 6 of Schedule 6 to the Government of Wales Act 1998	Yes
Funds held on trust by NHS bodies in Wales	Charities (Accounts and Reports)	N/A – Trustees prepare accounts in	Section 150 of the Charities Act 2011	No

	Regulations 2008	accordance with the SORP on Accounting and Reporting by Charities		
Future Generations Commissioner for Wales	Paragraph 20 of Schedule 2 to the Well-being of Future Generations (Wales) Act 2015	Welsh Ministers (with Treasury consent)	Paragraph 21 of Schedule 2 to the Well-being of Future Generations (Wales) Act 2015	Yes
Higher Education Funding Council for Wales	Paragraph 16 of Schedule 1 to the Further and Higher Education Act 1992	Welsh Ministers	Paragraph 16 of Schedule 1 to the Further and Higher Education Act 1992	Yes
Hybu Cig Cymru – Meat Promotion Wales	Section 394 of the Companies Act 2006		Paragraph 18 of Schedule 8 to the 2006 Act	No
Local Democracy and Boundary Commission for Wales	Section 19 of the Local Government (Democracy) (Wales) Act 2013	Welsh Ministers	Section 19 of the Local Government (Democracy) (Wales) Act 2013	Yes
Local Health Boards	Paragraph 3 of schedule 9 to the National Health Service (Wales) Act 2006	Welsh Ministers	Section 61 of the Public Audit (Wales) Act 2004	Yes
Summarised accounts of NHS bodies (<i>prepared by Welsh Ministers</i>)	Paragraph 5 of Schedule 9 to the National Health Service (Wales) Act 2006	Treasury	Paragraph 5 of Schedule 9 to the National Health Service (Wales) Act 2006	Yes (by Ministers)

NHS trusts	Paragraph 3 of Schedule 9 to the National Health Service (Wales) Act 2006	Welsh Ministers	Section 61 of the Public Audit (Wales) Act 2004	Yes
National Library of Wales	Section 9 of the Museums and Galleries Act 1992	Welsh Ministers	Section 9 of the Museums and Galleries Act 1992	Yes
National Library Pension Fund	Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996	N/A – Trustees prepare accounts in compliance with the SORP for Financial Reports of Pension Schemes	Paragraph 18 of Schedule 8 to the 2006 Act	No
National Museums and Galleries of Wales	Section 9 of the Museums and Galleries Act 1992	Welsh Ministers	Section 9 of the Museums and Galleries Act 1992	Yes
Natural Resources Body for Wales	Paragraph 23 of the Schedule to the Natural Resources Body for Wales (Establishment) Order 2012	Welsh Ministers	Paragraph 23 of the Schedule to the Natural Resources Body for Wales (Establishment) Order 2012	Yes
Public Services Ombudsman for Wales	Paragraph 16 of Schedule 1 to the Public Services Ombudsman (Wales) Act 2005	Treasury	Paragraph 17 of Schedule 1 to the Public Services Ombudsman (Wales) Act 2005	Yes

Qualifications Wales	Paragraph 32 of Schedule 1 to the Qualifications Wales Act 2015	Welsh Ministers	Paragraph 33 of Schedule 1 to the Qualifications Wales Act 2015	Yes
Sector Development Wales Partnership	Section 394 of the Companies Act 2006		Paragraph 18 of Schedule 8 to the 2006 Act	No
Sports Council for Wales	Article 15 of the Council's Royal Charter	Welsh Ministers	Paragraph 18 of Schedule 8 to the 2006 Act	Yes (by the client)
Sports Council for Wales Trust	Charities (Accounts and Reports) Regulations 2008	N/A Trustees are required to prepare accounts in accordance with the SORP for "Accounting and Reporting by Charities"	Paragraph 18 of Schedule 8 to the 2006 Act	No
Welsh Language Commissioner	Paragraph 18 of Schedule 1 to the Welsh Language (Wales) Measure 2011	Welsh Ministers	Paragraph 19 of Schedule 1 to the Welsh Language (Wales) Measure 2011	Yes
Welsh non-domestic rating <i>(prepared by Welsh Ministers)</i>	Paragraph 1 of Schedule 8 to the Local Government Finance Act 1988	Treasury	Paragraph 1 of Schedule 8 to the Local Government Finance Act 1988	Yes

Value for money/performance audit (non-local government)

16. Table 4 below summarises the statutes under which the Auditor General is able to undertake performance or value for money audits of non-local government bodies in Wales. These are frequently referred to in the legislation as 'economy, efficiency and effectiveness examinations'. In respect of the NHS sector, the legislation places mutual duties of co-operation and information sharing on the Auditor General, Audit Commission, Care Quality Commission and Welsh Ministers (Healthcare Inspectorate for Wales).³ This is intended to facilitate cross-border working.

Table 4: Authorities for value for money/performance audit work excluding local government bodies

Body	Statutory reference	Provision
Welsh Ministers and the Counsel General	Section 135 of the 2006 Act	<p>(1) The Auditor General may carry out examinations into the economy, efficiency and effectiveness with which the Welsh Ministers and the Counsel General have used their resources in discharging their functions.</p> <p>(2) Subsection (1) does not entitle the Auditor General to question the merits of the policy objectives of the Welsh Ministers or the Counsel General.</p> <p>(3) In determining how to exercise functions under this section the Auditor General must take into account the views of the [Public Accounts] Committee as to the examinations to be carried out under this section.</p> <p>(4) The Auditor General may lay before the Assembly a report of the results of any examination carried out under this section.</p>
Assembly Commission	Section 140 of the 2006 Act	<p>(1) The Auditor General may carry out examinations into the economy, efficiency and effectiveness with which the Assembly Commission has used its resources in discharging its functions.</p> <p>(2) Subsection (1) does not entitle the Auditor General to question the merits of the policy objectives of the Assembly Commission.</p> <p>(3) In determining how to exercise functions under this section the Auditor General must take into account the</p>

³ Sections 62 and 64 of the Public Audit (Wales) Act 2004, Section 145(3) of the Government of Wales Act 2006 and Schedule 3 of the Health and Social Care Act 2008 (Commencement No 9, Consequential Amendments and Transitory, Transitional and Saving Provisions) Order 2009.

		<p>views of the [Public Accounts] Committee as to the examinations to be carried out under this section.</p> <p>(4) The Auditor General may lay before the Assembly a report of the results of any examination carried out under this section.</p>
<p>Bodies sponsored by Welsh Ministers, NHS Wales bodies and certain other non-local government bodies</p>	<p>Section 145 of the Government of Wales Act 1998</p>	<p>(1) The Auditor General for Wales may carry out examinations into the economy, efficiency and effectiveness with which a body or office specified in Schedule 17 has used its resources in discharging its functions.</p> <p>(2) Subsection (1) shall not be construed as entitling the Auditor General for Wales to question the merits of the policy objectives of any body or office in respect of which an examination is carried out.</p> <p>(3) In determining how to exercise his functions under this section, the Auditor General for Wales shall take into account the views of the {Public Accounts} Committee as to the examinations which he should carry out under this section.</p> <p>(4) The Auditor General for Wales may lay before the Assembly a report of the results of any examination carried out by him under this section.</p> <p><i>This section is without prejudice to the power conferred on the Auditor General for Wales by paragraph 18(3)(b) of Schedule 8 to the Government of Wales Act 2006 (agreement between a person and the Welsh Ministers etc. to permit the Auditor General to carry out an examination into the discharge of functions by that person).</i></p>
<p>All public bodies where the Auditor General exercises functions other than local government bodies and registered social landlords</p>	<p>Section 145A of the Government of Wales Act 1998</p>	<p>(1) The Auditor General for Wales may undertake or promote studies designed to enable him to make recommendations for improving economy, efficiency and effectiveness in the discharge of the functions of any relevant body or bodies.</p> <p>(2) The Auditor General for Wales may also undertake or promote other studies relating to the provision of services by any relevant body or bodies.</p> <p>(3) Subsections (1) and (2) do not entitle the Auditor General for Wales to question the merits of the policy objectives of any relevant body.</p> <p>(4) In determining how to exercise his functions under this section, the Auditor General for Wales shall take into account the views of the {Public Accounts} Committee as to the studies which he should undertake or promote under this section.</p> <p>(5) For the purposes of this section each of the following is a 'relevant body':</p>

		<p>(a) a person who prepares accounts or statements of accounts falling to be examined by the Auditor General for Wales in accordance with any provision made by or under this or any other Act;</p> <p>(b) any other person (other than a local government body in Wales) in relation to whom, by virtue of provision made by or under this or any other Act, the Auditor General for Wales carries out examinations or studies relating to the economy, efficiency and effectiveness with which that person has used his resources in discharging his functions;</p> <p>(c) a person (other than a registered social landlord in Wales) in respect of whom the Auditor General for Wales has functions by virtue of provision made under section 146A.</p> <p>(6) Where the Auditor General for Wales undertakes or promotes a study under this section he may arrange for a report containing:</p> <p>(a) the results of the study; and</p> <p>(b) his recommendations (if any), to be laid before the Assembly.</p>
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Educational bodies	Section 145B of the Government of Wales Act 1998	(1) The Auditor General for Wales may undertake studies designed to enable him to make recommendations for improving economy, efficiency and effectiveness in the discharge of the functions of a body specified in the first column of the Table, if requested to do so by the body (or one of the bodies) specified in relation to it in the second column of the Table.
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Subject of study	Requesting body
The governing body of an institution in Wales within the higher education sector.	The governing body or the Higher Education Funding Council for Wales.
The governing body of an institution in Wales receiving financial support under section 86 of the Education Act 2005 from the Higher Education Funding Council for Wales.	The governing body or the Higher Education Funding Council for Wales
The governing body of an institution in Wales within the further education sector.	The governing body or the [Welsh Ministers].

<p>Registered social landlords</p>	<p>Section 145C of the Government of Wales Act 1998</p>	<ol style="list-style-type: none"> (1) The Welsh Ministers and the Auditor General for Wales may agree on one or more programmes of studies designed to enable the Auditor General for Wales to make recommendations for improving economy, efficiency and effectiveness in the discharge of the functions of registered social landlords. (2) If a programme is agreed, the Auditor General for Wales shall ensure that studies giving effect to the programme are undertaken by him. (3) It shall be a term of every such programme that the Welsh Ministers pay to the Wales Audit Office a sum in respect of the costs incurred (which may not exceed the full cost incurred in undertaking the programme), in accordance with a scheme for charging fees prepared under section 24 of the Public Audit (Wales) Act 2013. (4) This section does not entitle the Auditor General for Wales to question the merits of the policy objectives of a registered social landlord. (5) Where a study is undertaken under this section by the Auditor General for Wales or on his behalf, he may arrange for a report containing: <ol style="list-style-type: none"> (a) the results of the study; and (b) his recommendations (if any), to be laid before the Assembly.
<p>Estyn</p>	<p>Paragraph 8 of Schedule 6 to the Government of Wales Act 1998</p>	<ol style="list-style-type: none"> (1) The Auditor General for Wales may carry out examinations into the economy, efficiency and effectiveness with which the Chief Inspector has used the resources of the Office of the Chief Inspector in discharging [his/her] functions. (2) Sub-paragraph (1) shall not be construed as entitling the Auditor General for Wales to question the merits of the policy objectives of the Chief Inspector. (3) In determining how to exercise his functions under this paragraph, the Auditor General for Wales shall take into account the views of the [Public Accounts] Committee as to the examinations which he should carry out under this paragraph. (4) The Auditor General for Wales may lay before the Assembly a report of the results of any examination carried out by him under this paragraph.

<p>Future Generations Commissioner for Wales</p>	<p>Paragraph 22 of Schedule 2 to the Well-being of Future Generations (Wales) Act 2015</p>	<p>(1) The Auditor General for Wales may carry out examinations into the economy, efficiency and effectiveness with which resources have been used in discharging the Commissioner's functions.</p> <p>(2) But the Auditor General is not entitled to question the merits of the policy objectives of the Commissioner.</p> <p>(3) Before carrying out an examination under this paragraph, the Auditor General must—</p> <ul style="list-style-type: none"> (a) consult the Public Accounts Committee of the National Assembly, and (b) take into account the views of the Committee as to whether or not an examination should be carried out. <p>(4) The Auditor General must—</p> <ul style="list-style-type: none"> (a) as soon as is reasonably practicable, publish a report of the results of an examination carried out under this paragraph, and (b) lay a copy of the report before the National Assembly.
<p>Public Services Ombudsman for Wales</p>	<p>Paragraph 19 of Schedule 1 to the Public Services Ombudsman (Wales) Act 2005</p>	<p>(1) The Auditor General for Wales may carry out examinations into the economy, efficiency and effectiveness with which the Ombudsman has used his resources in discharging his functions.</p> <p>(2) Sub-paragraph (1) is not to be construed as entitling the Auditor General for Wales to question the merits of the policy objectives of the Ombudsman.</p> <p>(3) In determining how to discharge his functions under this paragraph, the Auditor General for Wales must take into account the views of the {Public Accounts} Committee as to the examinations which he should carry out.</p> <p>(4) The Auditor General for Wales may lay before the Assembly a report of the results of any examination carried out by him under this paragraph.</p>
<p>Children's Commissioner for Wales</p>	<p>Paragraph 11 of Schedule 2 to the Care Standards Act 2000</p>	<p>(1) The Auditor General for Wales may carry out examinations into the economy, efficiency and effectiveness with which the Commissioner has used the resources of the Commissioner's Office in discharging his functions.</p> <p>(2) Sub-paragraph (1) shall not be construed as entitling the Auditor General for Wales to question the merits of the policy objectives of the Commissioner.</p> <p>(3) In determining how to exercise his functions under this paragraph, the Auditor General for Wales shall take into account the views of the {Public Accounts} Committee as to the examinations which he should carry out under this paragraph.</p>

		(4) The Auditor General for Wales may lay before the Assembly a report of the results of any examination carried out by him under this paragraph.
Commissioner for Older People in Wales	Paragraph 13 of Schedule 1 to the Commissioner for Older People (Wales) Act 2006	<p>(1) The Auditor General for Wales may carry out examinations into the economy, efficiency and effectiveness with which the Commissioner has used his resources in discharging his functions.</p> <p>(2) Sub-paragraph (1) is not to be construed as entitling the Auditor General for Wales to question the merits of the policy objectives of the Commissioner.</p> <p>(3) In determining how to discharge his functions under this paragraph, the Auditor General for Wales must take into account the views of the {Public Accounts} Committee as to the examinations which he should carry out.</p> <p>(4) The Auditor General for Wales may lay before the Assembly a report of the results of any examination carried out by him under this paragraph.</p>
Qualifications Wales	Paragraph 35 of Schedule 1 to the Qualifications Wales Act 2015	<p>(1) The Auditor General for Wales may carry out examinations into the economy, efficiency and effectiveness with which resources have been used in discharging Qualifications Wales' functions.</p> <p>(2) Sub-paragraph (1) is not to be construed as entitling the Auditor General for Wales to question the merits of the policy objectives of Qualifications Wales.</p>

Local government audit, studies, assessment and inspection

- 17.** The statutory arrangements for the audit of local government bodies in Wales are set out in Part 2 of the Public Audit (Wales) Act 2004.
Local Government bodies are defined in Section 12 of the 2004 Act and include national park authorities, police and crime commissioners, chief constables and fire and rescue authorities.
- 18.** The duties of the Auditor General are set out in Section 17 of the 2004 Act. Section 17 also requires the Auditor General to satisfy himself, by examination of the accounts and otherwise that the bodies concerned have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources - in other words, to conclude on such arrangements. While the Auditor General is able under this section to supplement his accounts examination with examination of arrangements for securing value for money, such further work must be to that end. The section does not provide a general facility for local performance work.
- 19.** The Auditor General and the Audit Commission are under mutual duties to co-operate and share information.⁴ This is intended to facilitate cross border working.
- 20.** Part 2 of the 2004 Act also sets out the powers and duties of the Auditor General to undertake studies in relation to local government bodies in Wales. The most widely used of these provisions is section 41, which requires the Auditor General to undertake studies designed to enable him to make recommendations for, among other things, improving the value for money in the provision of services.
- 21.** The Local Government (Wales) Measure 2009 provides “improvement” arrangements, including assessments by the Auditor General, as a development of the “Best Value” inspection arrangements that were provided by the Local Government Act 1999. As with the 1999 Act arrangements (in Wales), 2009 Measure arrangements are branded the ‘Wales Programme for Improvement’.
- 22.** The Wales Programme for Improvement applies to county and county borough councils in Wales, national park authorities and fire and rescue authorities, all of which are designated “Welsh improvement authorities”.
- 23.** Under section 2 of the 2009 Measure, authorities are under a general duty to “make arrangements to secure continuous improvement in the exercise of [their] functions.”
- 24.** Under section 18 of the 2009 Measure, the Auditor General must for each financial year carry out an Improvement Assessment for each authority to determine whether the authority is likely to comply with the requirements of Part 1 of the Measure. The Auditor General must also undertake an improvement information and planning audit

⁴ Sections 41 to 43 and 57 of the 2004 Act and Sections 51A and 51B of the Audit Commission Act 1998.

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- under section 17 of the Measure in order to ascertain whether the authority has discharged its improvement planning and publication duties under section 15.
- 25.** In practice, to fulfil these requirements, the Auditor General has to date undertaken the following:
- Corporate Assessment – a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement;
 - Performance Assessment – a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement.
- 26.** Section 19 places a duty on the Auditor General for Wales to produce a report or reports for each Welsh improvement authority in relation to his duties under sections 17 and 18.
- 27.** The Auditor General may also in some circumstances carry out Special Inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22).
- 28.** Under section 23 of the Measure, the Auditor General must co-ordinate certain regulatory work of “relevant regulators” with his work under the Measure. “Relevant regulators” are defined by the Measure as the HM Chief Inspector of Education & Training in Wales, CSSIW, the Fire Adviser, the Welsh Language Commissioner and appointed auditors.
- 29.** Section 24 of the Measure requires the Auditor General to produce and publish an annual improvement report for each Welsh improvement authority.
- 30.** Under section 25, the Auditor General for Wales must produce a statement which sets out how he will carry out his functions under sections, 17, 18, 19, 23 and 24 of the Measure. Section 26 sets out access rights in respect of Measure work.
- 31.** Table 5 below sets out the main statutory provisions relating to the audit of local government bodies in Wales. Table 6 outlines the main local government assessment and inspection provisions.

Table 5: Statutory authorities for local government audit

Function	Statutory reference	Provision
Audit of accounts of local government bodies in Wales	Section 13 of the Public Audit (Wales) Act 2004	<p>(1) A local government body in Wales—</p> <ul style="list-style-type: none"> (a) must make up its accounts each year to 31 March or such other date as the Welsh Ministers may generally or in any special case direct; (b) must ensure that its accounts are audited in accordance with this Chapter. <p>(2) The Auditor General for Wales must audit the accounts of local government bodies in Wales.</p>
General duties on audit of accounts	Section 17 of the Public Audit (Wales) Act 2004	<p>(1) This section applies in relation to the audit of a body's accounts under this Chapter.</p> <p>(2) The Auditor General for Wales must, by examination of the accounts and otherwise, satisfy himself of these things-</p> <ul style="list-style-type: none"> (a) that the accounts are prepared in accordance with regulations under section 39; (b) that they comply with the requirements of all other statutory provisions applicable to the accounts; (c) that proper practices have been observed in the compilation of the accounts; (d) that the body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; (e) that the body, if required to publish information in pursuance of a direction under section 47 (performance information) has made such arrangements for collecting and recording the information and for publishing it as are required for the performance of its duties under that section.

Immediate and other reports in public interest	Section 22 of the 2004 Act	<p>(1) In auditing accounts of a body under this Chapter, the Auditor General for Wales must consider whether, in the public interest, he should make a report on any matter which comes to his notice in the course of the audit, in order for it to be:</p> <ul style="list-style-type: none"> (a) considered by the body; or (b) brought to the attention of the public. <p>(2) If the Auditor General for Wales considers that, in the public interest, he should make a report such as is mentioned in subsection (1), he must consider whether the public interest requires the matter to be made the subject of an immediate report.</p> <p>(3) If the Auditor General for Wales considers that the public interest requires the matter to be made the subject of an immediate report, he must make the report immediately.</p> <p>(4) If the Auditor General for Wales considers that the public interest does not require the matter to be made the subject of an immediate report, he must make the report at the conclusion of the audit.</p> <p>(5) In a case within subsection (3), the Auditor General for Wales must send the report to the body immediately after making it.</p> <p>(6) In a case within subsection (4), the Auditor General for Wales must send the report to the body before the end of the period of 14 days starting with the day on which he concludes the audit.</p>
General report	Section 23 of the 2004 Act	<p>(2) If a statement of accounts is required to be prepared by regulations under section 39, the Auditor General for Wales must enter on the statement:</p> <ul style="list-style-type: none"> (a) a certificate that he has completed the audit in accordance with this Chapter, and (b) his opinion on the statement. <p>(3) In any other case, the Auditor General for Wales must enter on the accounts:</p> <ul style="list-style-type: none"> (a) a certificate that he has completed the audit in accordance with this Chapter, and (b) his opinion on the accounts. <p>(4) But if the Auditor General for Wales makes a report under section 22 at the conclusion of the audit, he may include the certificate and opinion referred to in subsections (2) and (3) in the report instead of making an entry on the statement or accounts.</p>
Inspection of documents	Section 30 of the 2004 Act	<p>(1) At an audit of accounts under this Chapter an interested person may:</p>

and questions at audit		<ul style="list-style-type: none"> (a) inspect the accounts to be audited and all books, deeds, contracts, bills, vouchers and receipts relating to them; (b) make a copy of all or any part of the accounts and of any of the other documents mentioned in paragraph (a). <p>(2) At the request of a local government elector for any area to which accounts to be audited under this Chapter relate, the Auditor General for Wales must give the elector or any representative of his an opportunity to question the Auditor General for Wales about the accounts.</p> <p>(3) But nothing in this section entitles a person:</p> <ul style="list-style-type: none"> (a) to inspect any accounts or other document relating to a body to the extent that the accounts contain, or the document contains, personal information; (b) to require any personal information to be disclosed by the Auditor General for Wales in answer to any question.
Right to make objections at audit	Section 31 of the 2004 Act	<p>(1) At an audit of accounts under this Chapter a local government elector for the area to which the accounts relate, or any representative of his, may make objections before the auditor as to:</p> <ul style="list-style-type: none"> (a) any matter in respect of which the Auditor General for Wales has a power to apply for a declaration under section 32; (b) any other matter in respect of which the Auditor General for Wales has the power to make a report under section 22. <p>(2) A local government elector proposing to make an objection under subsection (1) must:</p> <ul style="list-style-type: none"> (a) give written notice to the Auditor General for Wales of the proposed objection and the grounds on which it is to be made; and (b) at the same time, send a copy of the notice to the body whose accounts are being audited.
Declaration that item of account is unlawful	Section 32 of the 2004 Act	<p>(1) Where it appears to the Auditor General for Wales in carrying out an audit under this Chapter that an item of account is contrary to law, he may apply to the court for a declaration that the item is contrary to law.</p> <p>...</p> <p>(4) If the Auditor General for Wales decides not to make an application for a declaration under this section in relation to an item of account, he must notify a person who has made an objection under section 31(1)(a) in relation to the item of account of his decision.</p>

Advisory notices	Section 33 of the 2004 Act	<p>(1) The Auditor General for Wales may issue a notice under this section (an 'advisory notice') if he has reason to believe that one or more of the requirements specified in subsection (2) is met in respect of a local government body in Wales.</p> <p>(2) The requirements are that:</p> <ul style="list-style-type: none"> (a) the body or an officer of the body is about to make or has made a decision which involves or would involve the body incurring expenditure which is unlawful; (b) the body or an officer of the body is about to take or has begun to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency; (c) the body or an officer of the body is about to enter an item of account, the entry of which is unlawful. <p>(7) The Auditor General for Wales must before the end of the required period serve a statement of his reasons for the belief referred to in subsection (1) on:</p> <ul style="list-style-type: none"> (a) the body, and (b) if the advisory notice is addressed to an officer of the body, the officer.
Power of auditor to make a claim for judicial review	Section 36 of the 2004 Act	The Auditor General for Wales may make a claim for judicial review with respect to a decision of a local government body in Wales or a failure of the body to act, if it is reasonable to believe that the decision or failure to act would have an effect on the body's accounts.
Extraordinary audit	Section 37 of the 2004 Act	<p>(1) The Auditor General for Wales may hold an extraordinary audit of the accounts of a local government body in Wales if the condition in subsection (2) or the condition in subsection (3) is met.</p> <p>(2) The condition is that it appears to the Auditor General for Wales to be desirable to hold an extraordinary audit of the body's accounts.</p> <p>(3) The condition is that an application for an extraordinary audit of the body's accounts is made by a local government elector for the area of the body.</p> <p>(4) The Welsh Ministers may require the Auditor General for Wales to hold an extraordinary audit of the accounts of a local government body in Wales if it appears to the Welsh Ministers to be desirable in the public interest for an extraordinary audit of the body's accounts to be held.</p>

Accounts and audit regulations	Section 39 of the 2004 Act	<p>(1) The Welsh Ministers may by regulations⁵ applying to local government bodies in Wales make provision with respect to:</p> <ul style="list-style-type: none"> (a) the keeping of accounts; (b) the form, preparation and certification of accounts and of statements of accounts; (c) the deposit of the accounts of a body at the offices of the body or at another place; (d) the publication of information relating to accounts and the publication of statements of accounts; (e) the exercise of any rights of objection or inspection conferred by section 29, 30 or 31 and the steps to be taken by a body for informing local government electors for the area of the body of those rights.
Documents relating to police and crime commissioners and chief constables	Section 40 of the 2004 Act	<p>(1) If the Auditor General for Wales makes a report under section 22 and the report relates to a police and crime commissioner for, or the chief constable of a police force maintained under section 2 of the Police Act 1996 for a police area in Wales, he must send a copy of the report to the Secretary of State and the Welsh Ministers.</p> <p>(2) If the Auditor General for Wales has sent a document (or a copy of a document) relating to one or more police and crime commissioners for police areas in Wales to a police and crime commissioner for a police area in Wales, he may send a copy of the document to the Secretary of State and the Welsh Ministers.</p> <p>(3) If the Auditor General for Wales has sent a document (or copy of a document) relating to one or more chief constables of police forces maintained under section 2 of the Police Act 1996 for a police area in Wales, the Auditor General may send a copy of the document to the persons to whom a copy of a document may be sent under subsection (2).</p>
Studies for improving economy etc. in services	Section 41 of the 2004 Act	<p>(1) The Auditor General for Wales must for each financial year undertake studies designed to enable him to make recommendations:</p> <ul style="list-style-type: none"> (a) for improving economy, efficiency and effectiveness in the discharge of the functions of Welsh improvement authorities for the purposes of Part 1 of the Local Government (Wales) Measure 2009;

⁵ The extant regulations are the Accounts and Audit (Wales) Regulations 2014 (SI 2014/3362).

		<ul style="list-style-type: none"> (b) for improving economy, efficiency and effectiveness in the provision of services provided by other local government bodies in Wales; (c) for improving the financial or other management of local government bodies in Wales. <p>(2) The studies which the Auditor General for Wales is required to undertake under subsection (1) include in particular:</p> <ul style="list-style-type: none"> (a) studies designed to enable the Auditor General for Wales to determine what directions he should give under section 47; (b) studies of information published in pursuance of section 47 which are designed to enable the Auditor General for Wales to determine, in relation to each financial year, what comparative information to publish himself about the standards of performance achieved by bodies which are relevant bodies for the purposes of that section. <p>(3) The Auditor General for Wales may undertake other studies relating to the provision of services by local government bodies in Wales.</p> <p>(4) Where the Auditor General for Wales undertakes a study under this section, he must publish or otherwise make available:</p> <ul style="list-style-type: none"> (a) the results of the study; and (b) any recommendations made by him. <p>(5) Before undertaking a study under this section, other than a study of a kind mentioned in paragraph (a) or (b) of subsection (2), the Auditor General for Wales must consult:</p> <ul style="list-style-type: none"> (a) any associations of local government bodies in Wales which appear to him to be concerned; and (b) any associations of employees which appear to him to be appropriate. <p>(6) The Auditor General for Wales and the Welsh Ministers must co-operate with each other with respect to the exercise of their respective functions under this section and sections 94 and 95 of the Health and Social Care (Community Health and Standards) Act 2003.</p>
<p>Studies on impact of statutory provisions etc.</p>	<p>Section 42 of the 2004 Act</p>	<p>(1) The Auditor General for Wales must undertake studies designed to enable him to prepare reports as to the impact of:</p> <ul style="list-style-type: none"> (a) the operation of any statutory provisions, or (b) any directions or guidance given by the Welsh Ministers (whether or not under a statutory provision), on economy, efficiency and

		<p>effectiveness in the discharge of the functions of local government bodies in Wales.</p> <p>(2) The Auditor General for Wales must from time to time lay before the National Assembly for Wales a report of any matters which, in his opinion—</p> <p>(a) arise out of studies under this section; and</p> <p>(b) ought to be drawn to the attention of the National Assembly for Wales.</p> <p>(3) Before undertaking a study under this section, the Auditor General for Wales must consult:</p> <p>(a) any associations of local government bodies in Wales which appear to him to be concerned; and</p> <p>(b) any associations of employees which appear to him to be appropriate.</p> <p>(4) The Auditor General for Wales and the Welsh Ministers must co-operate with each other with respect to the exercise of their respective functions under this section and section 95(2) of the Health and Social Care (Community Health and Standards) Act 2003.</p>
Studies at request of local government bodies in Wales	Section 44 of the 2004 Act	<p>(1) The Auditor General for Wales may, at the request of a local government body in Wales, undertake studies designed to enable him to make recommendations for improving economy, efficiency and effectiveness in the discharge of the functions of the body.</p> <p>(2) Before making the request the body must consult any associations of employees which appear to it to be appropriate.</p>
Benefit administration studies for Secretary of State	Section 45 of the 2004 Act	<p>(1) The Auditor General for Wales may, at the request of the Secretary of State, conduct, or assist the Secretary of State in conducting, benefit administration studies.</p> <p>(3) Any information obtained in the course of a benefit administration study may be disclosed by the Auditor General for Wales to the Secretary of State for the purposes of any functions of the Secretary of State which are connected with housing benefit or council tax benefit.</p> <p>(4) The Auditor General for Wales must send to the Secretary of State a copy of a report of a benefit administration study carried out by the Auditor General for Wales.</p> <p>(5) The Secretary of State or the Auditor General for Wales may send a copy of a report of a benefit administration study to any local authority to which the study relates.</p> <p>(6) The Secretary of State may publish a report of a benefit administration study in conjunction with the Auditor General for Wales.</p>

Publication of information as to standards of performance	Section 47 of the 2004 Act	<p>(1) The Auditor General for Wales must give any directions which he thinks fit for requiring relevant bodies to publish the information mentioned in subsection (2).</p> <p>(2) The information is information relating to their activities in a financial year which will, in the opinion of the Auditor General for Wales, facilitate the making of appropriate comparisons:</p> <ul style="list-style-type: none"> (a) between the standards of performance achieved by different relevant bodies in the financial year; or (b) between the standards of performance achieved by relevant bodies in different financial years.
Social security references and reports to Secretary of State	Section 51 of the 2004 Act	<p>(1) The Auditor General for Wales may refer to the Secretary of State any matter arising from an audit or study under this Part if it appears that the matter may be relevant for the purposes of any of the functions of the Secretary of State relating to social security.</p> <p>(3) The Auditor General for Wales may send to the Secretary of State a copy of any report:</p> <ul style="list-style-type: none"> (a) made by him under section 22, and (b) which contains observations on the administration by a local authority in Wales of housing benefit or council tax benefit.
Rights of Auditor General to documents and information	Section 52 of the 2004 Act	<p>(1) The Auditor General for Wales has a right of access at all reasonable times to every document relating to a local government body in Wales which appears to him necessary for the purposes of his functions under this Part.</p> <p>(2) The documents relating to a body to which the right conferred by subsection (1) applies may include in particular:</p> <ul style="list-style-type: none"> (a) a document which is held or controlled by a person who has received financial assistance from the body by means of a grant, loan or guarantee or as a result of the taking of an interest in any property or body corporate; (b) a document which is held or controlled by a person who has supplied goods or services to the body in pursuance of a contract to which the body was party or who has supplied goods or services in pursuance of a relevant sub-contract; (c) a document of a description specified in an order made by the Welsh Ministers. <p>(3) For the purposes of subsection (2)(b) a contract is a relevant sub-contract if its performance fulfils, or contributes to the fulfilment of, an obligation to supply goods or services to the body in another contract.</p>

		<p>(4) The Auditor General for Wales may require a person whom he thinks has information of the kind mentioned in subsection (5):</p> <ul style="list-style-type: none"> (a) to give him any assistance, information and explanation which the Auditor General for Wales thinks necessary for the purposes of his functions under this Part; (b) to attend before him in person to: <ul style="list-style-type: none"> (i) give the assistance, information or explanation, or (ii) produce any document which is held or controlled by the person and to which the right conferred by subsection (1) applies. <p>(5) The information is information which relates to:</p> <ul style="list-style-type: none"> (a) a local government body in Wales; (b) a document to which the right conferred by subsection (1) applies; (c) a person who holds or controls such a document.
		<p>(7) Every local government body in Wales must provide the Auditor General for Wales with every facility and all information which he may reasonably need for the purposes of his functions under this Part.</p>

Table 6: Statutory authorities for the local government assessment and inspection regime

Function	Statutory reference	Provision
Improvement information and planning audits	Section 17 of the Local Government (Wales) Measure 2009	<p>(1) In respect of each financial year, the Auditor General for Wales must carry out an audit for the purpose of determining:</p> <ul style="list-style-type: none"> (a) whether a Welsh improvement authority has during that year discharged its duties under section 15(1) to (7); and (b) the extent to which the authority has during that year acted in accordance with any guidance issued under section 15(8).
Improvement assessments	Section 18 of 2009 Measure	<p>(1) In respect of each financial year, the Auditor General for Wales must carry out an assessment for the purpose of determining whether a Welsh improvement authority is likely during that year to comply with the requirements of Part 1.</p> <p>(2) In conjunction with an assessment under subsection (1), the Auditor General may carry out an assessment for the purpose of determining whether the Welsh improvement authority is likely to comply with the requirements of Part 1 in subsequent financial years.</p> <p><i>(Note that in undertaking this assessment the Auditor General would be expected to take account relevant information and documents received from other regulators and inspectors under section 33. This is made apparent in section 19)</i></p>

<p>Audit and assessment reports</p>	<p>Section 19 of the 2009 Measure</p>	<p>(1) Each financial year, the Auditor General for Wales must issue a report or reports in respect of each Welsh improvement authority:</p> <ul style="list-style-type: none"> (a) certifying that the Auditor General has carried out an audit under section 17 in respect of the previous financial year; (b) stating whether as a result of the audit the Auditor General believes: <ul style="list-style-type: none"> (i) that the authority has discharged its duties under section 15(1) to (7); and (ii) that the authority has acted in accordance with any guidance issued under section 15(8); (c) certifying that the Auditor General has carried out an assessment under section 18 in respect of the financial year; (d) describing the extent to which information and documents provided to the Auditor General under section 33 have been taken into account in carrying out that assessment; (e) stating whether as a result of the assessment the Auditor General believes that the authority is likely to comply with the requirements of Part 1 during the financial year; (f) if the Auditor General thinks it appropriate in the light of an audit or assessment, recommending action that the authority should take in order to comply with the requirements of Part 1 or act in accordance with guidance issued under section 15(8) (whether in respect of that or a subsequent financial year);
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**Audit and
assessment
reports**

Section 19 of the 2009
Measure

- (g) if the Auditor General thinks it appropriate in the light of an audit or assessment, recommending that the Welsh Ministers should:
 - (i) provide assistance to the authority by exercising their power under section 28;
 - (ii) give a direction under section 29 and, if so, the type of direction;
 - (h) stating whether, in the light of an audit or assessment, the Auditor General is minded to carry out a special inspection under section 21.
- (2) The Auditor General must send a copy of any report issued under this section to the authority concerned and the Welsh Ministers.
- (3) Copies of a report must be sent in accordance with subsection (2):
- (a) by 30 November in the financial year during which the audit was carried out or to which the assessment relates; or
 - (b) by such other date as the Welsh Ministers may specify by order.
- (4) But the Welsh Ministers may by direction set a date for the sending of a report in relation to a specified Welsh improvement authority which differs from the date which would otherwise apply under subsection (3) if:
- (a) the Auditor General for Wales has requested that the Welsh Ministers give such a direction; and
 - (b) in the opinion of the Welsh Ministers the circumstances are exceptional.

<p>Special Inspections</p>	<p>Section 21 of 2009 Measure</p>	<p>(1) The Auditor General for Wales may carry out an inspection of a Welsh improvement authority's compliance with the requirements of Part 1 if:</p> <p>(a) the Auditor General is of the opinion that the authority may fail to comply with the requirements of Part 1; or</p> <p>(b) any relevant regulator informs the Auditor General that, in the regulator's opinion, the authority may fail to comply with the requirements of Part 1.</p> <p>(2) But the Auditor General must, before deciding whether to carry out an inspection:</p> <p>(a) consult the Welsh Ministers; and</p> <p>(b) in a case where the Auditor General has stated in a report under section 19(1)(h) that the Auditor General is minded to carry out a special inspection, consider any statement made by the authority in response in accordance with section 20(3).</p> <p>(3) An inspection under subsection (1) may relate to some or all of an authority's functions.</p> <p>(4) If the Welsh Ministers request that the Auditor General for Wales carry out an inspection of compliance with the requirements of Part 1 by a Welsh improvement authority, the Auditor General must comply with the request, unless it is not reasonable to do so.</p> <p>(5) A request under subsection (4) may relate to some or all of an authority's functions.</p> <p>(6) Before making a request under subsection (4), the Welsh Ministers must consult the Auditor General.</p>
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Special Inspections	Section 21 of 2009 Measure	<p>(7) The Auditor General for Wales must notify a Welsh improvement authority if:</p> <p>(a) the Auditor General decides to carry out an inspection of the authority under subsection (1); or</p> <p>(b) the Welsh Ministers have requested that the Auditor General carry out an inspection of the authority under subsection (4).</p> <p>(8) The notification must specify the functions to which the inspection relates.</p> <p>(9) In carrying out an inspection, and, in the case of an inspection under subsection (1), deciding whether to do so, the Auditor General must have regard to any guidance issued by the Welsh Ministers.</p> <p>(10) For the purposes of Part 1, an inspection under this section is referred to as a special inspection.</p> <p>(11) In this section a reference to an authority's functions includes a reference to arrangements made to facilitate or support the exercise of its functions.</p>
Reports of special inspections	Section 22 of the 2009 Measure	<p>(1) Where the Auditor General for Wales has carried out a special inspection the Auditor General must issue a report.</p> <p>(2) A report:</p> <p>(a) must mention any matter in respect of which the Auditor General believes as a result of the inspection that the authority is failing or may fail to comply with the requirements of Part 1, and</p> <p>(b) may, if it mentions a matter under paragraph (a), recommend that the Welsh Ministers do either or both of the following:</p> <p>(i) provide assistance to the authority by exercising their power under section 28;</p> <p>(ii) give a direction under section 29.</p> <p>(3) The Auditor General:</p>

		<p>(a) must send a copy of a report to the authority concerned and the Welsh Ministers;</p> <p>(b) if a report makes a recommendation under subsection (2)(b), must as soon as reasonably practicable arrange for the recommendation to be published; and</p> <p>(c) may publish a report and any information in respect of a report.</p> <p>(4) If a report states that the Auditor General believes as a result of an inspection that a Welsh improvement authority is failing to comply with the requirements of Part 1, the next improvement plan prepared by the authority must record:</p> <p>(a) that fact, and</p> <p>(b) any action taken, or to be taken, by the authority as a result of the report.</p> <p>(5) If a report relates to any extent to the administration of housing benefit or council tax benefit and the Auditor General thinks fit to do so, the Auditor General must as soon as reasonably practicable send a copy of the report to the Secretary of State.</p>
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<p>Coordination of audit etc.</p>	<p>Section 23 of the Local Government (Wales) Measure</p>	<p>(1) The relevant regulators and the Auditor General for Wales must have regard to the need for co-ordination in the exercise of regulatory functions.</p> <p>(2) “Regulatory functions” means the relevant functions of the relevant regulators and the functions of the Auditor General for Wales under subsection (7).</p> <p>(3) In relation to each financial year, the Auditor General for Wales must, after consulting the relevant regulators, produce a timetable for each Welsh improvement authority which sets out the Auditor General’s opinion as to the dates or times in that year at or during which:</p> <p>(a) the relevant regulators should exercise their relevant functions in relation to the authority; and</p> <p>(b) the Auditor General should exercise the functions referred to in subsection (7) in relation to the authority.</p> <p>(4) The duty under subsection (3) may be discharged by the production of a timetable which relates to more than one financial year.</p> <p>(5) In relation to a Welsh improvement authority, the relevant regulators in exercising their relevant functions and the Auditor General for Wales in exercising the functions referred to in subsection (7) must take all reasonable steps to adhere to the timetable produced in respect of the authority under subsection (3)</p>
<p>Annual improvement reports</p>	<p>Section 24 of the Local Government (Wales) Measure</p>	<p>(1) In relation to each Welsh improvement authority, the Auditor General for Wales must produce a report (an “annual improvement report”) for each financial year which summarises or reproduces the reports described in subsection (2).</p> <p>(2) The reports are:</p> <p>(a) each report issued in respect of the authority during that financial year under section 19;</p> <p>(b) any report of a special inspection of the authority issued under section 22 during that financial year.</p>

		<p>(3) The Auditor General for Wales:</p> <ul style="list-style-type: none">(a) must publish each Welsh improvement authority's annual improvement report;(b) must consider, in the light of an authority's annual improvement report, whether to:<ul style="list-style-type: none">(i) make a recommendation to a relevant regulator as to how the regulator should exercise relevant functions in relation to the authority;(ii) make a recommendation to the Welsh Ministers to provide assistance to the authority by exercising their power under section 28;(iii) make a recommendation to the Welsh Ministers to give a direction to the authority under section 29;(iv) exercise any of the Auditor General's functions in relation to the authority;(c) must make any such recommendation as is mentioned in paragraph (b)(i) to(iii) as the Auditor General considers ought to be made.
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<p>Statement of practice</p>	<p>Section 25 of the 2009 Measure</p>	<p>(1) The Auditor General for Wales must prepare a statement of practice which describes the way in which the Auditor General intends to exercise the functions described in subsection (4).</p> <p>(2) The Auditor General must:</p> <ul style="list-style-type: none"> (a) keep the statement under review; and (b) if the Auditor General considers it appropriate following a review, prepare a revised statement of practice. <p>(3) The statement of practice must accord with the principles described in subsection (5).</p> <p>(4) The functions are those conferred upon the Auditor General by:</p> <ul style="list-style-type: none"> (a) section 17 (improvement information and planning: audit); (b) section 18 (improvement assessments); (c) section 19 (audit and assessment reports); (d) section 23 (co-ordination of audit etc); (e) section 24 (annual improvement reports). <p>(5) The principles are:</p> <ul style="list-style-type: none"> (a) that the Auditor General for Wales should exercise the Auditor General's functions consistently as between different Welsh improvement authorities; (c) that it is desirable that the relevant functions of the relevant regulators and the functions of the Auditor General described in section 23(7) are exercised proportionately so as not to impose an unreasonable burden upon Welsh improvement authorities; (d) that the functions in subsection (4) should be exercised with a view to assisting Welsh improvement authorities to comply with the requirements of Part 1. <p>(6) The Auditor General for Wales must send a copy of a statement or revised statement prepared under subsection (1) to the Welsh Ministers for their approval.</p> <p>(7) If the statement or revised statement is approved by the Welsh Ministers, the Auditor General must publish the statement or the revised statement.</p>
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		(8) The Auditor General for Wales must have regard to the statement most recently published under subsection (7) in exercising the functions described in subsection (4).
Inspectors' powers and duties	Section 26 of the 2009 Measure	<p>(1) An inspector has a right of access at all reasonable times:</p> <ul style="list-style-type: none"> (a) to any premises of a Welsh improvement authority, and (b) to any document relating to the authority which appears to the inspector to be necessary for the purposes of the inspection, audit or assessment. <p>(2) The right conferred by subsection (1) includes power to inspect, copy or take away the document.</p> <p>(3) An inspector:</p> <ul style="list-style-type: none"> (a) may require a person holding or accountable for any such document to give the inspector such information or explanation as the inspector thinks necessary, and (b) may require that person to attend before the inspector in person to give the information or explanation or to produce the document. <p>(4) In relation to a document kept in electronic form, the power in subsection (3)(b) to require a person to produce a document includes power to require it to be produced in a form in which it is legible and can be taken away.</p> <p>(5) In connection with inspecting such a document, an inspector:</p> <ul style="list-style-type: none"> (a) may obtain access to, and inspect and check the operation of, any computer and associated apparatus or material which the inspector considers is or has been used in connection with the document; (b) may require a person within subsection (6) to afford the inspector such reasonable assistance as the inspector may require for that purpose. <p>(6) A person is within this subsection if the person is:</p> <ul style="list-style-type: none"> (a) the person by whom or on whose behalf the computer is or has been used; or

		(b) a person having charge of, or otherwise concerned with the operation of, the computer, apparatus or material.
Inspectors' powers and duties	Section 26 of the 2009 Measure	<p>(7) A Welsh improvement authority must provide an inspector with every facility and all information which the inspector may reasonably require for the purposes of the inspection or assessment.</p> <p>(8) An inspector must:</p> <p>(a) unless in the opinion of the inspector the circumstances are exceptional, give three clear days' notice of any requirement under this section, and</p> <p>(b) if so required, produce documentation which identifies the inspector as a person authorised to impose requirements under this section.</p> <p>(9) A person who without reasonable excuse obstructs the exercise of any power conferred by this section or fails to comply with a requirement of an inspector under this section is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.</p> <p>(10) Any expenses incurred by an inspector in proceedings for an offence under subsection (9) alleged to have been committed in relation to an inspection of a Welsh Improvement authority are, so far as not recoverable from any other source, recoverable from the authority.</p> <p>(11) In this section 26 "inspector" means the Auditor General for Wales, or a person exercising the functions of the Auditor General for Wales by virtue of a delegation made under section 18 of the Public Audit (Wales) Act 2013, who is carrying out an audit under section 17, an assessment under section 18 or a special inspection.</p>

Publication of reports

- 32.** Various statutory authorities enable the Auditor General to put a report in the public domain. In the case of reports on accounts and value for money/performance reports in the non-local government sectors the legislation either requires or permits the Auditor General to lay the document concerned before the National Assembly. The National Assembly is required to publish such documents under Section 144 of the 2006 Act and they are absolutely privileged in relation to the law on defamation by virtue of Section 42. The laid documents are also brought within the remit of the National Assembly's Public Accounts Committee, which operates under Section 143.
- 33.** The Auditor General may, under section 64E of the Public Audit (Wales) Act 2004, publish reports on data matching exercises under Part 3A of that Act. Such exercises may cover both non-local government and local government bodies. The content of such reports is restricted in several important respects. For example, such reports may not include information relating to a particular person if the person can be identified from the information and that information is not already in the public domain. There are also more general restrictions in section 64D of the 2004 Act on the disclosure of data matching information, which are not confined to publication. Table 7 provides further information on data matching functions.
- 34.** For the local government sector, the Auditor General has various powers and duties to publish reports and other documents, notably under sections 41, 42, 45, and 56 of the Public Audit (Wales) Act 2004 and sections 19, 22 and 24 of Local Government (Wales) Measure 2009. Such reports are not laid before the National Assembly (except reports under Section 42 of the 2004 Act) and do not therefore come within the remit of its Public Accounts Committee.
- 35.** Reports made on local government by the Auditor General are put into the public domain by virtue of Sections 26 to 29 of the 2004 Act. Reports to those charged with governance are required to be published by local authorities under the Accounts and Audit (Wales) Regulations 2005 (SI 2005/368).
- 36.** Staff working for the Auditor General or his appointed auditors often provide reports to management or those charged with governance. These are not usually published but may find their way into the public domain by being published by the recipients or by being disclosed under Freedom of Information legislation.

Other work

- 37.** Table 7 summarises the statutory authorities for significant Auditor General for Wales work not included in the preceding sections. These are the audit of grant claims, audit by agreement of further and higher education institutions, collaboration with Estyn, sustainable development examinations, data matching exercises and the granting of approvals to draw on the Welsh Consolidated Fund.

Table 7: Statutory authorities for other work

Function	Statutory reference	Provision
Certification of claims, returns etc.	Paragraph 20 of schedule 8 to the 2006 Act	<p>(1) The Auditor General must, if so required by a relevant body, make arrangements for:</p> <p>(a) certifying any claim or return in respect of a grant made or subsidy paid to that body by the Welsh Ministers, any Minister of the Crown or any public authority;</p> <p>(b) certifying any account submitted by that body to the Welsh Ministers, any Minister of the Crown or any public authority with a view to obtaining payment under a contract between that body and the Welsh Ministers, the Minister of the Crown or the public authority;</p> <p>(c) certifying that body's calculation under paragraph 5(6)(a) of Schedule 8 to the Local Government Finance Act 1988 (c. 41) of the amount of its non-domestic rating contribution for a financial year, and for certifying the amount calculated; or</p> <p>(d) certifying any return by that body which, by or under any enactment, is required or authorised to be certified by the body's auditor or under arrangements made by the Auditor General.</p>
Audit of further and higher education corporations	Section 145B of the Government of Wales Act 1998	<p>(4) The Auditor General for Wales may, at the request of the Higher Education Funding Council for Wales, give the council advice in connection with the discharge of the council's functions under section 124B(2)(b) of the Education Reform Act 1988 or paragraph 18(2)(b) of Schedule 7 to that Act.</p> <p>(5) The Auditor General for Wales may, at the request of a higher education corporation or further education corporation in Wales:</p> <p>(a) advise them in connection with the appointment of persons to audit their accounts;</p> <p>(b) audit their accounts for a financial year.</p>
Estyn inspections involving collaboration with the Auditor General	Section 41A of the Education Act 1997	<p>(1) If requested to do so by the Chief Inspector, the Auditor General for Wales may assist with any inspection under section 38 of a local authority in Wales; and subsections (2) to (5) below have effect where the Auditor General for Wales assists with any such inspection.</p> <p>(2) Section 40 shall apply to the Auditor General for Wales and to any authorised person as it applies to the inspector.</p> <p>(3) Any information obtained by virtue of section 40 by a person falling within one of the categories mentioned in subsection (4) may be disclosed for the purposes of the</p>

		<p>inspection, or the preparation or making of the report under section 39(1), to a person falling within the other category.</p> <p>(4) Those categories are:</p> <p>(a) the Auditor General for Wales and any authorised person; and</p> <p>(b) the inspector and any person assisting him.</p> <p>(5) Any report prepared under section 39(1) shall be prepared by the inspector acting in conjunction with the Auditor General for Wales.</p>
Approvals to draw from the Welsh Consolidated Fund	Section 129 of the 2006 Act	<p>(1) The Auditor General must grant approvals to draw payments out of the Welsh Consolidated Fund from time to time at the request of the Welsh Ministers.</p> <p>(2) An approval to draw may only be granted if, in the Auditor General's opinion, the proposed payment out of the Welsh Consolidated Fund would comply with section 124.</p> <p>(3) A request for the grant of an approval to draw is to be made in any manner which the Welsh Ministers, with the approval of the Auditor General, decide to adopt.</p> <p>(4) Where an approval to draw is granted the Paymaster General must make the funds available to the Welsh Ministers, the First Minister, the Counsel General, the Assembly Commission, the Wales Audit Office or the Public Services Ombudsman for Wales (as appropriate).</p> <p>(5) The Paymaster General must make available to:</p> <p>(a) the Auditor General; and</p> <p>(b) the principal accounting officer for the Welsh Ministers, a daily statement regarding all the issues made out of the Welsh Consolidated Fund in respect of sums charged on that Fund and other payments out of it.</p>
Data Matching	Section 64A of the Public Audit (Wales) Act 2004	<p>(1) The Auditor General for Wales may conduct data matching exercises.</p> <p>(2) A data matching exercise is an exercise involving the comparison of sets of data to determine how far they match (including the identification of any patterns and trends).</p> <p>(3) The power in subsection (1) is exercisable for the purpose of assisting in the prevention and detection of fraud in or with respect to Wales.</p> <p>(4) That assistance may, but need not, form part of an audit.</p> <p>(5) A data matching exercise may not be used to identify patterns and trends in an individual's characteristics or behaviour which suggest nothing more than his potential to commit fraud in the future.</p>

		<p>(6) In the following provisions of this Part, reference to a data matching exercise is to an exercise conducted or arranged to be conducted under this section.</p> <p><i>See also other provisions in respect of data matching in part 3A of the Public Audit (Wales) Act 2004, notably:</i></p> <p><i>Section 64B, Mandatory provision of data;</i></p> <p><i>Section 64C, Voluntary provision of data;</i></p> <p><i>Section 64D, Disclosure of results of data matching;</i></p> <p><i>Section 64E, Publication;</i></p> <p><i>Section 64F, Fees for data matching;</i></p> <p><i>Section 64G Code of data matching practice</i></p>
<p>Sustainable development examinations</p>	<p>Section 15 of the Well-being of Future Generations (Wales) Act 2015</p>	<p>(1) The Auditor General for Wales may carry out examinations of public bodies for the purposes of assessing the extent to which a body has acted in accordance with the sustainable development principle when—</p> <p>(a) setting well-being objectives, and</p> <p>(b) taking steps to meet those objectives.</p> <p>(2) The Auditor General must carry out such an examination of each public body at least once during the period mentioned in subsection (6).</p> <p>(3) Before the end of the period mentioned in subsection (6), the Auditor General must report on the results of the examinations carried out under subsection (1) during that period to the National Assembly.</p> <p>(4) The Auditor General must lay any report prepared under subsection (3) before the National Assembly.</p> <p>(5) In carrying out an examination under subsection (1), the Auditor General must—</p> <p>(a) take into account any advice or assistance given to the public body, or any review of and recommendations made to the body, by the Future Generations Commissioner for Wales (see Part 3), and</p> <p>(b) consult the Commissioner.</p> <p>(6) The period referred to in subsections (2) and (3)—</p> <p>(a) begins on the date falling one year before the date on which an ordinary general election is to be held under section 3 of the Government of Wales Act 2006, and</p> <p>(b) ends on the date falling one day and one year before the date on which the next such election is to be held.</p>

Acting in accordance with the sustainable development principle is defined in section 5 of the Act as acting “in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.”

The Auditor General must conduct such examinations in respect of the following bodies (from section 6 of the Act):

- (a) the Welsh Ministers;*
- (b) county councils and county borough councils;*
- (c) Local Health Boards;*
- (d) the following NHS Trusts—*
 - (i) Public Health Wales;*
 - (ii) Velindre;*
- (e) National Park authorities for National Parks in Wales;*
- (f) Welsh fire and rescue authorities;*
- (g) the Natural Resources Body for Wales;*
- (h) the Higher Education Funding Council for Wales;*
- (i) the Arts Council of Wales;*
- (j) the Sports Council for Wales;*
- (k) the National Library of Wales;*
- (l) the National Museum of Wales.*

Fees and finance

38. This section provides a summary of the authorities concerning the Wales Audit Office's own finances including the production of estimates and annual accounts, and our financial relationship with the Welsh Consolidated Fund (WCF). This summary is set out in Table 8.

Table 8: Wales Audit Office finances

Area of finance	Statutory reference	Effect of provision
Relationship with the Welsh Consolidated Fund (WCF)	Section 120 of the 2006 Act	All receipts collected by the Wales Audit Office must be paid into the Welsh Consolidated Fund unless there is an Assembly resolution (part of the annual budget motion) that permits their retention.
	Sections 125 to 127 of the 2006 Act	Provides for the expenses of the Wales Audit Office, in so far as not met by income, to be payable from the WCF. The authority for use of resources, retention of income (see above) and issue of funds from the WCF is given by the National Assembly in an annual budget motion under Section 125. Section 126 allows for supplementary budget motions and Section 127 provides for continuity of service if the National Assembly has not passed a budget motion by 1 April.
	Section 7 of the Public Audit (Wales) Act 2013	Provides for the salary and pension costs of the Auditor General to be a direct charge on, and to be paid out of, the WCF.
Fees	Section 20 of the Public Audit (Wales) Act 2004	Section 20 requires the Wales Audit Office to charge fees and prescribe fee scales for local government audit work undertaken by the Auditor General.
	Section 27 of the Local Government (Wales) Measure 2009	Requires the Wales Audit Office to prescribe fee scales in respect of 2009 Measure work.
	Section 64F of the Public Audit (Wales) Act 2004	Requires the Wales Audit Office to prescribe fee scales in respect of data matching exercises, and allows it to charge a fee in respect of such exercises undertaken by the Auditor General for Wales.
	Section 33 of the Local	Section 33 allows Welsh Ministers to provide a grant to the Wales Audit Office in support of work carried out by the

	Government Act 1999	Auditor General under the Local Government (Wales) Measure 2009.
	Section 23 of the 2013 Act	<p>(2) The WAO may charge a fee in relation to the audit of a person's accounts or statement of accounts by the Auditor General.</p> <p>(3) The WAO may charge a fee in relation to –</p> <ul style="list-style-type: none"> (a) an examination, certification or report under paragraph 18(3) of Schedule 8 to the Government of Wales Act 2006 (certain examinations into the economy etc with which a person has used resources); (b) an examination under section 145 of the Government of Wales Act 1998 (examinations into the use of resources) or a study under section 145A of that Act (studies for improving economy etc in services), where undertaken at a person's request; (c) an examination or study undertaken by the Auditor General at a person's request under section 46(4) of the Environment Act 1995; (d) any services provided or functions exercised under section 19. <p>(4) The WAO must charge a fee in relation to –</p> <ul style="list-style-type: none"> (a) the provision of services to a body under paragraph 20 of Schedule 8 to the Government of Wales Act 2006 (certification of claims, returns etc at the request of a body); (b) a study at the request of an educational body under section 145B of the Government of Wales Act 1998. <p>(5) Fees under this section –</p> <ul style="list-style-type: none"> (a) may only be charged in accordance with a scheme prepared by the WAO under section 24; (b) may not exceed the full cost of exercising the function to which the fee relates;
	Section 24 of the 2013 Act	The WAO must prepare a scheme relating to the charging of fees by the WAO.

	Section 45 of the Public Audit (Wales) Act 2004 (benefit administration studies)	Fee must be a reasonable amount agreed between the Secretary of State and the WAO. (But it may not exceed the full cost incurred by the Auditor General in conducting, or assisting the Secretary of State to conduct, the study).
	Section 41A of the Education Act 1997 (inspections in collaboration with Estyn), Section 145C of the Government of Wales Act 1998 (Studies relating to social landlords)	Fees charged must be in accordance with the scheme prepared by the WAO under section 24 of the 2013 Act, and may not exceed the full cost incurred by the Auditor General in providing the assistance.
	Section 37 of the Public Audit (Wales) Act 2004 (extraordinary audit on local government bodies)	Fee may recover all or part of the cost at the discretion of the WAO.
	Section 23 of the Public Audit (Wales) Act 2013	(1) Fees and other sums received by the Auditor General must be paid to the WAO.
Borrowing	Section 22 of the 2013 Act	The WAO may borrow sums in sterling (by way of overdraft or otherwise) to be applied for the purpose of meeting a temporary excess of expenditure over sums otherwise available to meet it.
Estimates	Section 20 of the 2013 Act	Auditor General and the WAO to jointly prepare annual estimate of income and expenses for consideration by the National Assembly' at least five months before the start of the year. If the Assembly wishes to modify the estimate it must consult the Auditor General and the WAO and take account of any representations they may wish to make.
Annual accounts	Paragraphs 33 and 34 to	The Auditor General is to be the accounting officer for the WAO, and must prepare annual accounts, in a form directed

Schedule 1 of
the 2013 Act

by the Treasury, for audit by an auditor appointed by the
National Assembly.

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We welcome correspondence and telephone calls in Welsh and English.

Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn

Gymraeg yn arwain at oedi.