

# Memorandum of Understanding between Audit Wales and Future Generations Commissioner for Wales

April 2025

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## A message from the Auditor General for Wales and Future Generations Commissioner for Wales

“By co-operating and co-ordinating our efforts, we hope to deepen the shift in public service culture where the Well-being of Future Generations Act is at the centre of decision-making and delivery. This updated Memorandum of Understanding builds on several years of successful cooperation and sets out how we will continue to strengthen the way we work together and the impact we collectively make in Wales.”

“Our offices have been working together closely since the Commissioner’s role was created. I am proud of the relationships built across our organisations and the way we have delivered on our promise to coordinate our work. This Memorandum of Understanding is a testament to the journey we’ve been on. It shows our continuing commitment to being joined-up in delivering on our respective responsibilities under the Well-being of Future Generations Act so that we can help ensure public bodies deliver on theirs.”



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**Derek Walker**  
Future Generations  
Commissioner for Wales



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**Adrian Crompton**  
Auditor General for Wales

## Who we are

### The Auditor General for Wales<sup>1</sup>

The Auditor General is the statutory external auditor of most of the Welsh public sector. This means that he audits the accounts of county and county borough councils, police, fire and rescue authorities, national parks and community councils, as well as the Welsh Government, its arms-length and related public bodies, the Senedd Commission and National Health Service bodies.

The Auditor General's role includes examining how public bodies manage and spend public money. He also has responsibilities under the Well-being of Future Generations (Wales) Act 2015 (the Act), chiefly carrying out sustainable development principle examinations of how certain public bodies set well-being objectives and take steps to meet them. You can find out more about the role of the Auditor General on the Audit Wales [website](#).

### The Wales Audit Office

The Auditor General for Wales and the Wales Audit Office are separate legal entities, each with their own functions. In simplified terms, the Auditor General is the auditor of Welsh public bodies, and the Wales Audit Office is the entity that provides the Auditor General with staff and other resources to undertake audit work.

Audit Wales is the umbrella term for the Auditor General for Wales and the Wales Audit Office.

### The Future Generations Commissioner for Wales

The Act created the role of Future Generations Commissioner for Wales (the Commissioner). The Commissioner has a range of responsibilities, centring on a general duty to promote the sustainable development principle by acting as the guardian of the ability of future generations to meet their needs and encouraging public bodies to think about the long-term impact of what they do. The Commissioner also has powers to provide advice and assistance, carry out research, reviews, promote awareness and encourage best practice. The Commissioner must publish Future Generations reports, setting out their assessment of the improvements that public bodies should make in setting and meeting their well-being objectives. You can find out more about the Commissioner and their work on their [website](#).

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<sup>1</sup> The Auditor General is also the statutory external auditor for the Future Generations Commissioner and must examine, certify and report on the Commissioner's accounts. This is unrelated to the coordination of functions described in this Memorandum of Understanding.

# Our responsibilities under the Well-being of Future Generations (Wales) Act 2015 and how we are delivering on them

## The Auditor General's responsibilities

- 1 The Auditor General may carry out examinations of each of the public bodies listed under the Act. These examinations are to be conducted for the purposes of assessing the extent to which those bodies have acted in accordance with the sustainable development principle when:
  - a. setting well-being objectives; and
  - b. taking steps to meet those objectives.
- 2 The Auditor General must examine each public body at least once in a five-year period. He must then lay a report on the results of the examinations before the Senedd at least a year before each Senedd election.<sup>234</sup>
- 3 In carrying out an examination, the Auditor General must take account of any advice or assistance given to the public body, or any review of and recommendations made to the body, by the Commissioner. He must also consult the Commissioner in carrying out the examinations.

## How Audit Wales delivers on the Auditor General's responsibilities

- 4 Audit Wales undertakes separate work on a). the setting of well-being objectives and b). steps to meet well-being objectives at each public body across a five-year period.

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2 The reporting period begins one year before an election is to be held and ends one day and one year before the date on which the next election is to be held.

3 The current five-year reporting periods will be subject to change as a result of the Senedd Cymru (Members and Elections) Act 2024. This legislation will introduce a four-year electoral cycle from 2026 onwards, with a consequent change to reporting periods under the Well-being of Future Generations Act.

4 In June 2024 an additional eight public bodies became subject the well-being duty, under section 3 of the Act. The Auditor General will, therefore, be required to carry out the same sustainable development principle examinations at these bodies. However, the reporting period for these bodies will extend to 2029 (also reflecting the above changes to electoral cycles).

- 5 In practice, this means that Audit Wales:
  - delivers a rolling programme of examinations of the setting of well-being objectives at individual bodies. The timing and practical delivery are tailored to each body.
  - delivers examinations of steps to meet well-being objectives, in a range of ways. These examinations are often integrated alongside audit work designed to deliver other statutory duties, either as part of local audit programmes or value for money studies.<sup>5</sup> Where this is not the case, Audit Wales undertakes dedicated sustainable development principle examinations.
- 6 Following each examination, Audit Wales publishes an output for the body. You can view these on the Audit Wales [website](#).
- 7 The results of these examinations are reported through a statutory, five-yearly report to the Senedd. You can view the latest report on the Audit Wales [website](#).

### **The Future Generations Commissioner for Wales' responsibilities**

- 8 The Commissioner's general duty under the Act is:
  - a. to promote the sustainable development principle, in particular to:
    - i. act as a guardian of the ability of future generations to meet their needs;
    - ii. encourage public bodies to take greater account of the long-term impact of the things that they do; and
  - b. for that purpose to monitor and assess the extent to which well-being objectives set by public bodies are being met.

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5 The Auditor General has extensive powers and duties to audit public bodies under legislation other than the Well-being of Future Generations Act. For efficiency, wherever practical and appropriate, the Auditor General exercises his powers and duties in combination, so as to minimise duplication. Specifically, the Auditor General and Audit Wales staff deliver the sustainable development principle examinations as part of value for money studies and local audit programmes that are already in place to deliver existing duties required by other legislation (chiefly the Public Audit (Wales) Act 2004) at NHS and local government bodies. At the Welsh Government, the examinations are incorporated into national value for money studies. In some instances, we may also carry out examinations at other bodies through our national value for money studies.

- 9 In carrying out this general duty, the Commissioner has a range of powers, including:
- **the provision of advice or assistance**, raising awareness and encouraging best practice. This can be directed towards public bodies and Public Services Boards (PSBs). The Commissioner may also provide advice to the Auditor General on the sustainable development principle.
  - **undertaking research or other study** into a range of topics, including the sustainable development principle itself.
  - **conducting reviews** into the extent to which a public body is safeguarding the ability of future generations to meet their needs by taking account of the long-term impact of things the body does under the well-being duty to carry out sustainable development. In conducting a review, the Commissioner may look at:
    - the steps the body has taken or proposes to take to meet its well-being objectives;
    - the extent to which the body is meeting its well-being objectives; and
    - whether a body has set well-being objectives and taken steps to meet them in accordance with the sustainable development principle.
- 10 The Commissioner may make recommendations as part of a review and must publish a report of a review. The Commissioner must also take into account any examinations undertaken by the Auditor General in relation to the review.
- 11 The Commissioner must report on his assessment of the improvements public bodies should make to set and meet well-being objectives in accordance with the sustainable development principle (the Future Generations Report). Like the Auditor General, the Commissioner is required to lay his report before each Senedd election.

## How the Future Generations Commissioner delivers on their responsibilities

- 12 The Commissioner undertakes monitoring and assessment of the extent to which well-being objectives set by public bodies are being met through a periodic analysis, at least once in the five-year reporting period. This informs advice and assistance to public bodies, as well as the Future Generations Report.
- 13 The Commissioner undertakes reviews under Section 20 of the Act on an exception basis. Two reviews have been undertaken so far. You can find out more about these reviews and resulting recommendations on the Commissioner's [website](#).
- 14 The Commissioner provides a range of advice and assistance to public bodies and PSBs. This includes:
  - liaison and ad hoc advice;
  - training and events;
  - gathering and sharing case studies;
  - producing research;
  - publishing tools, advice, and guidance;
  - supporting bodies to reflect on the nature and extent of their progress by providing access to the online '[Ways of Working Progress Checker](#)'; and
  - providing advice to PSBs during preparation of their well-being assessments and draft well-being objectives, as required by the Act.
- 15 The Commissioner may, in providing advice and making recommendations to the Welsh Government, raise matters identified by PSBs and public bodies to remove barriers to the proper implementation of the Act.

## Working together

### How our powers and duties relate

- 16 The Auditor General and Commissioner undertake functions that, in combination, make up the accountability framework provided by the Act. In simplified terms, the Auditor General is required to assess ‘how’ public bodies are applying the sustainable development principle in setting and pursuing their well-being objectives, and the Commissioner must assess the progress they are making towards them.
- 17 Working together is important because certain functions are very closely related. Specifically, the Commissioner may undertake reviews that cover the same topics as the Auditor General’s examinations, but for different purposes. **Exhibit 1** illustrates how closely related the Commissioner’s reviews and the Auditor General’s examinations are.

### Exhibit 1: comparing reviews and examinations

#### Section 20 — Reviews by the Commissioner

- (4) In conducting a review, the Commissioner may make recommendations to the public body about—
- (a) the steps the body has taken or proposes to take to meet its well-being objectives; and
  - (b) how to set well-being objectives and take steps to meet them in accordance with the sustainable development principle.

#### Section 15 — The sustainable development principle: Auditor General’s examinations

- (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—
- (a) setting well-being objectives; and
  - (b) taking steps to meet those objectives.

#### Summary analysis

Both these functions concern looking at setting well-being objectives and taking steps to meet them. In the case of the Commissioner, the purpose is making recommendations about steps and how to set objectives and steps. In the case of the Auditor General, the purpose is assessing the extent to which objective setting and taking steps is in accordance with the sustainable development principle. Making recommendations and assessment are different but in practice closely related activities.

- 18 Clearly, without careful coordination, there is a likelihood of duplication, and potential for confusion amongst public bodies. This Memorandum of Understanding (MoU) has been developed to ensure that we work together well to minimise that risk and to ensure we use our resources to best effect when carrying out relevant activity.
- 19 There are also some provisions in the Act that require the Auditor General and Commissioner to work together to make the best of their respective expertise and functions. Specifically, how they will take account of one another's work and through the provision of advice from the Commissioner to the Auditor General. This MoU describes how they will do that in practice.
- 20 In addition, while the Auditor General's role under the Act centres on the sustainable development principle examinations, Audit Wales<sup>6</sup> undertakes wider activity that relates to the Commissioner's functions. This also prompts the need for coordination beyond those function set out under the Act.
- 21 Among the activities undertaken using the supplementary powers of the Auditor General and the Wales Audit Office is the Good Practice Exchange. The Good Practice Exchange provides events and material to share learning across the Welsh public sector, especially examples of good practice identified during audits and other examinations. Much of this work touches on matters that relate to the Commissioner's powers to provide advice, promote awareness, and encourage best practice.
- 22 Therefore, the two areas where our organisations need to work together can be summarised as a) accountability and b) advice and practice sharing.
- 23 **Exhibit 2** summarises the range of activities undertaken by Audit Wales and the Future Generations Commissioner that they will seek to coordinate in delivering their responsibilities under the Act.

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6 Functions of the Wales Audit Office include making arrangements for the provision of professional, technical and administrative services to public bodies by agreement. Both the Auditor General and the Wales Audit Office have supplementary powers that enable them to do things that are calculated to facilitate, or which are incidental or conducive to, the carrying out of any of their main functions.

**Exhibit 2: work we will coordinate in delivering our responsibilities under the Act**



## How we coordinate our delivery

### Accountability

#### **Audit Wales and the Future Generations Commissioner commit to coordinate the delivery of:**

- the Auditor General's sustainable development principle examinations.
- the Commissioner's monitoring and assessment activity and reviews.
- the preparation of their respective 5-yearly statutory reports.

#### **We hope that the successful coordination of our responsibilities will result in:**

- clarity for public bodies on our roles and how we will carry them out.
- consistency in our interpretations of legislation and our expectations of how public bodies should be applying the sustainable development principle.
- avoidance of duplication of assessment and examination activity.
- best use of our collective expertise, resources and knowledge to help the Auditor General and Commissioner carry out their respective roles effectively.

#### **To achieve this, Audit Wales will:**

- consult the Commissioner on the Auditor General's work programme, which sets out the areas of focus for the short and medium term. The work programme incorporates examinations that will discharge the Auditor General's examination duty under the Act as well as wider value for money studies and local performance audit work.
- consult the Commissioner's staff when undertaking individual examinations. In practice, this may involve engagement at various stages of an examination, depending on circumstances. It could, for example, include consultation at the planning and scoping stage to inform the design of the audit and development of audit criteria. At other times, auditors may confer with the Commissioner's staff as part of their evidence gathering during an examination. This engagement will enable auditors to identify and take account of any advice or recommendations the Commissioner has made to individual bodies.
- more generally, seek advice from the Commissioner on the application of the sustainable development principle. This includes via training, regular liaison, and on an ad hoc basis.
- liaise with the Commissioner when preparing the Auditor General's five-yearly statutory report. The Auditor General will share the findings from his examinations to help inform the Commissioner's assessment of the improvements that public bodies need to make in order to set and meet well-being objectives in accordance with the sustainable development principle.

**To achieve this, the Commissioner will:**

- take account of the findings of the Auditor General's examinations of the setting of well-being objectives when undertaking their monitoring and assessment of public bodies' progress towards meeting their well-being objectives.
- notify the Auditor General and engage with Audit Wales staff when undertaking reviews under Section 20. These reviews, like the Auditor General's examinations, concern the setting of well-being objectives and taking steps to meet them. To avoid duplication, the Commissioner:
  - will undertake reviews on an 'exception' basis, drawing on the Auditor General's work to assess risk and identify whether a review is required.
  - may involve the Auditor General and Audit Wales staff in scoping and designing reviews, and as observers throughout the process. This will ensure that the Commissioner identifies relevant findings and recommendations made by the Auditor General, so they may take account of the sustainable development principle examinations and other relevant work as appropriate.
- share relevant information and advice with the Auditor General, including:
  - good practice in the application of the sustainable development principle, as required.
  - findings from research undertaken to help understand problems or solutions in the attainment of well-being objectives or goals. The Commissioner may also seek the Auditor General's views when designing such research, particularly where it relates to the application of the sustainable development principle.
- liaise with the Auditor General when preparing the five-yearly Future Generations report. The Commissioner will take account of the findings from the Auditor General's examinations when determining the improvements that public bodies need to make in order to set and meet well-being objectives in accordance with the sustainable development principle.

**Some examples of how we've made this work so far...**

- we have contributed to the design of one another's assessment materials and guidance. This includes the Commissioner's maturity matrix and Audit Wales's 'positive indicators', which guide the Auditor General's examinations.
- Audit Wales staff have engaged with the Commissioner's staff when designing methods for the examinations, including on the setting of well-being objectives. Audit Wales staff have also engaged with the Commissioner's staff as part of each of those examinations. The Commissioner draws on the findings and recommendations to inform monitoring and assessment of how public bodies are meeting their well-being objectives.
- Audit Wales staff have engaged with the Commissioner's team when carrying out relevant work. This includes sustainable development principle examinations, as well as other work that may be of interest to the Commissioner such as, for example, work on decarbonisation and biodiversity.
- Audit Wales have been invited to observe as part of the two section 20 reviews that have been undertaken to date.
- Audit Wales and the Commissioner's staff have each presented findings from respective examinations and reviews to staff, thereby sharing findings across organisations.
- Audit Wales and the Future Generations Commissioner worked closely on the production of and coordinated the publication of their respective statutory reports. This ensured the Commissioner was able to take account of the findings from the Auditor Generals examinations.
- the Commissioner's staff have provided training to Audit Wales staff on the sustainable development principle. Both Audit Wales staff and the Commissioner's staff have held seminars to share knowledge across the two organisations.

## **Advice, support and practice sharing for public bodies**

### **Audit Wales and the Commissioner commit to share relevant information and, where appropriate, coordinate activities relating to:**

- the Commissioner's provision of advice and assistance to public bodies and encouragement of best practice in applying the sustainable development principle; and
- the delivery of the Good Practice Exchange programme of work to share good practice across the Welsh public sector.

### **We hope that the successful coordination of these aspects of our work will result in...**

- a joined-up approach to the promotion of good practice in the application of the sustainable development principle, avoiding the duplication of events and related activities.
- public bodies having clarity on what effective application of the sustainable development principle looks like. They will have confidence that the Auditor General and Commissioner have a consistent interpretation of what constitutes good practice.
- best use of our collective expertise, resources and knowledge to help the Auditor General and Commissioner carry out their respective roles effectively.

### **To achieve this, Audit Wales will:**

- involve the Commissioner in developing and delivering the Good Practice Exchange's programme of 'shared learning' events. This will include involvement in the design of relevant events and inviting the Commissioner or other staff to contribute.

**To achieve this, the Commissioner will:**

- share the details of good practice examples and relevant events with Audit Wales, involving them in the development, as appropriate.
- take account of the Auditor General's findings and recommendations when providing advice and assistance to public bodies.
- share relevant published advice provided to public bodies on the application of the sustainable development principle with the Auditor General, as appropriate.

**Some examples of how we've made this work so far...**

- the Commissioner has established a 'Supporting Organisations Network', made up of those organisations that provide a range of support and advice to public bodies and PSBs. Its aim is to enable coordination and avoid duplication and, where appropriate, promote collaboration. The Good Practice Exchange are part of the network, and both teams regularly work together on training, events and materials.
- the Commissioner and staff regularly speak at Good Practice Exchange events.

## Implementing and reviewing this MoU

### **Routine coordination**

- 24 The Auditor General and Commissioner will meet at least twice a year. The effective coordination of respective functions will be discussed at these meetings.
- 25 There are designated contacts in each organisation, who will liaise on a regular basis, including at monthly meetings. Staff will discuss the effectiveness of how the two organisations are working together and opportunities to strengthen that during those meetings.
- 26 Other staff will work together on an ad hoc basis, as required.

### **Formal review**

- 27 There will be a formal review of this MoU in 2026-27, following the next Senedd election and appointment of the next Auditor General.
- 28 The review will be brought forward if there are significant changes to the way the Auditor General and Commissioner deliver their respective functions, such as might brought about by changes to the Act.

