

# Archwilydd Cyffredinol Cymru Auditor General for Wales

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24 Heol y Gadeirlan / Cathedral Road  
Caerdydd / Cardiff CF11 9LJ  
Ffôn / Tel: 029 20 320500  
Eboest / Email: [info@wao.gov.uk](mailto:info@wao.gov.uk)  
[www.wao.gov.uk](http://www.wao.gov.uk)

Mr Darren Millar AM  
Chair of the Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff CF99 1NA

Date: 2 March 2015  
Our ref: HVT/2284/fgb  
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Dear Darren

We discussed recently the current position regarding the likely throughput of value for money study and other reports to help inform the Committee's own forward work planning. I understand that the Committee is likely to consider its summer term programme at its meeting on 17 March.

I am committed to producing between 10 and 12 products each year to support the Committee's work. While they have not all received detailed scrutiny, I have presented to the Committee since the start of 2014-15 reports on 14 different topics, including two separate but related reports on young people not in education, employment and training which have also provided evidence to support a Children and Young People Committee inquiry. These reports are in addition to some other summary reports on local government matters that the Committee has not considered. At the same time, Wales Audit Office staff have been continuing to provide active support to the work of the Committee and the clerking team. I have also reported back to you recently on matters relating to the Welsh Government's investment in Roath Basin and the Substance Misuse Peer Mentoring Scheme. Both of these responses were underpinned by substantive pieces of audit work.

I presented to the Committee in early November 2014 a memorandum on NHS governance. At the request of the Committee, that memorandum is being expanded to reflect some additional material about NHS bodies' management and governance structures. This has proved a little more complicated than originally envisaged as some NHS bodies are in the process of making changes to their structures. The changes to the memorandum are likely to provide a summary analysis of the information we have gleaned rather than a detailed articulation of each organisation's structure but we will still need to undertake a quick factual accuracy check with individual NHS bodies. I expect to finalise the memorandum by the end of March 2015.

I understood from previous dialogue that the preference was for the final memorandum to be published alongside the Committee's own report following its inquiry on NHS governance which is still to be brought to a close.

I have annexed to this letter an overview of the current position regarding work in progress. As you will see, I am anticipating a regular and steady stream of material for the Committee to consider. There is some work in progress where it is difficult, as yet, to commit to a publication date despite, in some cases, the work being well-advanced. I would be happy to update you on the latest situation in those respects on 17 March.

In addition to this body of work, as part of my programme of audit work in local government, Wales Audit Office staff have reviewed issues relating to discretionary housing payments for people who receive housing benefit but need extra help with rent or housing costs. I will be sharing a copy of the output from that work with the Committee to inform the Committee's planned inquiry following my recent report on *Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales*. And, of course, there may also be additional outputs arising from my local programmes of audit work where there are issues or learning of wider relevance.

Some studies are taking longer to complete than I had anticipated at the time of my previous update at the start of December 2014 but others are progressing as planned. And, as you will be aware, the time necessary to clear my reports with relevant officials, particularly where there are other relevant third parties named in the report, can be unpredictable. I have also mentioned previously that I intend to observe a voluntary embargo on the publication of reports for four weeks before the General Election, in the same way that I would before a National Assembly election. Such an approach has been the custom and practice for my predecessors and across other UK public audit bodies. Audit Scotland is planning to adopt a similar approach and I understand that the National Audit Office will operate a longer embargo period from 20 March through until the Queen's Speech following the General Election. The voluntary embargo arrangement helps to reinforce my political neutrality, but I intend to publish a number of reports relatively shortly after the General Election.

Finally, I hope to discuss with the Committee in the near future, and as the Committee's timetable permits, possible future value for money studies. The timetable for new studies may mean that they are not reported until after the 2016 National Assembly elections when a new Committee will be in place. There are, however, certain new topics that I think warrant audit scrutiny in the short-term. It would be helpful to identify at this stage whether there are particular topics that the Committee would be keen to examine before the end of the fourth Assembly that I could look to address either through a factual memorandum or a tightly-focused value for money examination. To take one example, the Committee recently expressed some interest in considering the Welsh Government's Invest to Save Fund. I will be supplying some advice about the Invest to Save Fund in

advance of the Committee's meeting on 17 March. There is scope for the Committee to follow up the use of Invest to Save funding to fund public bodies' early departure schemes as part of any scrutiny arising from my recent report on *Managing Early Departures Across Welsh Public Bodies*.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'H. Vaughan Thomas', is positioned above the printed name.

**HUW VAUGHAN THOMAS**  
**AUDITOR GENERAL FOR WALES**

*Enc: Annex – Work in Progress*

## Annex – Work in Progress

Topic	Publication timeframe ( <i>current estimate</i> )	Commentary
<b>NHS governance memorandum</b>	March 2015	Following changes to our original draft to review and incorporate some additional material at the request of the Committee, I expect to finalise my memorandum by the end of March 2015. Drawing together the requested information has not proven as straightforward as originally envisaged for the reasons outlined in my covering letter.
<b>Local government – financial resilience</b>	April 2015	In my December 2014 update, I indicated that I expected to publish this report by mid February 2015. I now expect to publish my report by early April and in advance of pre-election embargo arrangements. This slight delay has been due to my desire to include comparisons with the position of local government in England. Sourcing and incorporating this comparative information has taken longer than planned.
<b>GP prescribing (briefing)</b>	April 2015	Since completing and reporting my local audit work on GP prescribing, I have developed and rolled out further local audit work on medicines management in the hospital sector. Although there could be value in consolidating my findings into a single national document that summarises how health boards are performing in relation to medicines management across the whole spectrum of their responsibilities and in particular in managing the interface between primary and secondary care, I would not be in a position to produce such a report until later in the financial year. However, I appreciate that the Committee will be keen to see the key messages that came out of my local audit work on primary care prescribing and therefore propose to produce a short briefing paper for the Committee that fulfils this purpose. This will be produced in advance of the pre-election embargo arrangements.

Topic	Publication timeframe ( <i>current estimate</i> )	Commentary
<b>Welsh Government investment in next generation broadband infrastructure</b>	May 2015	<p>This report is currently in clearance with the Welsh Government although there will need then to be some further third-party clearance, notably with BT.</p> <p>As indicated in my December 2014 update, I am, at present, aiming to publish this report in the latter part of May 2015.</p>
<b>Regional Education Consortia</b>	May 2015	<p>Wales Audit Office staff have been working alongside Estyn in this project and the fieldwork for this study was completed as planned in January 2015.</p> <p>I am committed to publishing my report simultaneously with Estyn's remit report by the end of May 2015.</p>
<b>Safeguarding in local government</b>	June 2015	<p>Findings from this work have already been fed back to local councils. A national summary report is currently being drafted with publication on track for June 2015.</p>
<b>Orthopaedic Services</b>	June 2015	<p>I previously indicated that I was aiming to publish this report in March 2015. However, I have extended the local reporting of this work by producing individual data summaries for each health board. This approach has been helpful in providing health boards with detailed information on where they need to target their attention to improve orthopaedic service provision. As a consequence, however, finalisation of the all Wales summary report has been deferred. The national report will shortly enter clearance and is now scheduled for publication in June 2015.</p>

Topic	Publication timeframe ( <i>current estimate</i> )	Commentary
<b>Welsh Government acquisition of Cardiff Airport</b>	June 2015	<p>The drafting of this report is taking longer than previously anticipated, due in part to some specific resourcing pressures. We have been continuing to exchange information with Audit Scotland with regard to their work on the Scottish Government's acquisition of Prestwick Airport. My study has had a broader scope than the work undertaken by Audit Scotland.</p> <p>I expect to start external clearance of this report in April 2015 with the aim of publication in June 2015. However, in addition to the Welsh Government, there will need to be third party clearance with management at Cardiff Airport itself.</p>
<b>Rail services</b>	July 2015	<p>The fieldwork for this study has been completed as planned and the report is currently being drafted. I expect to start the clearance process in April 2015 with a view to publication by July 2015. In addition to clearance with the Welsh Government, I will need to undertake third party clearance with a range of stakeholders.</p>
<b>NHS waiting lists and private practice</b>	August 2015	<p>The completion of this work is taking longer than previously expected due to the complexity of the data relating to private practice activity and the underpinning systems within NHS organisations. I had originally intended to produce a memorandum for the Committee. However, the depth of findings from this work warrants an audit report with recommendations. The study team will shortly begin drafting this report with a view to publication over the summer recess.</p>
<b>Delivering with less – leisure services</b>	August 2015	<p>This local government study is adopting a similar approach to my October 2014 report on environmental health services. The work is currently at the fieldwork stage and is progressing broadly as planned.</p>

<b>Topic</b>	<b>Publication timeframe (current estimate)</b>	<b>Commentary</b>
<b>Independence of older people</b>	September 2015	This local government study has been developed in conjunction with the Older Persons Commissioner in Wales and CSSIW. The work is currently at the fieldwork stage and is progressing broadly as planned.
<b>Picture of public services</b>	October 2015	I am planning to draw together a further Picture of Public Services report, to include some further commentary on service and financial performance across the public sector. Work on this project is already underway.
<b>Development of Natural Resources Wales</b>	October 2015	Fieldwork for this study will commence in April 2015, although the study is building in part on evidence already collated in the course of my regular financial audit work.
<b>Welsh Government responses to audit recommendations</b>	December 2015	We have completed some initial information gathering to support this review with a view to further fieldwork in summer 2015. I anticipate that this report, which will also consider Welsh Government responses to the Committee's recommendations, could then support any possible legacy reporting by the Committee before the end of the fourth Assembly.
<b>Regeneration Investment Fund for Wales</b>	To be confirmed	As indicated in my December 2014 update, for reasons specific to the project the timetable for publication is uncertain, although the report is currently in clearance.
<b>Wales Life Sciences Investment Fund</b>	To be confirmed	As indicated in my December 2014 update, for reasons specific to the project the timetable for publication is uncertain, although the report is currently in clearance.
<b>Flood and erosion risk management</b>	To be confirmed	The scope and planned timetable for this work is currently being finalised, with the work likely to focus on coastal flooding related issues.

Topic	Publication timeframe ( <i>current estimate</i> )	Commentary
<b>Early intervention and public behaviour change</b>	To be confirmed	In the short-term, development of a new picture of public services report will take priority over this work. However, the picture of public services report is likely to reflect on these themes in some way. Wales Audit Office staff will also be exploring opportunities to take forward work in this area as part of our good practice exchange programme.
<b>Welsh Government interventions in local government</b>	To be confirmed	Plans for this work are being revisited in light of the Welsh Government commissioned review of the Anglesey intervention and to take into account any wider implications arising from the local government reform programme.
<b>Public procurement and the national procurement service</b>	To be confirmed	Plans for this work are still being developed. When I confirmed to the Committee in July 2015 the inclusion of this study in my work programme I indicated that the development of the work was unlikely to start before the final quarter of this financial year.