



On 23 January 2014, I will be publishing a report entitled *Meeting the financial challenges facing local government in Wales*. Based on recent audit work and the knowledge and experience of our local audit teams, the report will provide a high-level overview of way in which councils in Wales are responding to the financial pressures they face. The report will explore the effectiveness of councils' financial planning, their approach to financial decision-making and the actions they are taking to minimise the impact of significant budget cuts. It will also consider the extent to which councils understand the impact of their actions and will provide some early thoughts on the implications of the 2013 Spending Review for local government in Wales. The Committee may find the report helpful by way of wider context to its inquiry. No doubt councils will also be providing their own responses to the committee regarding the specific financial pressures facing library services and future plans for these services.

Yours sincerely



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