

AUDIT COMMITTEE AC-02-01(p.2)

Date: 8 March 2001
Time: 2pm
Venue: Committee Room 1, National Assembly Building

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Chair, Audit Committee
The National Assembly for Wales
Cardiff Bay
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12 February 2001

REVIEW OF ASPB ACCOUNTING OFFICER TRAINING

In its response to the AGW's report "An Irregular Payment Made to a Former Assistant Director of the NMGW" the Audit Committee recommended that the Assembly Compliance Officer should review the adequacy and timing of induction and other training offered to Accounting Officers. In particular, consideration was to be given to the benefits that might be derived from running regular update courses, perhaps of a practical nature and involving case studies. We promised to report back to the Audit Committee when the review had been completed.

Enclosed is a copy of the Review report which provides information on the scope of the review and a summary and analysis of the results. I have accepted all its recommendations. You will wish to note in particular the action we will be taking to strengthen the training programme for newly appointed and serving Accounting Officers set out in the Summary of Recommendations at paragraph 16.

I should also like to take this opportunity to inform you of progress achieved on one other of the Audit Committee's recommendations. I made a commitment to the Committee that the review of the Management Statements and Financial Memoranda (MSFM) would be completed by the end of September. I am pleased to report that the exercise has been completed and a revised MSFM for each of our Executive ASPBs was in place by the due date. The revisions take account of the Audit Committee's recommendation regarding written approval for novel and contentious transactions as well as issues arising as a result of the advent of the Assembly.

JON SHORTRIDGE

REPORT ON THE OUTCOME OF THE REVIEW OF THE ADEQUACY AND TIMING OF INDUCTION AND OTHER TRAINING OFFERED TO THE ACCOUNTING OFFICERS OF ASSEMBLY SPONSORED PUBLIC BODIES

Introduction

1. In its response to the AGW's report "An irregular payment made to a former Assistant Director of the NMGW" the Audit Committee recommended that the Assembly Compliance Officer should review the adequacy and timing of the induction and other training offered to Accounting Officers. It suggested that the review should also consider what benefits might be derived from running regular updates, perhaps of a practical nature and involving case studies.
2. In its response the Assembly Cabinet accepted the recommendation stating that the review would consult the Accounting Officers themselves on induction training and would also consider the provision of further training for Accounting Officers already in post. This is a report on the outcome. The report provides information on the scope of the review and a summary and analysis of the responses to a consultation exercise which underpinned it. Paragraph 16 sets out the Assembly Compliance Office's recommendations to strengthen the training programme for new and serving Accounting Officers.

Scope of the Review

3. The review predominantly took the form of a consultation with the Accounting Officers themselves (which invited their comments in three main areas - induction training; ongoing training needs; and being kept informed) followed by a discussion of the responses at a meeting between the Accounting Officers and the Permanent Secretary; consultation with the Heads of the ASPB Sponsor Divisions and the National Audit Office; and the views of the Principal Finance Officer. It also took into account feedback from recent attendees of the Civil Service College induction course.

Summary of Responses

i. Accounting Officer Consultation

4. **All the Executive ASPBs (13) plus the Local Government Boundary Commission were invited to comment. We had a positive response with only two of the bodies declining to comment. A brief summary of the comments received is set out below:**

Induction Training

5. Not all AOs opted to undertake the formal induction training provided by the Civil Service College. All of those who had received formal training attended the Civil Service College run course "An Introduction to Public Accountability for Chief Executives". The time scale within which they received the training varied considerably between three to eleven months after appointment. All considered the course material relevant but a number of additional topics were suggested including: training on the role of the Audit Committee and NAO; guidance on what sort of contact and questions can be expected from Assembly Members and officials; and advice to Chairs and Boards who come from the private sector without experience of public accountability.
6. A number of the replies suggested that induction and follow-up training should also be offered to Finance Officers and other senior ASPB officers in recognition of their important role in supporting the AO.
7. Despite the position on formal training all AOs had taken part in an informal meeting with the Permanent Secretary, accompanied by the Principal Finance Officer, soon after their appointment in which they discussed AO issues and responsibilities.

Ongoing Training

8. Very little follow-up training had been undertaken. Instead AOs commented that the material they received on appointment (the AO Memorandum) and information given by way of regular DAO (Dear Accounting Officer) and CEO (Chief Executive Officer) letters provided very important backup to their induction training. All, however, welcomed the Audit Committee's recommendation regarding regular update courses and all agreed that this should be of a practical nature based on case studies.

Being Kept Informed

9. Most felt that the channels of communication between AOs and the Assembly were satisfactory although some commented that meetings of AOs with the Permanent Secretary and of Finance Officers had become too infrequent. There was unanimous support for regular exchanges of views but opinion was divided as to how frequent they should be (quarterly, bi-annually or annually) and to the format. Suggestions included combining the annual Permanent Secretary/AO meeting with a training session involving all the AOs enabling them to keep up to date with the latest procedures and practices. One suggested the timetable of these sessions would depend on the work of the PAC, the Audit Committee and NAO activity generally. There was also enthusiastic support for an annual meeting of Chief Executives where more broad-ranging issues could be discussed.

ii) Feedback on Civil Service College Induction Course

10. Three newly appointed Accounting Officers had recently attended the Civil Service College induction course. The course had been redesigned to take fully into account the creation and requirements of the Assembly. Feedback received from the NAW observers was that it had been significantly tailored to the Welsh perspective. The Accounting Officers themselves commented that it was a first-rate course which met its objectives 'very well'. Real, practical examples were studied and they remarked that the opportunity for dialogue and to draw on the experience of other participants was most valuable.

Analysis of Results and Recommendations

i. Accounting Officer Consultation

4. The fact that many AOs had come from a public sector background or from positions where they had already acquired a thorough knowledge and experience of accountability in the public sector emerged as a reason why some of them did not take up the opportunity of formal induction training. They considered that the informal training they received was adequate taking into account the level of knowledge and experience they brought with them to the post. It is considered unacceptable to have a situation where AOs can decide whether or not they need to be trained. It is also a matter of concern that a small number of AOs had been in post for many months before receiving their training (11 months in one case). The Audit Committee will want reassurance that all AOs receive a standard level of basic induction training early in their appointment to equip them to carry out the responsibilities of their position. **We recommend that all newly appointed AOs should be required to attend the Civil Service College induction course within three months of their appointment. The Assembly Compliance Office should seek confirmation that such training has been undertaken and within the stated timescale.**
5. A small number of responses suggested that Finance Officers and other senior officers should be included in the induction training. Whilst we support the principle and would encourage them to take full advantage of the opportunity we are not inclined to insist that ASPBs go to added expense by making training for Finance Officers obligatory. This should remain a matter for individual ASPBs' discretion.
6. We noted that few of the serving AOs had undertaken any further formal training in relation to their AO role. Some cited their background and experience by way of an explanation but many offered no comment on the reasons for their lack of supplementary training. The AOs' unanimous support for the Audit Committee's recommendation on "refresher" training presents a good opportunity to address this apparent shortcoming. **We recommend therefore that the Assembly Compliance Office organise regular training sessions for Accounting Officers where, to take on board another of the recommendations of the Audit Committee, practical examples and case studies will be used to as the basis for the training. This will be best achieved through "whole group" sessions which will maximise the opportunity for dialogue enabling a productive exchange of views and good practice to be achieved.**

7. We received a very positive response on the proposal for regular exchanges of views with some constructive ideas being put forward but suggestions as to the format and frequency of the meetings varied considerably. We do not see a need to meet more than six-monthly but agree that the format and content of meetings will to some extent depend on Audit Committee and AGW activity. We would stress, however, that the need to carry out operations in a regular and proper manner with due regard to the need to secure value for money and in line with the principles established for the proper conduct of public business should be paramount at all times irrespective of investigations being undertaken by the NAO, the Audit Committee and the PAC. Acknowledging the key role Finance Officers play in supporting the accounting officers we also consider it important to include them in the process through reinstating regular Finance Officer meetings. We also agree that a meeting of the senior officers in their capacity of Chief Executives would be beneficial. **We therefore recommend that the Finance Group convene annual meetings of the AOs and separate annual meetings of the Chief Executives. We further recommend that an annual meeting of the Finance Officers should also be convened thereby maintaining regular contact with key staff within the ASPBs.**

ii) Civil Service College Induction Course

8. Feedback on the CSC course was very positive and we therefore have no plans to look for alternative providers of this type of training. We also consider that there is merit in our ASPB Accounting Officers receiving training which is offered to their counterparts in NDPBs and encompasses the requirements of the PAC whilst at the same time meeting the Assembly's own requirements.

Summary of Recommendations

9. In the light of these findings the following recommendations have been agreed:
- i. The requirement that all AOs, irrespective of their background and experience, attend the Civil Service College induction course within three months of appointment and that the Assembly Compliance Office follows up three months after appointment to confirm that the training has been undertaken.
 - ii. The Finance Group should develop a programme of separate annual meetings of AOs, Chief Executive Officers and Finance Officers in order to ensure regular contact between senior ASPB staff and Assembly officials.
 - iii. *To address the need for regular "refresher" training, those annual meetings will feature a standing agenda item dedicated to addressing identified training needs and disseminating best practice. The training sessions should be undertaken on a "whole group" basis to optimise the opportunity for dialogue between AOs and discussion of good practice. Similar arrangements will apply for the annual meeting of Finance Officers.*

