

Y Pwyllgor Cyfrifon Cyhoeddus Public Accounts Committee

Jocelyn Davies
Chair of the Finance Committee
National Assembly for Wales
Cardiff CF99 1NA



25 September 2014

Dear Jocelyn,

As you will be aware, the Public Accounts Committee is currently undertaking a series of sessions scrutinising the 2013-14 accounts of a number of publically-funded bodies. On Tuesday 23 September we scrutinised the accounts of the Commission of the National Assembly for Wales and, given that you are taking evidence from the Commission on their 2015-16 Budget on Thursday, 2 October, I thought I would write to give some initial reflections on issues arising from our session with the Commission.

Generally, the Committee welcomed the Commission's openness and the detail available in their accounts to satisfy ourselves that their budget had been used effectively.

The Commission benefited from a financial settlement in 2013-14 that was far more generous than other bodies funded from the Welsh Block. We heard that this had allowed the Commission to make investments that would allow savings to be realised in future years, particularly in information technology and translation services. Your Committee may wish to consider where the demands on the Commission's Budget will be lessened by prior years' investment and if efficiencies will indeed be realised.

The Committee had a number areas of particular concern around the Commission's use of resources: one relating to an incidence of fraud, which led to £104,000 of the Commission's Budget being lost due to a mispayment caused by deception; the second was in the management of a payroll project, where overall project costs were expected to be £100,000, or 25 per cent, greater than had been anticipated. While the Commission indicated that new practices had been put in place to monitor payments and strengthen project management, your Committee may wish to satisfy itself that the lessons learned preclude similar issues arising again in future years.

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In addition to the above the Commission's policy of delivering its outturn within one per cent of its Budget was examined. Members questioned whether such a policy promoted more maximalist spending practices within the set Budget, rather than achieving greatest value for money for the taxpayer. The Commission were confident they had not spent their Budget unnecessarily, but you may wish to explore whether this policy fails to incentivise economical use of public money – and whether therefore a smaller Budget may be necessary to achieve reduced public expenditure.

Finally, we discussed that it would be helpful for your Committee to bear in mind the large variance in many cases between the Commission's Budget, both as Approved and as Revised, and the Final Outturn reported in their accounts. The Commission argued that this did not reflect poor budgeting practices, as underspends had been identified and reallocated effectively during the year. However, you may wish to seek assurances that the Budget you scrutinise and ultimately approve is an accurate forecast of how the Commission expects to use its resource in the next financial year.

I trust that this is helpful in supporting your Committee's scrutiny.

Kind regards,



Darren Millar AM
Chair

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