

National Assembly for Wales
Public Accounts Committee

Scrutiny of Accounts 2014-15

December 2015

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Public Accounts Committee

The Committee was established on 22 June 2011. The role of the Public Accounts Committee is to ensure that proper and thorough scrutiny is given to Welsh Government expenditure. The specific functions of the Committee are set out in Standing Order 18. The Committee will consider reports prepared by the Auditor General for Wales on the accounts of the Welsh Government and other public bodies, and on the economy, efficiency and effectiveness with which resources were employed in the discharge of public functions.

Current Committee membership:



Darren Millar (Chair)
Welsh Conservatives
Clwyd West



Mohammad Asghar
Welsh Conservatives
South Wales East



Jocelyn Davies
Plaid Cymru
South Wales East



Mike Hedges
Welsh Labour
Swansea East



Sandy Mewies
Welsh Labour
Delyn



Julie Morgan
Welsh Labour
Cardiff North



Jenny Rathbone
Welsh Labour
Cardiff Central



Aled Roberts
Welsh Liberal Democrats
North Wales

Contents

Chair's foreword.....	5
The Committee's Recommendations.....	6
1. Introduction.....	13
2. National Library for Wales	14
3. National Museum Wales	24
4. Assembly Commission	37
5. Sport Wales	52
6. Welsh Government Consolidated Accounts 2014-15	59
Annexe A - Witnesses	70

Chair's foreword

Scrutiny of accounts is a relatively new piece of work for the present Public Accounts Committee with this year being only the second occasion this work has been undertaken. The Committee has remained keen to ensure sufficient scrutiny of the way in which public money is used by the Welsh Government and the National Assembly for Wales and a number of other public organisations.

This autumn, aside from the Welsh Government and the National Assembly for Wales, the Committee scrutinised the accounts of the National Library for Wales, National Museum Wales and Sport Wales. Each organisation was invited to evidence sessions with the Committee. This work provide the Committee with an opportunity to not only examine the accounts but also explore issues of governance and financial management. A cross cutting theme across the accounts this year has been the focus of all public organisations to improve public accessibility to their accounts while balancing this against the need for transparency and detail.

This report summarises our work and findings, and makes a number of recommendations which seek to improve governance, make reporting more transparent and deliver better value for money. In addition, there are specific recommendations to the work of each organisation. I trust that the recommendations we have made will be of use to the organisations concerned.

The Committee believes that scrutiny of accounts should remain a feature of the Public Accounts Committee in the next Assembly.

Darren Millar AM
Chair

The Committee's Recommendations

The Committee's recommendations are listed below in the order that they appear in this Report. Please refer to the relevant pages of the report to see the supporting evidence and conclusions:

Recommendation 1. The Committee welcomes the National Library's action plan in response to the findings of the PricewaterhouseCoopers review and that four of the eleven recommendations have been responded to in completeness. The Committee notes that the Auditor General for Wales is taking forward work on governance which will consider the response by the National Library to the PricewaterhouseCoopers review. In considering its response to the findings of the PricewaterhouseCoopers review, the Committee recommends that consideration be given to the processes the National Library has in place for the declarations of interests at Board level and ensure these are robust to prevent conflicts of interest arising. (Page 22)

Recommendation 2. The Committee has concerns about the National Library's approach to its pursuit of litigation against the contractors responsible for a fire at the Library in April 2013. We are not convinced that sufficient evaluation has been undertaken to assess the costs of litigation against the likelihood of a successful case to ensure value for money is achieved, particularly bearing in mind that the Welsh Government has since funded repairs to the library's roof. It was not clear from the evidence received by the Committee that the National Library is likely to recuperate its legal fees and the Committee believes that this needs to be clarified. (Page 22)

Recommendation 3. The Committee is of the view that the fire of 2013 raises questions regarding the National Library's insurance arrangements and we recommend that these be reviewed as a matter of urgency to ensure future arrangements are cost effective and minimise losses to the public purse. (Page 22)

Recommendation 4. The Committee believes that there is a need for greater clarity around the National Library's insurance arrangements and we recommend that discussions take place with Welsh Government to address this. (Page 23)

Recommendation 5. The Committee notes that the National Library appears to operate a generous pension and severance scheme compared to other Welsh public sector organisations. The Committee believes that the sustainability of the scheme needs examination, particularly in the current economic climate, and recommend that the National Library reviews this. (Page 23)

Recommendation 6. The Committee notes that the National Museum's financial report includes seven high level indicators relating to a key objective from the Museum's "Vision Map". However, we are concerned that some of the performance targets are not sufficiently challenging particularly where targets have been lowered from last year. (Page 35)

Recommendation 7. Although we note the changes faced by the National Museum, and the impact these have had on performance, we recommend that the National Museum review these targets next year and set aspirational targets that are more challenging in order to drive forward improvement and change. (Page 35)

Recommendation 8. The Committee acknowledges that consideration is being given by the National Museum to charging for specific services but we believe that any charges must not impact of this on the Welsh Government's policy on free admission to Museums in Wales. We accept and fully endorse the reassurances provided to us by witnesses that the National Museum will maintain its commitment to inclusion and diversity. We recommend that revenue should not replace income the Museum might lose in the form of grant aid from the Welsh Government and that there should be transparency regarding how it is used by the Museum. (Page 36)

Recommendation 9. The Committee notes the National Museum's pension and severance scheme appears to be an outlier in relation to other Welsh public sector organisations. Setting this against the current pay dispute with the Museums lowest paid staff, the Committee are concerned about the negative impact this has had on the public's perception of the National Museum particularly in light of recent pay outs to the Museum's senior staff while there appear to be cuts in pay to the Museum's lowest paid staff. We acknowledge the work being undertaken by the National Museum to resolve disputes over pay and to improve equal pay across the organisation. (Page 36)

Recommendation 10. The Committee are concerned about some of the issues raised in the National Museum's staff survey particularly in terms of bullying and harassment and the overall low level of staff morale. However, the Committee welcomes the work being undertaken by the Museum's senior management team to address these concerns and the seriousness with which these matters are being addressed. The Committee recommends that the Museum continue with this work and undertake a further staff survey at an appropriate time to assess whether the actions being taken are leading to improvement and to identify areas if and where further improvement is required. (Page 36)

Recommendation 11. The Committee are pleased with some of the changes the Assembly Commission has made to the presentation of its accounting documents to improve public accessibility and transparency. The Committee welcome the use of a traffic light system to show performance at a glance and the use of infographics and 'digestible pieces of information'. However, we recommend that the Assembly Commission give consideration to including a summary document as part of its future presentation of its accounts. (Page 49)

Recommendation 12. The Committee welcomes the work being undertaken by the Assembly Commission to meet the requirements of the Treasury in terms of ensuring reports are more streamlined and transparent. The Committee recommends that this work is closely reviewed and monitored to ensure these objectives are met. (Page 49)

Recommendation 13. The Committee considered concerns raised regarding the accessibility of the Assembly's website particularly given the importance of the online information in terms of engaging with the public. The Committee welcomes the Assembly Commission's commitment to addressing this issue and recommend that this work be undertaken as a matter of urgency to ensure the Assembly's website is as user friendly and accessible as possible. (Page 49)

Recommendation 14. The Committee focused on its previous concerns regarding the Assembly Commission's continued ambition to always spend within one per cent of the budget. The Committee pursued this matter again and heard the explanation for this approach given by the Assembly Commission's Chief Executive. The Committee notes that this approach is being maintained but is unconvinced that the approach is delivering maximum efficiency in the use of resources. The Committee recommends that the Assembly Commission carefully

monitors this approach and where significant inefficiencies are found these resources should be returned to the public purse. (Page 49)

Recommendation 15. The Committee discussed the Assembly Commission's approach to staffing, while staff sickness absence is below the public sector average, we are concerned that levels are above the Assembly Commission's target. We note the Assembly Commission's disappointment with these figures but welcome the introduction of Human Resources business partners to work with line managers to improve absence management. The Committee recommends that sickness absence levels continue to be carefully monitored to ensure action being taken is having a positive impact and to identify where further work may be necessary. (Page 50)

Recommendation 16. In giving oral evidence the Assembly Commission informed the Committee that there were no plans to run a severance scheme although we understood that the future running of a scheme was not ruled out. In a further letter to the Committee, we have been informed that the Assembly Commission will be running a severance scheme in this financial year. The Committee welcomes the assurances it has been provided with in terms of the work that has been undertaken to consider whether a scheme is necessary and the purpose of the scheme. The Committee recommends that it be provided with an update by the Summer of 2016 on the progress of the scheme and further detail of how the planning of the scheme has taken into account the recommendations arising from the Assembly Commission's Internal Audit review of its previous schemes and from the Value for Money study undertaken by the Wales Audit Office on severance schemes. (Page 50)

Recommendation 17. The Committee considered the fraud incident that occurred in 2013 - 14 and the subsequent impact this had on the 2014-15 accounts; specifically a loss of £29,000 in 2013-14 and £71,000 in 2013-14. The Committee is disappointed that only a small amount of these losses can be recuperated and remain concerned that the processes in place at the time were insufficiently robust to prevent the fraud from occurring. The Committee were particularly concerned that it took a period of 3 months before the fraud was detected. However, we note the action taken by the Assembly Commission to strengthen its controls around the recording of and verification of its supplier's data. The Committee recommends that Assembly Commission regularly monitors and reviews its controls within this

area to ensure that such controls remain robust. We recommend that communication is maintained with other public sector organisations to ensure intelligence and good practice is shared to assist in preventing future fraud incidents occurring in the future. (Page 50)

Recommendation 18. The Committee examined Sport Wales' governance framework controls and specifically the appointment of Board Members. The Committee wish to highlight the importance of diversity on the board and the need for the board to consist of the right skills set. The Committee welcomes the work being undertaken to achieve this and recommend that Sport Wales maintains its commitment to improving the diversity of its board and achieve its target of a 50:50 gender ratio balance by 2020. (Page 58)

Recommendation 19. The Committee considered Sport Wales' internal governance framework and note the work undertaken by Sports Wales to ensure the framework provides the Accounting Officer with the necessary assurances for the approval of the Annual Accounts. The Committee acknowledges that Sport Wales' internal audit work programme has identified control issues but are satisfied with the work undertaken by Sport Wales to address these issues. (Page 58)

Recommendation 20. The Committee notes the risks identified in Sport Wales' Annual Report and the work being undertaken by Sports Wales to manage these risks. The Committee welcome the innovative solutions identified by Sport Wales to address risk and recommend that these solutions are carefully monitored to ensure risks are mitigated and where they are not to identify barriers to preventing risks early on. (Page 58)

Recommendation 21. In following up its recommendation from its scrutiny of the 2013-14 accounts, the Committee considered the Welsh Government's approach to improving the presentation of its accounts to ensure that information is readily understandable and accessible to the public. The Committee notes that the Welsh Government has not yet made any major changes to the presentation of its accounts but note its intention to deliver on its commitment to do so. The Committee recommends that the Welsh Government focus on streamlining its accounts to meet its commitment to produce a simpler set of accounts with a stronger narrative by the next account period. The Committee expects to see significant changes arising from the

Welsh Government's streamlining project and recommends that more detail, in appendices if necessary, is needed within the accounts regarding expenditure analysis and that future accounts should include more details of grants awarded by the Welsh Government listed under programme expenditure. (Page 68)

Recommendation 22. In terms of improving public accessibility to and transparency of the Welsh Government's Accounts, the Committee recommends that the Welsh Government give consideration to adding links to its online accounting documentation that demonstrate the flow of funding from Welsh Government to other public sector organisations to enable the public to be able 'to follow' the money and identify how the Welsh Government allocates funding. (Page 68)

Recommendation 23. The Committee gave consideration to the Welsh Governments approach to sustainability and note that while the majority of indicators contained within the Welsh Government's accounts show a continued reduction in carbon emissions or waste tonnage, apart from a large fall in electricity consumption, energy consumption has not been reduced in recent years. Although the Committee were told that waste figures contained in the accounts were reasonable we believe additional work should be undertaken to ensure the Welsh Government is operating sustainably. We recommend that Welsh Government review its approach to reducing energy consumption across its estate and explore innovative options to achieving this. (Page 68)

Recommendation 24. The Committee raised concerns regarding the Welsh Governments approach to project management and specifically issues relating to the processes it has in place for reviewing contracts prior to their expiration to ensure the best value for money options are identified and taken forward. The Committee notes that the Welsh Government has established a work stream under the 'Preparing for the Future' programme to establish to identify issues within the Welsh Government's procurement processes and to ensure best value for money is achieved. However, we agree with the Welsh Government that this work is ongoing and is an area where improvement is necessary. The Committee recommends that the Welsh Government provides the Committee with regular updates on the progress of this work. (Page 69)

Recommendation 25. The Committee considered the Welsh Government's approach to Grants Management and believes that there are still examples of where grant management processes need improving. The Committee will continue to monitor the Welsh Government's approach to Grants Management. (Page 69)

1. Introduction

1. In 2014, the Public Accounts Committee scrutinised the annual accounts of a number of bodies for the period 2013-14. That was a new area of work arising from the Committee's review of its ways of working in 2013-14. The Committee is keen to ensure that there is sufficient scrutiny of the way in which public money is used by the Welsh Government, the National Assembly for Wales and a number of separate public bodies. The Committee agreed that it will undertake this work on an annual basis, potentially with different organisations.
2. In addition to the Welsh Government and the National Assembly for Wales's Commission, the Committee for the first time this year, considered the accounts of the National Library for Wales, National Museum Wales and Sport Wales for the period 2014-15.
3. The Welsh Government has the largest budget of the accounts scrutinised by the Committee, and its budget of over £15 billion is approved by the National Assembly from the Welsh Block Grant.
4. The National Assembly for Wales's Commission is the corporate body which provides the support for the National Assembly in undertaking its functions, and is funded by the Welsh Block Grant, as voted for by the National Assembly. It is comprised of the Presiding Officer and four Assembly Members nominated by the main political parties represented in the National Assembly.
5. As a member of the National Assembly's Commission, Sandy Mewies AM was excluded under Standing Orders from considering issues before the Public Accounts Committee relating to the Assembly Commission. She absented herself from the Committee's evidence session with the Assembly Commission, and has not participated in the Committee's discussions of the Commission's Accounts.
6. The Committee's findings arising from its scrutiny of each organisation's accounts are detailed in this report.

2. National Library for Wales

Background

7. The accounts of the National Library for Wales¹ (The Library) are subject to audit by the Auditor General for Wales, and the unqualified audit opinion was signed on the 10 July 2015. However, as with most audits, the introductory narrative was not subject to audit although the auditor does consider whether there are material inconsistencies with the accounts.

8. The Library was established by Royal Charter in 1907. Supplementary Charters were given to the Library in 1911, 1978 and 2006. In July 2013, the Board of Trustees passed a Special Resolution to amend and alter the Statutes of the Royal Charter. The Library is also a registered charity and a Welsh Government Sponsored Body. The Library's primary objective is:

“...to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research and learning.”²

9. The Welsh Government send an annual remit letter³ to the Library, giving the Government's view of expectations in terms of the strategic direction, priorities and associate funding. The Library produced an action plan for 2014-15 and the strategy sets out the following key objectives for 2014-15:

- Lead a national debate on the potential for establishing a National Archive of Wales;
- Proactively develop commercial opportunities and investigate new income streams;
- Develop a Community Partnership Programme with others in the public sector and contribute to international research;
- Develop the Conservation and Digital Preservation Service for Wales' Documentary Heritage Project.⁴

¹ [National Library of Wales, Annual Accounts 2014-15](#)

² [Royal Charter 2006, paragraph 4](#)

³ [Welsh Government annual remit letter 2014-15](#), (February 2014)

⁴ [National Library of Wales, Strategic Plan, 2014 - 2017](#)

Governance and Strategy

10. The Library's Governance Statement sets out that a formal Governance Framework was adopted by the Board of Trustees in September 2013, along with an Assurance Framework relating to Risk Management. The Library's Board of Trustees has eight trustees appointed by the Welsh Government and seven by the Library. The Library has only one standing committee, the Audit Committee.

11. In May 2015, the then Chief Executive and Librarian asked internal auditors to undertake a compliance review of Procurement and Goods and Services in the Public Services Department in response to concerns that rules and guidelines had been broken.

12. The internal audit report highlighted that despite a well-defined control framework, "there was substantial evidence on non-compliance with the financial regulations which had led to the failure to achieve value for money". A senior manager and one other member of staff were demoted by the then Chief Executive and Librarian, which led to an Employment Tribunal hearing where it was decided that both claimants had been unfairly dismissed and both had contributed to their dismissal.

13. Prior to the tribunal, one of the officers had resigned from their post and the other applied successfully for voluntary redundancy and left the services of the Library at the end of March 2015.

14. Following the tribunal, one member of staff received a compensation payment of £71,890 and the other a redundancy payment of £53,498, and a compensation payment of £28,460.

15. The Board of Trustees commissioned PricewaterhouseCoopers (PwC) to review the Library's disciplinary policy and other matters. The report, published in July 2015, concluded:

"Our review has identified that the disciplinary process and the subsequent claims and Employment Tribunal could have been handled more effectively. There are matters identified in the review that relate to the governance and culture of the Library, which unless addressed, may inhibit the Library's ability to move forward."

16. Other key findings included:

- The library's policies and procedures did not facilitate the effective handling of the issues identified;
- Management skills and competencies need to be further developed;
- Performance management and staff appraisal processes are not being robustly and consistently applied to drive improvement; and
- The culture needs to change in order for the library to move forward.

17. The Committee questioned witnesses on the actions taken to address the findings of the PwC report and were informed that:

“There were eleven recommendations made by PwC in that governance report, all of which were duly accepted by the board...the board instigated or created a taskforce consisting of various members of the board of trustees, together with an executive member of staff, who have then gone on to deal with those recommendations.”⁵

18. Furthermore:

“...out of the eleven recommendations, four have already been completed and the other seven are ongoing, several of which are out to consultation with unions and at that sort of stage. So, there's been a fair degree of progress made in a reasonably short period of time, which the board was pleased to note.”⁶

19. The witnesses clarified that the responses to the four recommendations that had been completed were with regard to training and guidelines for staff on appraisal; the declaration of interests being clearly recorded on an ongoing basis, the performance appraisal of the then Chief Executive and Librarian and a core programme of training and development for managers with specific training on procurement and training.⁷

20. During questioning the Committee explored further the concerns raised in the PwC report regarding the declaration of interests by the Board of Trustees. Specifically the concerns that were raised regarding

⁵ Record of proceedings (RoP), paragraph 6, 22 September 2015

⁶ RoP, paragraph 6, 22 September 2015

⁷ RoP, paragraph 38, 22 September 2015

one of the National Library's Board Members being a partner at the legal firm Geldards – the legal firm that was instructed to act in respect of the Library's tribunal case. Members sought clarification as to whether this Board Member was present when the decision was taken by the Board to award the contract to Geldards.

21. The Committee were told that the Board Member had “excluded himself from all discussions to do with any matters relating to Geldards”.⁸ However, Members further examined the procurement of legal services from Geldards. It was explained to the Committee that a joint procurement exercise was undertaken with the National Museum for Wales to procure legal services about 3 years ago with Geldards being the successful company.⁹

Approach to Financial Management and Funding

22. The Welsh Government provided unrestricted grant-in-aid of £10.541 million to the National Library in 2014-15, this was an increase of £420,000 on 2013-14. Note 2 to the accounts states that £600,000 additional grant-in-aid was received during 2014-15 and that grant-in-aid will be reduced to £300,000 in 2015-16. Note 12 states that *Invest to Save* funding will be paid through reduced grant-in-aid in 2015-16.

23. The 2015-16 remit letter from the Welsh Government, in January 2015, indicated that at the time £10.141 million unrestricted funding would be made available in 2015-16.

24. In 2014-2015, the Welsh Government also provided £4.088 million restricted capital grants. The Library also received £1.684 million public grants and £572,000 trading income. Other income sources are donation and bequests, £1.244 million and investment income of £188,000.

25. The Library's fund balances at the end of 2014-15 were over £88 million, up by more than £3 million on 2013-14, however, only £15 million of these are cash backed usable reserves. The Library's private restricted funds can only be used in accordance with any stipulated terms of each specific bequest.

⁸ RoP, paragraph 29, 22 September 2015

⁹ RoP, paragraph 33, 22 September 2015

26. The Committee wished to establish how the Library manages its unpredictable resources to ensure best value for money and utilises unpredictable income such as donations, bequests and investment income.¹⁰

27. The Committee were informed that:

“...because of the cash carry-over rules, it’s very difficult to have a reserves policy for the bulk of our expenditure, the revenue costs, but what we do have are private funds, which have come from donations and legacies over the years. So, what we plan to do is use those private funds to subsidise our running costs and our capital expenditure over the coming years, and also, we’ve got plans to make bids to the Lottery for some fairly big schemes, so we’ll be able to use our private funds as match funding.”¹¹

28. The Committee were also told that:

“We had a big legacy in the previous year, which you obviously can’t predict, but we will be drawing out substantial sums, between £700,000 and £900,000 per annum over the next 5 years to subsidise the Library’s activities.”¹²

Staff restructuring and Pension Scheme

29. The Library launched a corporate restructuring programme in September 2014 in response to reductions in grant funding and the changing needs of users, potential users and stakeholders. The Library offered a voluntary severance scheme to its staff during the year and 9 staff left before 13 March 2015 at a cost of £601,544. A further 18 staff accepted the terms of the scheme and will leave during the 2015-16 financial year at a cost of £752,230. All these costs are accounted for in the 2014-15 accounts. The Library received *Invest to Save* funding of £500,000 in relation to this severance scheme.

30. The Auditor General for Wales (AGW) report, *Managing early departures across Welsh public bodies*,¹³ published in February 2015 provided a number of recommendations and comparative information.

¹⁰ RoP, 22 September 2015, paragraph 156

¹¹ RoP, 22 September 2015, paragraph 157

¹² RoP, 22 September 2015, paragraph 157

¹³ [The Auditor General for Wales Report, Managing early departures across Welsh public bodies](#) (February 2015)

The figures above suggest that the average cost of the Library's severance scheme was £50,140 per departure. This is more than double the average figures identified in the AGW's report, although only slightly higher than the average for Welsh Government. However, it is difficult to draw direct comparisons between these figures, there are numerous reasons why early departure package costs vary between sectors and individual public bodies and it must be noted that these figures compare different time periods.

31. The Library operates a funded pension scheme which is a defined benefit pension scheme providing benefits based on final pensionable pay at a normal retirement age of 60. The assets of the Scheme are held separately from those of the Library and are invested with Legal and General. The latest actuarial valuation was at 31 March 2013. The Library's contribution was reduced to 20.6% of pensionable salary, with a further 6% of pensionable pay from staff as a basic contribution through salary sacrifice arrangement.

32. In its Annual Accounts 2014-15, the Library notes that changes were required to its pension scheme to ensure that it was "sustainable" in line with the Hutton report.¹⁴ The accounts state that:

"The fact the Scheme was fully funded did not seem to factor in the assessment and Trustees were concerned to learn that the changes that have been made to the Civil Service Pension Scheme had resulted in a rate increase of 2% higher than the Library in employers contributions. The Library is seeking to be exempted from these changes, and an application has been submitted to Welsh Government and the Treasury."¹⁵

33. Given these figures, the Committee raised concerns that the Library's voluntary severance payments are much higher than the public sector average. In response, the Library informed the Committee that:

"The payments are higher, but we are using an old system of the civil service that goes back many years. We are also aware that the scheme is very expensive."¹⁶

¹⁴ [Independent Public Service Pensions Commission: Lord Hutton of Furness](#) (March 2011)

¹⁵ The National Library of Wales Accounts 2014-15, paragraph 7.4

¹⁶ RoP, paragraph 253, 22 September 2015

34. The Committee were told:

“We have changed the scheme somewhat over the last year, with people who are approaching retirement age. We’ve changed the scheme so that once they’re over 57, they lose a month of redundancy for every month that they work. So, by the time they reach 60 years of age, they’ll get six months of redundancy pay. So, we’ve changed the scheme somewhat but the scheme is an expensive one.”¹⁷

35. Members were concerned that the scheme had not been changed prior to staff being made redundant and this seemed to benefit those staff who were leaving. Member also challenged the sustainability of a pension policy that allows staff to retire aged 60.

36. The witnesses explained that:

“We’ve looked at the pension scheme over the years and assessed the options, and actually changing the retirement age doesn’t make that much difference, because, if people get to 60, they might have worked for 20 years and they get a pension based on 20 years of service. If their retirement age is 65, they get a bigger pension because they’ve worked 25 years perhaps, so they get a bigger pension for a shorter period. So, we have looked at this and it doesn’t actually make an awful lot of difference to the costs of running the scheme, but it is an option.”¹⁸

37. Members expressed concerns regarding the generous nature of these pension and voluntary severance arrangements and that they seemed to be “extraordinary” even by public sector standards. The Committee identified the Library as an outlier by a significant margin in terms of the scale and size of the average costs of each departure in the organisation – only second to the National Museum of Wales.

The Fire of April 2013

38. Note 22 of the 2014-2015 accounts refers to the Library having instructed its legal advisors to pursue a claim for costs against a contractor that was responsible for causing a fire that occurred at the Library in April 2013. However, it is considered that the outcome of

¹⁷ RoP, paragraph 254, 22 September 2015

¹⁸ RoP, paragraph 261, 22 September 2015

this litigation is too uncertain to recognise any costs recovered in the accounts. £39,000 of roof expenditure relates to the legal and other costs incurred during the year in relation to the fire on the roof. The contractors who unintentionally started the fire went into liquidation in 2013 and the accounts do not refer to the contractor's liability insurance.

39. The Committee examined the value for money judgements made by the Library in pursuing litigation in relation to the fire of 2013 and asked for an update on the claim against the contractor that was responsible for causing the fire. The Committee asked about the likelihood of successfully reclaiming funds in excess of the legal costs and whether any assessment had been undertaken of whether the claim was likely to be successful.

40. The witnesses confirmed that to date legal fees amounted to £75,000 and that due to rules on Government indemnity, the Library is unable to take out commercial insurance and therefore has full responsibility for the costs of the legal case.¹⁹ The Committee were told that the Library's board had questioned the executive on whether the Library had spent more on legal fees than they were going to recuperate:²⁰

“There are several legal cases that could be brought and this is a case against the company in liquidation... We've also asked the Welsh Government recently about two possible courses of legal action: one is against the insurers of the company and one is against the insurers of the architect who was supervising the contract. Now potentially, we could put in big claims against those insurers, but it would be very expensive to run.”²¹

41. They added:

“We've got options to go after the insurers, but we could end up spending £0.5million on those cases, and we've said to the Welsh Government that we're not prepared to commence that legal action unless the Welsh Government would actually

¹⁹ RoP, paragraphs 41–43, 22 September 2015

²⁰ RoP, paragraph 54, 22 September 2015

²¹ RoP, paragraph 56, 22 September 2015

underwrite the cost, because we can't afford that kind of cost."²²

42. The Committee notes that the Welsh Government has funded a programme of repair works at the museum which included the necessary repairs to the library's roof.

Our View

The Committee welcomes the National Library's action plan in response to the findings of the PricewaterhouseCoopers review and that four of the eleven recommendations have been responded to in completeness. The Committee notes that the Auditor General for Wales is taking forward work on governance which will consider the response by the National Library to the PricewaterhouseCoopers review. In considering its response to the findings of the PricewaterhouseCoopers review, the Committee recommends that consideration be given to the processes the National Library has in place for the declarations of interests at Board level and ensure these are robust to prevent conflicts of interest arising.

The Committee has concerns about the National Library's approach to its pursuit of litigation against the contractors responsible for a fire at the Library in April 2013. We are not convinced that sufficient evaluation has been undertaken to assess the costs of litigation against the likelihood of a successful case to ensure value for money is achieved, particularly bearing in mind that the Welsh Government has since funded repairs to the library's roof. It was not clear from the evidence received by the Committee that the National Library is likely to recuperate its legal fees and the Committee believes that this needs to be clarified.

The Committee is of the view that the fire of 2013 raises questions regarding the National Library's insurance arrangements and we recommend that these be reviewed as a matter of urgency to ensure future arrangements are cost effective and minimise losses to the public purse.

²² RoP, paragraph 58, 22 September 2015

The Committee believes that there is a need for greater clarity around the National Library's insurance arrangements and we recommend that discussions take place with Welsh Government to address this.

The Committee notes that the National Library appears to operate a generous pension and severance scheme compared to other Welsh public sector organisations. The Committee believes that the sustainability of the scheme needs examination, particularly in the current economic climate, and recommend that the National Library reviews this.

3. National Museum Wales

Background

43. The National Museum Wales (The Museum) was established by Royal Charter in 1907 and is a registered charity. The Charter was revised in 1991 and 2006.²³

44. The Museum directly operates seven sites across Wales: National Museum Cardiff; St Fagans National History Museum; Big Pit National Coal Museum; The National Roman Legion Museum; The National Slate Museum; The National Wool Museum; and the National Waterfront Museum (jointly owned with The City and County of Swansea Council). The National Collections Centre in Nantgarw is open to the public by appointment.

45. The Museum's priorities are set out in the *Vision* launched in 2005-06 but the Museum consulted on a new 10 year *Vision for the Future* in March 2015 to update these priorities. The five commitments consulted upon were:

- Changing lives, by working with local and national organisations to create a happier, healthier, and more sustainable Wales, with access to culture for all, and a thriving economy (Making a difference to Wales);
- Visitors experience high quality museums, exhibitions and public spaces for enjoyment and learning (Museum experience);
- Users experience a connected and accessible digital museum for engagement, creativity and learning (Online experience);
- Everyone has a wealth of opportunity to learn, research and create (Learning and Creativity); and
- Individuals, families and communities throughout Wales and beyond, shape and take part in inclusive and accessible cross-cultural activities (Participation and Inclusion).²⁴

46. The Welsh Government send an annual remit letter²⁵ to the Museum. This gives the Government's view of expectations in terms of the strategic direction, priorities and associated funding.

²³ [Royal Charter 2006](#)

²⁴ [Vision for the Future](#), March 2015

47. Each year the Museum publish an operational plan²⁶ outlining detailed plans for the financial year ahead as a response to this remit letter. This Plan sets out how the Museum's Priorities feed into supporting Welsh Government Strategies.

Performance

48. The Museum's financial report²⁷ includes seven high level indicators each relating to a key objective from the Museum's "Vision Map". All indicators are above the target rate, except for the number of hits to websites. How the Webhits indicator is calculated changed last year to eliminate automated webhits.

49. Witnesses elaborated on these performance measures:

"We have a number of measures of success or—I hope not—failure. We both benchmark ourselves against other national museums and also identify qualitative and quantitative measures of success, and, obviously, visitor numbers is one of those. So, it goes from the really hard data around finances and numbers of people who visit, through to evaluations of education programmes and very qualitative work."²⁸

50. Members were concerned however as to whether the performance targets were sufficiently challenging particularly given that in some instances these targets had been lowered from the previous year. The witnesses explained:

"I think one has to bear in mind that, in real terms, our budget has declined by over 25 per cent since 2010-11. So, what we're doing is working very hard against a smaller income base to continue to sustain our visitor numbers and our services."²⁹

51. They added:

"...we did discuss the targets with the Welsh Government—and they do challenge us as well on those targets—but they were the targets that we agreed when we took into account the factors that were operating around us. We don't believe that

²⁵ [Welsh Government annual remit letter 2014-15](#), January 2014

²⁶ [National Museum Wales Operational Plan 2014-15](#)

²⁷ [National Museum Wales Annual Report 2004-15](#)

²⁸ RoP, paragraph 291, 22 September 2015

²⁹ RoP, paragraph 293, 22 September 2015

we're setting unchallenging targets. I think that we are, however, challenging our staff to beat them, and I think it is a positive that we are managing to do that in many areas."³⁰

Approach to Financial Management and Funding

52. The Museum's annual remit letter sets out the grant-in-aid funding planned to be made available for the forthcoming financial year. In 2014-15 this funding amounted to £23 million revenue, £538,000 for Specimen purchase and £2.4 million capital. Additional grants of £1.65 million were received from the Heritage Lottery Fund, Welsh Government, Arts Council of Wales, European Union and Cardiff Council. Donations and bequests added a further £3.25 million, although the majority of these funds were restricted in terms of their usage.

53. The Museum was subject to an in-year cut in grant-in-aid funding of £200,000.³¹ This was reported in the press in September 2014 and was delivered in the February 2015 Welsh Government Supplementary Budget.

54. Any unspent non grant-in-aid grant income is carried over to the following year. Net cash held at the end of the year was £6.1 million, up from £4.1 million on 1 April 2014.

55. The remit letter provided by the Welsh Government highlights how crucial it is for cultural bodies to identify and exploit a wider range of funding sources to supplement grant-in-aid received from the government. This should include new and innovative methods of income generation as well as looking to the wider public and private sectors.

56. To understand how the Museum gets best value out of their unpredictable resources, Members questioned the witnesses on whether they were subject to any changes to grant in aid from the Welsh Government during the 2014-15 financial year and if so when were they made aware of these changes. Members also sought clarification of how the Museum manages such in year changes to ensure its resources are utilised efficiently and queried whether they would be looking elsewhere for other revenue streams to develop.

³⁰ RoP, paragraph 299, 22 September 2015

³¹ [Museums Journal, 24 September 2014](#) (Accessed 26 November 2015)

57. It was explained that one of the current major areas for income generation for the Museum is the St Fagans project. The Committee were told:

“We’ve got just short of £3 million that we’re trying to raise from sponsorship and fundraising, over and above the money from Welsh Government and the Heritage Lottery Fund. We’ve managed—well, last year, we got just short of £2 million from additional sources; we’re about £500,000 short of our target for St Fagans.

“So, we’re 97 per cent, 98 per cent there. So, that’s been a major area of fundraising.”³²

58. They added:

“...in terms of our income overall, we’ve always generated about £1 million, just from grants that come from other bodies to carry out work. What we’ve done over the last two years is to actually set specific targets for research income, which is net income, not simply turnover. And, for the first time, we set targets for revenue fundraising. So, by 2017-18, from a zero base, we anticipate that that will be £0.5 million, or more. Equally, with net research income, we currently have a turnover of about £1.2 million, but, in terms of net, it’s less than £100,000. So, we’re moving now to a target of £400,000 a year.”³³

59. The witnesses indicated that consideration was being given to charging for specific services explaining that these would clearly need to be value added services. Given that the Museum remains committed to free entry,³⁴ they advised that some of these charges could be on entry to specialist exhibitions.³⁵

60. In response Members raised concerns this could undermine the Welsh Government’s policy on free admission to Museums. However, the witnesses offered reassurances that inclusion and diversity, as well as overcoming the barriers that many people face in using cultural institutions, remained important but:

³² RoP, paragraph 309, 22 September 2015

³³ RoP, paragraph 41, 22 September 2015

³⁴ RoP, paragraph 313, 22 September 2015

³⁵ RoP, paragraph 314, 22 September 2015

“...we should use opportunities for earning income where we can, and then try to apply that, to be able to do more work, and be able to extend our services for the groups that we’re targeting, who are under-represented as visitors – geographically and in other ways.”³⁶

61. They added:

“...the key thing is that we stick with our core purpose, and our new vision, is that we should inspire people and change lives. And both those two elements are crucial in this. I fundamentally believe that museums have an ethical responsibility to their public – in our case, the people of Wales – and our major, major task is to make a difference to Wales, in the positive whether it’s economic, environmental, health and well-being, creative industries. So, all of our work is directed to that, to achieving that.”³⁷

62. The witnesses confirmed that there were plans to charge admission for some exhibitions:

“We’re about to experiment with a charge for the Treasures – adventures in Archaeology exhibition, which will open in January at Cathays Park. It will have the crystal skull and the hat, coat and whip from the Indiana Jones movies in it. It’ll have a mummy, it’ll have an allegedly cursed ring, which was given to Rider Haggard and inspired King Solomon’s Mines, and many other things that we think will be very attractive to the public. So, we will make a charge for that exhibition, with concessions.”³⁸

63. The Committee were keen to establish whether the revenue charge generated from such exhibitions would be reinvested specifically for designated purposes by the Museum and that this would not replace income that the Museum might lose in the form of grant aid from the Welsh Government through the introduction of charges.

64. Members were told:

³⁶ RoP, paragraph 317, 22 September 2015

³⁷ RoP, paragraph 318, 22 September 2015

³⁸ RoP, paragraph 319, 22 September 2015

“No. When we put our budget together, we look at all our possible sources of income, so, if you like, it’s a corporate income pot there. Then we apply—and I would say that we apply as strongly as we possibly can, and are applying more—in investing in the work to try and tackle poverty or the impacts of poverty on people and the other areas that are social priorities.”³⁹

65. Members made reference to the £1.5 million in the accounts shown as unrestricted private funds and questioned whether it could be used for capital and revenue expenditure. It was explained that:

“In terms of the private funds, the answer, generally, is ‘yes’. If they’re unrestricted, it’s definitely a ‘yes’. The majority of our private funds do tend to be restricted; it tends to be for art purchases. So, for example, we have a fund for oil paintings pre-1800. A lot of our private funds at the moment have come from fundraising, trusts and donations for the St Fagans project, so a significant proportion of it at the moment is being held pending the redevelopment of the St Fagans site. But the particular one you picked out, the answer is ‘yes’.”⁴⁰

66. Members questioned the high value of net cash, £6.1m, held by the Museum at March 2015. It was explained that this figure had increased from £4.1m to £6.1m to fund the redevelopment project of the St Fagans site.⁴¹

Change Programme and Staffing

67. The AGW’s report *Managing early departures across Welsh public bodies*⁴² provided a number of recommendations and comparative information. The National Museum Wales had the highest average cost per departure of £100,042 and the longest payback period of 28 months, based on 28 departures, for the period April 2010 to December 2013.

68. An important part of the National Museums Change Programme is the voluntary redundancy scheme. In 2014-15 there were 14

³⁹ RoP, paragraph 321, 22 September 2015

⁴⁰ RoP, paragraph 405, 22 September 2015

⁴¹ RoP, paragraph 410, 22 September 2015

⁴² [The Auditor General for Wales Report, Managing early departures across Welsh public bodies](#) (February 2015)

employees who took up the offer of enhancing statutory payments by a factor of 4. The cost was £566,000, compared to £939,000 in 2013-14. Strain costs⁴³ of the pension scheme amounted to £62,000.

69. The average cost of the severance scheme therefore was £40,429 per departure, or £44,857 including the pension strain costs. This is well above the average figures for the public sector shown in the AGW report, but a little lower than the average for the Welsh Government.

70. Members referred to the generous nature of the National Museum's severance scheme highlighting that it was the most generous within the Welsh Public Sector and an outlier by far at almost double that of the civil service scheme. The Committee were told that:

“We realised that we were an outlier and that we needed to change this. So, at the point at which this was identified by the Wales Audit Office, we already had plans in place to tackle this. We have since made those changes. We fully acknowledge that it was an outlier, fully acknowledge that it was out of step with the rest of the Welsh public sector. We now have a process in place to change that. We will be going to consultation with our staff on the new severance scheme within weeks. We should be back in line at that point.”⁴⁴

71. However, Members were interested in why changes to the scheme had not been implemented prior to staff being offered early departure payments. The witnesses explained that:

“There was an immediacy to the issues. We'd embarked on, if you will, ten-year financial planning, which clearly means projections—scenarios based on assumptions. What that was already showing us was that our incoming resources were not sufficient to meet our expenditure. Hence why we've been using revenue reserves to do that. As part of the change programme, we signalled early through the consultation in 2013 that we would be looking at the pension scheme, the severance scheme and, also, as part of the change programme, a partial restructuring, which was the first part we completed.

⁴³ Pension strain costs (often also called capital costs) occur when there is a clear shortfall in the assumed level of funding needed to provide a particular pension benefit. Strain costs often occur when a member draws their benefits a lot earlier than expected.

⁴⁴ RoP, paragraph 354, 22 September 2015

Unfortunately, as part of that restructuring there were fewer jobs than within our structure. In terms of the severance scheme, we had an immediacy in terms of the requirement to make savings to balance our budget against the time that it was going to take to change the severance scheme. So, we did run the two in parallel. As probably all of this committee is aware, those consultations and negotiations have been running for a considerable time.”⁴⁵

72. Members discussed the negative public perception of this process in that generous pay packages were being given to senior staff to leave while the lowest paid staff were currently facing pay cuts. The witnesses explained that:

“...the management, are identifying a wide range of different issues where we are outliers, where we need to update or make changes, and where we want to improve the service that we actually give to the people of Wales, to focus on these areas that really make a difference in people’s lives as well. It comes from a commitment to supporting those who need support—supporting the education programmes. In order to do that, we’re actually reengineering the whole organisation’s work and re-focusing it. As part of that, we are having to make the savings, but we’re trying to make them in ways that will preserve our services as best we can. There have been no redundancies among the lower paid group of staff. In the first wave of the change programme, they were not, in that way, affected at all by the changes, but we always did say that we were going to have to make savings on the front-of-house area as well, because it’s more than half our staff.”⁴⁶

Staff morale and absence

73. The sickness absence rate for the year to 31 March 2015 was 4.5%, down from 4.9% in 2013-14. A staff survey took place in September 2014, the first since 2011. A press story in June 2015 stated:

⁴⁵ RoP, paragraph 365, 22 September 2015

⁴⁶ RoP, paragraph 372, 22 September 2015

“Devastating staff survey results at the body which runs Wales’ main publicly owned Museums say that only 14% of workers have confidence in decisions made by directors.

“Against a background of restructuring and budget cuts, just 7% said change was being managed well, with 9% believing change was for the better.

“Senior management at National Museum Wales said they would be addressing findings relating to bullying and harassment as a matter of urgency.

“A spokeswoman for National Museum Wales said: “Almost 60% of the staff responded to the survey – nearly double the number who took part last time in 2011.

“As a result, the survey has provided us with robust data regarding what the organisation is doing well, as well as areas in need of improvement.

“95% of those who responded said that they’re interested in what they do, 86% said they had good friendships at work and 83% said they feel trusted to carry out their jobs effectively.”⁴⁷

74. The Committee received a letter from an employee of the Big Pit in Blaenavon which highlighted the impact of changes to working enhancements, especially on shift workers and low paid, and potential reform of pensions.⁴⁸

75. The Committee was told during the evidence session, that there is an ongoing dispute between the management of National Museum Wales and the Public and Commercial Services Union over proposals to reduce weekend pay. This resulted in a strike action at Museum sites over August⁴⁹ and September⁵⁰ this year.

76. Member’s questions focussed on the results of the staff survey and that only 14% of workers, had confidence in decisions made by

⁴⁷ [Wales Online, 12 June 2015](#) (Accessed 26 November 2015)

⁴⁸ Written evidence, 3 March 2015

⁴⁹ [Public and Commercial Services Union - News and Events 13 August 2015](#) [Accessed 26 November 2015]

⁵⁰ [Public and Commercial Services Union - News and Events 4 September 2015](#) [Accessed 26 November 2015]

directors and questioned whether this had improved since the survey was undertaken.

77. The Committee were informed that the Museum would undertake another survey and that one of the principles they were operating was being transparent with their staff and the public.⁵¹ The witnesses explained that the staff survey was undertaken specifically when staff confidence would be at its lowest stating:

“We had already gone most of the way, but not entirely, through the first wave of the change programme, and that was affecting the curatorial staff, education staff and many others. We had already announced that we were going to be reviewing the front-of-house operations and looking at the severance scheme, the pension scheme and the other areas, too. So, that group of staff—the front-of-house staff—knew that there would be changes coming up as well. So, we chose, in some ways, the worst, but we believed the most important point to do a staff survey.”⁵²

78. Members suggested that if the staff survey results were the worst they could possibly be then there would be an expectation that future surveys should only see improvement. Members remained concerned about the reputational damage for the Museum with the public perception of generous severance packages for senior staff and pay reductions for its lowest paid staff. Members challenged the Museum on how it intended to rectify this perception.

79. The Committee were informed that work was being undertaken to change the Museum’s premium payment scheme highlighting that there were numerous discrepancies within the scheme between staff. It was explained:

“It’s not even fair between the staff; dependent upon which shift pattern you’re on and which rota you’re on, you get different pay. There are altogether 12 variants of our rota schemes operating across our seven sites. So, there is inequality between staff at the moment. There are staff who work at weekends who don’t get paid, there are other staff who do. Even among the lowest paid—the bulk of them do weekend

⁵¹ RoP, paragraph 374, 22 September 2015

⁵² RoP, paragraph 374, 22 September 2015

working, nevertheless, there is about a quarter of them who don't."⁵³

80. The witnesses detailed plans to lift the basic rate of the lowest paid staff as basic pay, not a reliance on weekend working, by offering 6 per cent over and above the 4 per cent that has already been given in the last few years to that group of staff. The witnesses concluded that:

"...this is a financial storm that's hitting the public sector. That we should be offering a 10 per cent pay rise to our lowest paid staff in the middle of that storm, I think, is a statement of commitment to them as a group of staff. I can acknowledge that they will see that other staff have been affected in different ways and we've made our savings in other areas by reducing the number of directors, for example."⁵⁴

81. The witnesses were keen to stress the Museum's commitment to avoiding outsourcing and the desire to retain staffing fully from within the Museum.⁵⁵ The Committee were told that:

"...in all this, what we're trying to do is to shape and engineer the organisation, so that it will deliver on poverty; it will deliver on education, it will deliver on education; it will deliver on inclusion; health and wellbeing; improve the economy and revive and develop St Fagans to become what we believe will be one of the great national history museums in the world, as well. We're all very proud of it already. I promise there will be even more to be proud of in two years' time when it fully opens. So, we are investing in the future for Wales, investing for the future of the museum and really trying to do our best for the lowest paid as well."⁵⁶

82. In terms of moving forward, Members questioned witnesses on the action being taken in terms of change management and improving staff confidence in the decisions made by the Museum's Directors.

83. Witnesses were keen to point out the seriousness with which the survey results were being taken and that the senior management team

⁵³ RoP, paragraph 381, 22 September 2015

⁵⁴ RoP, paragraph 385, 22 September 2015

⁵⁵ RoP, paragraph 384, 22 September 2015

⁵⁶ RoP, paragraph 386, 22 September 2015

at the Museum needed to be more visible. Members were told that measures were being put in place to achieve this and that a staff forum was being established, chaired by the Museum's Director, and representative of staff from various levels of the organisation.⁵⁷

84. The witnesses added that there would be new management training across the organisation looking at that are of primary concerns for staff. Members were told that the Museum had brought in external facilitators to work with staff and focus groups to take forward issues identified in the staff survey.⁵⁸

85. Furthermore, the Museum has introduced a new human resource strategy, as part of that there would be a new training and development strategy that would encompass all staff. The witnesses explained:

“By next financial year, we'll have doubled our investment in staff training going forward on an annual basis, and as part of that we will be developing a leadership and management programme.”⁵⁹

86. Specifically addressing the concern that senior management needed to be more visible, the witnesses acknowledged that there was work to be done on this.⁶⁰

Our View

The Committee notes that the National Museum's financial report includes seven high level indicators relating to a key objective from the Museum's "Vision Map". However, we are concerned that some of the performance targets are not sufficiently challenging particularly where targets have been lowered from last year.

Although we note the changes faced by the National Museum, and the impact these have had on performance, we recommend that the National Museum review these targets next year and set aspirational targets that are more challenging in order to drive forward improvement and change.

⁵⁷ RoP, paragraph 395, 22 September 2015

⁵⁸ RoP, paragraph 396, 22 September 2015

⁵⁹ RoP, paragraph 397, 22 September 2015

⁶⁰ RoP, paragraphs 399-402, 22 September 2015

The Committee acknowledges that consideration is being given by the National Museum to charging for specific services but we believe that any charges must not impact of this on the Welsh Government's policy on free admission to Museums in Wales. We accept and fully endorse the reassurances provided to us by witnesses that the National Museum will maintain its commitment to inclusion and diversity. We recommend that revenue should not replace income the Museum might lose in the form of grant aid from the Welsh Government and that there should be transparency regarding how it is used by the Museum.

The Committee notes the National Museum's pension and severance scheme appears to be an outlier in relation to other Welsh public sector organisations. Setting this against the current pay dispute with the Museums lowest paid staff, the Committee are concerned about the negative impact this has had on the public's perception of the National Museum particularly in light of recent pay outs to the Museum's senior staff while there appear to be cuts in pay to the Museum's lowest paid staff. We acknowledge the work being undertaken by the National Museum to resolve disputes over pay and to improve equal pay across the organisation.

The Committee are concerned about some of the issues raised in the National Museum's staff survey particularly in terms of bullying and harassment and the overall low level of staff morale. However, the Committee welcomes the work being undertaken by the Museum's senior management team to address these concerns and the seriousness with which these matters are being addressed. The Committee recommends that the Museum continue with this work and undertake a further staff survey at an appropriate time to assess whether the actions being taken are leading to improvement and to identify areas if and where further improvement is required.

4. Assembly Commission

Background

87. This is the second year that the Assembly Commission's annual report and accounts⁶¹ (The Commission) have been scrutinised by the Committee. The accounts are subject to audit by the Auditor General for Wales and the unqualified audit opinion was signed on 15 July 2015.

88. The Commission's budget and performance indicators are subject to scrutiny by the Finance Committee. The Commission's budget 2016-17 was laid on 25 September 2015 and scrutinised by the Finance Committee on 1 October 2015.

89. The Public Accounts Committee report, *Scrutiny of 2013-14 Accounts*,⁶² made two recommendations specifically to the Assembly Commission:

“Recommendation 2. The National Assembly for Wales's Commission should clearly identify the savings from the investment made in information technology and translation during 2013-14 in its accounts for 2014-15.”

“Recommendation 7. The National Assembly for Wales's Commission (and Welsh Government) should set out in their budgets and accounts their approach to financial management – in particular their target for underspends.”

90. Recommendation 9 was also applicable to the Commission:

“Recommendation 9. The Committee encourages organisations funded by public money to consider how they present information to ensure that it is readily understandable for the public, and that shows the organisation's priorities and the level of resource committed to those priorities.”

91. The Committee also discussed a fraud incident which impacted upon the 2013-14 and 2014-15 accounts. The Deputy Presiding Officer provided a response to the Committee in June 2015.⁶³

⁶¹ [National Assembly for Wales, Annual Report and Statement of Accounts, 2014-15](#)

⁶² [Public Accounts Committee report, Scrutiny of 2013-14 Accounts](#), March 2015

Public accessibility of Annual Report and Accounts

92. The Commission’s Annual Report and Statement of Accounts is the longest document of the five public sector organisations whose 2014-15 accounts were scrutinised by the Committee this year. The document provides details of the organisation’s strategic goals and performance in words, charts and pictures.

93. For the first year, the Commission has included a section in the Annual Report with a selection of Corporate Performance Indicators, (pages 64 and 65). This shows performance against these indicators compared to 2013-14, in numbers and with a traffic light system to see performance at a glance.

94. To gauge the changes made to the Commission’s accounting documentation to improve public transparency and accessibility. Members were told that efforts had been made to present the data in a user friendly way using infographics and “digestible pieces of information”.⁶⁴

95. The witnesses also made reference to the information available on the Commissions website:

“So, on the website on the top of it, you can find ‘How the Assembly works’ and then within that there’s a lot of information about the Assembly Commission, including all the annual reports. Just to build on what David said, there is a Her Majesty’s Treasury initiative for the streamlining of annual reports and accounts, and we’re working at the moment with the Wales Audit Office to review all our processes for the accounts for last year, including thinking about what the content should be for next year. What we’ll do is we’ll go back to what’s going to be the core requirement—what are Treasury saying is their expectation in terms of streamlined reports—and then we’ll consider what else we might want to keep in there or add in, because we do have to balance, as David said, the streamlining and transparency. As the Assembly Commission, the organisation that is democracy in Wales, we

⁶³ Letter from David Melding AM, the Deputy Presiding Officer, 1 June 2015

⁶⁴ RoP, paragraph 6, 29 September 2015

feel that there's an onus on us to be as transparent, and therefore as full, as possible."⁶⁵

Governance and Strategy

96. The Annual Report provides additional background to the financial statements. This includes a Governance Statement which highlights the governance and control framework of the Assembly Commission. Key developments during 2014-15 have been:

- Progressing work on the Commission's ambition for World Class Assembly Committees;
- Transition of ICT services from an external provider to in-house support;
- Upgrading of the Assembly's websites;
- Developing a long term prioritised investment programme for the Assembly estate;
- Readiness for constitutional change;
- Improvements in contract management, through a dedicated Procurement team; and
- Completion of a review of effectiveness of the Commission by Internal Audit.

97. The Governance Statement refers to the Commission agreeing and implementing an action plan following a review of its effectiveness by the Commission's Head of Internal Audit.

98. Two new risks were identified for inclusion on the Corporate Risk Register. These were relating to social media and a telephony project. The statement identifies the internal and external assurance processes.

99. The Committee examined the impact of changes to governance and strategy framework and asked the witnesses to expand on the findings from Internal Audit's review of the effectiveness of internal control and governance arrangements referred to in the Annual Governance Statement. The Committee asked for an explanation of any changes that have been implemented as a result of the review.

100. The Committee were told:

⁶⁵ RoP, paragraph 10, 29 September 2015

“...That particular piece of work isn’t a piece of internal audit work; it’s something that we do when we require our heads of service to report back on how they’ve discharged their functions across the year and their confidence levels that people within their teams are aware of and implementing all the governance structures. We then hold—and this is another example of how we use our independent advisers—a scrutiny meeting of the management board in the run-up to the end of the financial year. It’s attended by the Wales Audit Office and also one of our independent advisers, when we then hold to account each of the directors and the heads of service for what they’ve said in their reports. And that’s the material that we then pull into the governance statement, so that I can have confidence and assurance that the governance statement I’m making is based on proper evidence. So, that’s what that piece of work is.”⁶⁶

101. Members raised questions about the Commission’s use of expert advisers and specifically their role and the costs involved. Members were informed that:

“I think they play a key role in our governance—‘critical friends’ is often the phrase that’s used—and certainly, in my experience of the Commission and in the audit committee, it’s a key role they play in terms of the wider experience they have with other organisations, but they’re in a position to probe and challenge our decision making so that it is as robust as possible and it’s done in a very constructive way. I have to say, I think the interventions are very skilful, they’re often towards the end of a discussion, and may pick up issues and nuances that have not been captured in that discussion by Commissioners or in other committees. So, I think it’s very important that we continue with the emphasis we put on their role.”⁶⁷

102. The Committee were also told that some of the expert advisers work with the Commission as necessary on a day-to-day basis applying their expertise. For example, one of them is currently the Director of Human Resources at B&Q and another is an ex-IT Director for John Lewis.

⁶⁶ RoP, paragraph 25, 29 September 2015

⁶⁷ RoP, paragraph 13, 29 September 2015

“These are people who we couldn’t possibly afford to employ, but who have reached that stage where they want to give something back and, in fact, who say they get a great deal from working with us. So, we are very fortunate to have them.”⁶⁸

103. Members were informed that the Commission was satisfied that the expert advisers provided value for money and their use had been subject to an evaluation.⁶⁹

104. The issue of accessibility to the Assembly’s website was raised and Members queried whether the work being undertaken to upgrade the website would improve this. Members made reference to the website being described as “impenetrable” and that the “best way to access the website was to do a search in Google and hope it took you to the right part of it”.⁷⁰

105. Witnesses asserted that the website should be user friendly and negative feedback is taken very seriously. The Committee were told that:

“The work that we did in the financial year that you’re scrutinising was to move to a new platform, a Sharepoint platform, which had a cost saving but also gives us greater flexibility, and we will now be moving forward to improve the website and to improve accessibility. It links, actually, to the work that we’re doing on the Record of Proceedings, for example, where we want the information about Assembly business to be much more useable and open to search, and turning it into open data and putting that on the website in a way that’s easy to find. Sometimes I struggle to find things; that absolutely cannot be right.”⁷¹

Approach to financial management and target underspends

106. The Annual Report and Accounts sets out the Commission’s approach to financial management and target underspends for the financial year.

⁶⁸ RoP, paragraph 16, 29 September 2015

⁶⁹ RoP, paragraph 20, 29 September 2015

⁷⁰ RoP, paragraph 79, 29 September 2015

⁷¹ RoP, paragraph 83, 29 September 2015

107. The resource outturn for 2014-15 was £50.536 million against a budget of £50.598 million leading to an underspend of £64k (0.1%). This was well within the target of an underspend of less than 1% (<£501k). Some of the main divergences from the approved budget are shown on page 123 of the Accounts:

- Accommodation and facilities costs £1.7 million (22%) above approved budget;
- Other costs of £331,000 (27%) above approved budget;
- Staff salaries and related costs £284,000 (1.6%) above approved budget;
- ICT costs of £122,000 (3.8%) above approved budget;
- Capital expenditure £1.2 million (69%) below approved budget;
- Members' salaries allowances and related costs £775,000 (5.5%) below approved budget; and
- Promoting awareness and understanding costs £166,000 (37%) below approved budget.

108. The accounts state that the underspend on the Members' Salaries and Allowances budget was reallocated to the maintenance and upkeep of the Assembly's Estate. There has also been investment in readiness for moving to a new telephony system, an upgrade to the security radio system and the completion of the project to improve the heating system in the Senedd.

109. Members referred to their scrutiny of the Commissions 2013-14 accounts and the issue raised then that the Commission was one part of the public sector that had the ambition to always spend within 1 per cent of the budget and not to generate savings that might be returned to the public purse. The Committee previously recommended that the Commission (and Welsh Government) should set out in their budgets and accounts their approach to financial management - in particular their target for underspends.

110. The Committee challenged the witnesses on this issue again and pursued why the Assembly Commission had continued to maintain the need to spend within 1 per cent of the allocated budget even when there may not be a need to do so.

111. Witnesses agreed that it was right to be challenged and for them to respond on this issue.

“...we continue, in the Commission, to believe that our strategy is a correct one. There are advantages and disadvantages, whichever way you go if you set a target of 1 per cent or more being underspent, or less, as we do. But, those resources are used very effectively. The investment and resourcing board looks at schemes; there’s a long-term investment plan in all the critical areas that need investment, like ICT, refurbishment and maintenance and these things. So, it seems to us more effective to manage those resources and to utilise them against our long-term strategies. That continues to be our view. I have to say, though, we obviously entered into an exchange last year on this and we’ll reflect further, but it would be wrong if I were to say, as this Commission now works towards the end of its term, that that’s likely to change.”⁷²

112. Furthermore, the witnesses explained:

“...may I look at your position from around the other way? At this point of the year, in the autumn, we begin to assess the state of our budget and what our plans are for the remainder of the year and that assessment intensifies as the year goes forward. Our target is less than a 1 per cent underspend. If, at this point in the year, we had such a budget that we thought we couldn’t achieve that target, it would be an incentive to hand that money back to the Welsh block in order that we do achieve that target. So, I think it achieves the incentive that you’re looking for. At this point, if we had £1 million and we only had credible appropriate value-for-money plans for less than that, we definitely would be seeking a supplementary budget to hand that money back to the Welsh Government.”⁷³

113. Members acknowledged that this explanation presented the approach in quite a different way than perhaps had been presented in the past where this 1 per cent target has been deemed to be an example of how effectively the Commission had controlled its budgets.

114. The Committee Chair noted:

“...there are significant variances on a number of different lines in the outturn versus the budgets that have been agreed, which

⁷² RoP, paragraph 121, 29 September 2015

⁷³ RoP, paragraph 122, 29 September 2015

suggests that your budgeting arrangements may not, perhaps, be as effective as you suggest in your report. But I do think that it is important to note your comments, as Chief Executive, suggesting that resources could be returned if significant efficiencies were found.”⁷⁴

Staffing

115. The full-time equivalent number of staff employed as at 31 March 2015 was 391.24, an increase of 21.7. Median total remuneration shown in the Annual Report has increased over 9% from £26,988 to £29,475.

116. The overall sickness absence rate for the year was 7.26 average working days per person (3.0%), this is below the public sector average of 7.9 days, but above the Commission’s target of 7 days. This is also considerably higher than last year’s figures of 5.48 working days, or 2.49%.

117. The Commission has produced a comprehensive Equality Report.⁷⁵ This provides detailed information on the numbers of staff, gender, BME, disability profile and other breakdowns by grade. Page 97 of the accounts shows that 53% of FTE staff were female as are 3 out of 6 directors. The median salary for males is £27,528 and the median salary for females is £32,567 (basic pay).

118. Workforce monitoring data indicates that 58% of staff who identify as BME are concentrated at the Team Support pay band. The equality report states that an improvement action plan was implemented in June 2014 to support staff from Black and Minority Ethnic (BME) backgrounds and increase the representation of BME people in the workforce. A Coordinator was employed to take this action plan forward.

119. There were no specific severance schemes reported in the accounts 2014-15, but there is a note on page 162 of the accounts showing that reported compensation payments included two severance payments totalling £19,000. The Auditor General for Wales’ (AGW) report *Managing early departures across Welsh public bodies*⁷⁶

⁷⁴ RoP, paragraph 125, 29 September 2015

⁷⁵ [The Assembly Commission - Annual Equality Report 2014-15](#)

⁷⁶ [The Auditor General for Wales Report, Managing early departures across Welsh public bodies](#) (February 2015)

provided a number of recommendations and comparative information. The Assembly Commission had an average cost per departure of £39,470 and a payback period of 14 months, based on 48 departures, for the period April 2010 to December 2013. Members explored issues concerning how the balance of the Assembly's staffing is changing and particularly the action that had been taken to identify the reasons for and address the increase in sickness absence in 2014-15.

120. The Committee were told:

“We try to get the balance right between supporting staff who obviously have a wide range of different responsibilities and circumstances and making sure that all of us who work here and take our salaries deliver what's expected of us—so, in terms of performance management, sharpening up on that. So, we try to balance those two things so that we get the best performance for the organisation, but remain an employer of choice. We're very proud, still, to be Investors in People gold and to have all sorts of awards right across the piece. The Working Families award—we were in the top 30 just last week, I think. So, we're recognised as a good employer. We are disappointed in the sickness absence results, and we have new business partners in HR who are working with line managers to make sure they have the right support and expertise to deal with each individual situation.”⁷⁷

121. The Committee sought clarification of future plans for the Commission's severance scheme and were told in evidence that there were no plans to introduce a severance scheme:

“We'd carried out our own internal audit review of the two schemes that we've run during the fourth Assembly and that came up with recommendations. We were able to provide that internal audit work to the Wales Audit Office when they did their VFM study, and we've taken on board their conclusions. So, again, a lot of emphasis on documentation, business cases and making sure that the process is robust in those terms. We don't have plans at the moment for a severance scheme. It doesn't mean we won't; it would be driven by business need and we would assess that again. The investment and resourcing

⁷⁷ RoP, paragraph 113, 29 September 2015

board would look at what the policies are behind it, why we are doing it and how we are going to deliver value for money and take account of Wales Audit Office best practice recommendations.”⁷⁸

122. The Committee was concerned to be subsequently informed by letter, dated 19 November 2015, to the Chair of the Public Accounts Committee from the Chief Executive and Clerk of the Assembly that a severance scheme was being introduced:

“...we have been considering whether to run a voluntary severance scheme and, having carefully weighed the benefits against the negative aspects and risks, we have concluded that we should.”

The letter outlines that the purpose of the scheme will be to:

- Allow the organisation to respond to shifts in our skills requirements;
- Facilitate organisational change, including within particular teams;
- Improve workforce efficiency; and
- Deliver long-term savings where possible and/or avoiding additional costs in meeting skill shortages.

Furthermore,

“In planning the scheme, we have taken full account of the recommendations arising from the internal audit review of our previous schemes and from the wider WAO VFM study into severance schemes. The cost, benefits and savings from the scheme will be published as part of the 2015-16 Annual Report and Accounts in July 2016.”⁷⁹

Fraud Incident

123. The Committee discussed a fraud incident during the Committee’s scrutiny of the 2013-14 accounts.⁸⁰ This incident also impacted on the 2014-15 accounts; £29,000 was shown as a loss of

⁷⁸ RoP, paragraph 119, 29 September 2015

⁷⁹ PAC(4)-33-15, PTN1, 1 December 2015

⁸⁰ [Public Accounts Committee report, Scrutiny of 2013-14 Accounts](#), March 2015

accountable stores on page 162 of these accounts, £71,000 in 2013-14.

124. The Commission's Fraud Response Plan⁸¹ has been updated and endorsed by the Audit and Risk Assurance Committee. The effectiveness of these changes will form part of the 2015-16 Internal Audit Plan. The outcome of this fraud incident was reported in the press.⁸²

125. The Committee were keen to gain assurances that the Commission's Fraud Response Plan is forward looking and utilises learning from others. Members queried how processes had changed to ensure that the fraud incident shown in this year's accounts would not recur in the future.

126. The witnesses explained that:

"...after we, unfortunately, had the fraud incident, we evaluated and strengthened the controls that we had around the recording and verification of our supplier data. So, we had rather robust and routine and regular controls already in place, and we bolstered these, to make sure that the risk that we were exposed to couldn't happen again. We did some additional work then, after we had identified these controls, and you'll forgive me that—. I can give you a little bit of an indication of the changes that we have made, but to disclose exactly what we have done, I would suggest, in the nature of the security of what we're trying to do—. So, what we have essentially done is made sure that, wherever we have indication of a change of a supplier detail, of any nature, we have a way of verifying that through another party. So, something direct that comes to us, as a request for a change, we can verify this in other ways. So, we have documented all this and tested all of this."⁸³

127. The Committee remained concerned that the arrangements in place at the time of the fraud were also considered to be robust at that time and queried how these had been improved upon on. Members were particularly concerned by the length of time that elapsed before the fraud was discovered, which occurred over a period of 3 months.

⁸¹ [National Assembly for Wales, Fraud Response Plan](#) (March 2015)

⁸² [Wales Online, 29 September 2015](#) (Accessed 26 November 2015)

⁸³ RoP, paragraph 29, 29 September 2015

128. Members were told that:

“In the month when it happened we asked the contractor to check that they’d received the payment because there was something that aroused our suspicions. The contractor did not come back and tell us that they had not received that payment. We also send remittance advices, so the contractor was receiving those remittance advices repeatedly, month on month, and didn’t come back and say, ‘Well, actually, you’ve sent us this piece of paper but you haven’t actually paid us any money.’ So, one of the things in strengthening the controls is we’ve learnt not to assume that some of the controls that we have are going to be effective where they depend on the effectiveness of other organisations.”⁸⁴

Use of assets

129. The value of property, plant and equipment is stated on pages 152 and 153 of the Commissions Annual report.

130. The Committee sought to assess how the Commission was working to ensure that asset management is delivering value for money. Questions were raised about the cost of running the Pierhead building, whether income is in line with expectations and what changes have been made to maximise the usage and the impact of this asset.

131. Witnesses told the Committee that the Pierhead building was used extensively by civic organisations for events and that it was now a venue of prestige with visitor numbers larger than that of the Senedd.

132. In additional written evidence, the Committee were informed that the Pierhead building provides a “highly valued event space and we have invested in audio visual equipment and staging to support delivery of world class events”. In the last financial year, a total of 123 events were hosted and, in the first six months of this financial year 70 events have already been held.⁸⁵ The Committee were advised that:

⁸⁴ RoP, paragraph 50, 29 September 2015

⁸⁵ RoP, paragraph 127, 29 September 2015

“We believe this range of activity represents very good value for money in return for the annual costs of the Pierhead, which are around £175k per annum.”⁸⁶

Our View

The Committee are pleased with some of the changes the Assembly Commission has made to the presentation of its accounting documents to improve public accessibility and transparency. The Committee welcome the use of a traffic light system to show performance at a glance and the use of infographics and “digestible pieces of information”. However, we recommend that the Assembly Commission give consideration to including a summary document as part of its future presentation of its accounts.

The Committee welcomes the work being undertaken by the Assembly Commission to meet the requirements of the Treasury in terms of ensuring reports are more streamlined and transparent. The Committee recommends that this work is closely reviewed and monitored to ensure these objectives are met.

The Committee considered concerns raised regarding the accessibility of the Assembly’s website particularly given the importance of the online information in terms of engaging with the public. The Committee welcomes the Assembly Commission’s commitment to addressing this issue and recommend that this work be undertaken as a matter of urgency to ensure the Assembly’s website is as user friendly and accessible as possible.

The Committee focused on its previous concerns regarding the Assembly Commission’s continued ambition to always spend within one per cent of the budget. The Committee pursued this matter again and heard the explanation for this approach given by the Assembly Commission’s Chief Executive. The Committee notes that this approach is being maintained but is unconvinced that the approach is delivering maximum efficiency in the use of resources. The Committee recommends that the Assembly Commission carefully monitors this approach and where significant

⁸⁶ PAC(4)-29-15 PTN11, 3 November 2015

inefficiencies are found these resources should be returned to the public purse.

The Committee discussed the Assembly Commission's approach to staffing, while staff sickness absence is below the public sector average, we are concerned that levels are above the Assembly Commission's target. We note the Assembly Commission's disappointment with these figures but welcome the introduction of Human Resources business partners to work with line managers to improve absence management. The Committee recommends that sickness absence levels continue to be carefully monitored to ensure action being taken is having a positive impact and to identify where further work may be necessary.

In giving oral evidence the Assembly Commission informed the Committee that there were no plans to run a severance scheme although we understood that the future running of a scheme was not ruled out. In a further letter to the Committee, we have been informed that the Assembly Commission will be running a severance scheme in this financial year. The Committee welcomes the assurances it has been provided with in terms of the work that has been undertaken to consider whether a scheme is necessary and the purpose of the scheme. The Committee recommends that it be provided with an update by the Summer of 2016 on the progress of the scheme and further detail of how the planning of the scheme has taken into account the recommendations arising from the Assembly Commission's Internal Audit review of its previous schemes and from the Value for Money study undertaken by the Wales Audit Office on severance schemes.

The Committee considered the fraud incident that occurred in 2013 - 14 and the subsequent impact this had on the 2014-15 accounts; specifically a loss of £29,000 in 2013-14 and £71,000 in 2013-14. The Committee is disappointed that only a small amount of these losses can be recuperated and remain concerned that the processes in place at the time were insufficiently robust to prevent the fraud from occurring. The Committee were particularly concerned that it took a period of 3 months before the fraud was detected. However, we note the action taken by the Assembly Commission to strengthen its controls around the recording of and verification of its supplier's data. The Committee recommends

that the Assembly Commission regularly monitors and reviews its controls within this area to ensure that such controls remain robust. We recommend that communication is maintained with other public sector organisations to ensure intelligence and good practice is shared to assist in preventing future fraud incidents occurring in the future.

5. Sport Wales

Background

133. This is the first year that the Sport Wales annual report and accounts⁸⁷ have been scrutinised by the Committee. The accounts on pages 21-55 are subject to audit by the Auditor General for Wales, and the unqualified audit opinion was signed on 1 July 2015. The Committee agreed to look at the accounts of Sport Wales following their scrutiny of similar bodies in the autumn term of 2014. Elements of Sport Wales' work were subject to scrutiny by the National Assembly's Communities, Equalities and Local Government Committee as part of its inquiry into participation levels in sport in March 2014.⁸⁸

134. Members examined how Sport Wales are making financial information more accessible and integrated with Welsh Government strategy asking whether there were plans to produce a public facing document bringing together the key information contained in their accounts, business plan and new long term strategy, showing priorities and the level of resource committed to those priorities. The Committee were told:

“In terms of our strategy, I think we have, as I say, the two clear aspirations—to get every child hooked on sport for life—and we obviously put £17 million of our investment into community sport, which is based around ‘every child hooked’, and then we use our lottery funds for our nation of champions. In terms of our documentation, obviously, we produce statutory accounts, and we also produce, and are producing currently, a future document that will look at our next five years; that will set out our targets and strategies for the next five years, alongside how we plan to invest.”⁸⁹

135. Members asked how Sport Wales planned to balance the implementation of their long-term strategic plan for 2015-20 with the priorities set for Sport Wales in the Welsh Government's annual remit letter. The Committee were informed that:

⁸⁷ [Sport Wales annual report and accounts 2014-15](#)

⁸⁸ [Communities, Equalities and Local Government Committee Report, Participation Levels in Sport](#) (March 2014)

⁸⁹ RoP, paragraph 138, 29 September 2015

“It aligns very well, I think. The key measures for us are our population-level outcomes, so those are the numbers of young people that are taking part actively, the number of adults that are taking part, and again, the volunteering and coaching workforce, the outcomes of which I’ve just highlighted there. We also have our statutory commitments around the Welsh language, poverty, and we’re doing a lot of work that I’m sure I’ll maybe talk about a little bit later around tackling the inequalities.”⁹⁰

Governance and strategy

136. The management role of the Chief Executive Officer, Sport Wales and the Sports Council for Wales Trust, are governed by the Sport Wales Board. The Sport Wales Board is made up of a Chair, a Vice Chair and up to twelve other members all of whom are appointed by the Welsh Government. The Board’s composition includes representation from a wide cross section of different professions and members with expertise and experience relevant to both community and elite sport.

137. The annual report explains that during 2014-15 several task and finish groups were established by the Board to report on operational issues including; Plas Menai review, equalities, performance management, and transition (to oversee the recruitment of new Directors).

138. The annual report further states that a review of Board and Committee Effectiveness was undertaken in 2014-15 following best practice guidance in the document *Managing Public Money*.⁹¹

139. The Committee wished to examine how the governance framework controls the finances of the organisation and specifically the appointment of Board Members. The Committee questioned how it was ensured that Sports Wales Board membership contained the right skills set.

140. The Committee were told that Sport Wales had undertaken work to ensure the Board was diverse and stated there was a 57 per cent female-male split and an 18 per cent black minority ethnic.⁹²

⁹⁰ RoP, paragraph 140, 29 September 2015

⁹¹ [HM Treasury, Managing Public Money](#) (July 2013)

⁹² RoP, paragraph 144, 29 September 2015

“We also identified where we needed to improve our diversity, and we worked with the public appointments unit around, let’s say, changing the language of our adverts, and looking at how we could encourage a much more diverse field. We used social enterprise, and we used a buddying system within the board, where we had board members, if somebody was interested, go and talk to them around a perception that maybe sport wasn’t for them. If we’re to achieve our targets, then sport has to be for everyone, and not for those that maybe have a very sporting CV, because they’re already hooked. It’s the ones that maybe don’t have the sporting CV that we need to encourage. So, to have that diversity now on the board, let’s say it brings its challenges, because it brings different viewpoints, but that’s exactly what we’ve been seeking.”⁹³

141. Members noted the high turnover of Board Membership and that only one audit committee member had attended all four meetings during 2014-15. Members raised questions whether attendance had been a problem and witnesses explained that attendance had been at 71 per cent and some absences were due to board members not being appointed during that period.⁹⁴

142. The Committee sought clarification on how the internal governance framework provides the accounting officer with the necessary assurance for the approval of the annual accounts. The Committee were told:

“We have a governance framework, as you alluded to. So, this sets out our governance structure. If I just highlight our governance structure. We obviously have a board. We have two standing committees, which are our audit and risk committee and our remuneration board. We also have three sub-groups which are split into our aspirations. So, we have a sub-group for our community sport, we have a sub-group for elite sport and we have a sub-group for our high-performing organisations. These all have terms of references, they are chaired by our board members and we also augment them with some additional expertise as we see fit.

⁹³ RoP, paragraph 144, 29 September 2015

⁹⁴ RoP, paragraph 150, 29 September 2015

“We also, then, within the framework, have clear delegations of authority and we have a risk strategy plan, which relates back to our risk register. I also then gain additional assurances from our internal auditors, external auditors as well, and I attend all of the audit and risk committees.

“They provide additional scrutiny to the accounts, so I feel that provides me with the assurances you allude to.”⁹⁵

143. The Committee asked whether the internal audit work programme identified any significant control issues. Witnesses explained that three issues were identified. Firstly a generic issue which has resulted in the development of a management tracking system for outstanding recommendations and three specific issues including; project management arrangements and the need to strengthen these; the grants system whereby a number of issues needed to be brought together and the audit report had culminated in Sport Wales procuring a new online grants management system; and a third area relating to procurement whereby procurement is now undertaken more smartly.⁹⁶

Risks

144. Sport Wales’ annual report notes the key risks facing the organisation. These include the implementation and roll out of a new on-line Grant Management system and the impact of a planned change to the management structure. However, the most significant strategic risk will be the impact of on-going cuts to public expenditure, combined with the increased financial cost of meeting pension deficit payments, which present the greatest threat to the delivery of Sport Wales’ objectives.

145. The annual report states that one of the key risks to the organisation is the roll out of a new on-line grant management system. The section on grants monitoring also mentions that Sport Wales have the right to “claw back” grants awarded but do not mention how the approach to this is decided upon. The “On-going developments” section notes that an independent review was undertaken on the Welsh Amateur Boxing Association after external and internal concerns were raised. This has prompted a review of the control systems of the

⁹⁵ RoP, paragraphs 154 -155, 29 September 2015

⁹⁶ RoP, paragraphs 158 -160, 29 September 2015

National Governing Bodies which will be kept in constant review in 2015-16.

146. While not referenced in the annual report and accounts, a key risk facing lottery and grant distributors is the concept of “additionality”⁹⁷ – i.e. that lottery funds should only support new activities over and above that which should be funded by government. The issue has become more significant given recent cuts to public spending.

147. The Committee sought assurances that these risks are being managed effectively and made reference to the strategic risk to Sport Wales arising from the impact of on-going cuts to public expenditure. Members wished to establish what the impact of these budget cuts on Sport Wales’ ability to deliver its objectives.

148. The witnesses explained the impact upon the work of Sport Wales arising from funding cuts to other areas of the public sector and particularly in terms of how those organisations may choose to prioritise sport as a consequence.

“All of our work is done with and through others, so if I just allude to—. If we want to get every child hooked on sport for life, one of the most captive audiences is in schools. We have a real opportunity now with the new Successful Futures programme, and the new curriculum that is being brought forward, to make sure that physical education and physical literacy is at the heart of that new curriculum. If we don’t develop the skills and confidence of young people to take part in sport and develop those habits for life, then we will not be able to achieve our objectives in the long term, because it makes it very, very difficult if young people don’t believe and have the confidence.”⁹⁸

149. In terms of addressing these risks the Committee were told that Sport Wales were looking at innovative solutions, for example, great collaboration through partnerships.

“We’ve already started the journey with health; we have a tripartite agreement between Public Health Wales, ourselves and Welsh Government to get a physical activity director in

⁹⁷ [Additionality principle](#)

⁹⁸ RoP, paragraph 181, 29 September 2015

place. We have some good partnerships out there with the Wales Council for Voluntary Action. We're considering, with the arts council, a joint post around events, because we do similar events. So, these are the types of things that we will need to do in the future if we are going to face cuts and further cuts."⁹⁹

Grants

150. The Committee made reference to the statutory responsibilities towards the Welsh Language and that Sport Wales spend around £17 million per annum on community provision. Members sought to establish what arrangements Sport Wales had in regard to community provision through the medium of Welsh. Members noted there are some counties in Wales where it is not possible for children who speak Welsh at home to receive sports lessons in Welsh. Members asked for clarification on whether bilingualism was included in Sports Wales assessments of grants and, with regard to some of the national organisations, including the Welsh Rugby Union, what pressure were Sport Wales bringing to bear on them.

151. The Committee were told that Sport Wales took its commitment to the Welsh Language very seriously and that work had been undertaken with the Welsh Language Commissioner on their own Welsh Language Scheme.¹⁰⁰

“Specifically on national governing bodies, we held a joint conference with the commissioner last year, bringing together the governing bodies and asking them to look at their own commitment. You're right, they don't have the statutory commitment that we have, but as a funder of those organisations, we wanted to know what their commitment was. Some of these were around their website being bilingual—positive steps that we expected them to put forward that they could work on. They've put together an action plan themselves, as a group of national governing bodies. That is a vision up to the next Commonwealth Games, to use role models, to look at the number of Welsh speakers within their own organisations, and how they present their sport through the Welsh language. Alongside that, we work very closely with the Urdd, making sure that we develop more coaches, more leaders, and develop

⁹⁹ RoP, paragraph 183, 29 September 2015

¹⁰⁰ RoP, paragraph 170, 29 September 2015

more confidence for young people to use the language, which they use mainly in school but don't then use when they come out of school, to use that through sport."¹⁰¹

152. Members pressed the witnesses on what the outcome might be for those organisations that did not meet Welsh Language requirements in terms of whether their grant funding would be stopped. The witnesses explained that, at present meeting, Welsh Language requirements was not a condition if grant funding.¹⁰²

Our view

The Committee examined Sport Wales' governance framework controls and specifically the appointment of Board Members. The Committee wish to highlight the importance of diversity on the board and the need for the board to consist of the right skills set. The Committee welcomes the work being undertaken to achieve this and recommend that Sport Wales maintains its commitment to improving the diversity of its board and achieve its target of a 50:50 gender ratio balance by 2020.

The Committee considered Sport Wales' internal governance framework and note the work undertaken by Sports Wales to ensure the framework provides the Accounting Officer with the necessary assurances for the approval of the Annual Accounts. The Committee acknowledges that Sport Wales' internal audit work programme has identified control issues but are satisfied with the work undertaken by Sport Wales to address these issues.

The Committee notes the risks identified in Sport Wales' Annual Report and the work being undertaken by Sports Wales to manage these risks. The Committee welcome the innovative solutions identified by Sport Wales to address risk and recommend that these solutions are carefully monitored to ensure risks are mitigated and where they are not to identify barriers to preventing risks early on.

¹⁰¹ RoP, paragraph 171, 29 September 2015

¹⁰² RoP, paragraph 175, 29 September 2015

6. Welsh Government Consolidated Accounts 2014-15

Background

153. This is the second year that the Welsh Government's consolidated accounts¹⁰³ have been scrutinised by the Committee. The 2014-15 accounts were subject to audit by the Wales Audit Office and on 8 September 2015 the Auditor General for Wales signed an unqualified audit opinion. The consolidated accounts incorporate: local health boards in Wales;¹⁰⁴ Finance Wales PLC; Career Choices Dewis Gyrfa Ltd; WGC Holco Ltd; and Regeneration Investment Fund for Wales LLP.

154. Following its Scrutiny of 2013-14 Accounts,¹⁰⁵ the Committee made two recommendations specifically to the Welsh Government:

“Recommendation 4. If the current funding relationship continues, the Welsh Government should communicate its decision at an early stage on the funding available to the Commissioners. These budgets should then be protected from later in year departmental reductions.”

“Recommendation 7. The (National Assembly for Wales's Commission) and Welsh Government should set out in their budgets and accounts their approach to financial management – in particular their target for underspends.”

155. Recommendation 9 was also applicable to the Welsh Government:

“Recommendation 9. The Committee encourages organisations funded by public money to consider how they present information to ensure that it is readily understandable for the public, and that shows the organisation's priorities and the level of resource committed to those priorities.”

156. The Welsh Government provided a response to the Committee¹⁰⁶ in June 2015 but did not respond to Recommendation 9.

¹⁰³ [Welsh Government's consolidated accounts 2014-15](#)

¹⁰⁴ [NHS \(Wales\) Summarised Accounts 2014-15](#)

¹⁰⁵ [Public Accounts Committee report, Scrutiny of 2013-14 Accounts](#), March 2015

¹⁰⁶ [Welsh Government Response to the Report of the National Assembly for Wales Public Accounts Committee Report on the Scrutiny of Accounts 2013-14](#) (June 2015)

Statement of Accounts and target underspends

157. As noted in the audit certificate, the format of the accounts is largely governed by HM Treasury directions, although Welsh Government does have discretion to provide additional disclosures if this aids understanding.

158. Both the Summary of Resource Outturn and the Statement of Comprehensive Net Expenditure include significant aggregation of figures. For example, £5.6 billion of Health and Social Services spending is shown as a single line in the Summary of Resource Outturn. Welsh Government do however provide Finance Committee with an Outturn Report which splits departmental outturn between Resource and Capital spending. Also, note 6 in the Statement of Comprehensive Net Expenditure shows that the £14.5 billion of Programme expenditure is largely composed of £13.7 billion in grants. However, there is no further disclosure as to the nature of these grants.

159. The Welsh Government's budgetary documentation contains details of the allocations and budgetary cover the Welsh Government holds in reserve to help manage the financial position. Supplementary Budgets build on this providing details of the levels of underspend managed within the Welsh Government, as part of the UK Government's Budget Exchange System, and reserves held at the year end. Finally, the end of year position is summarised on page 5 of the consolidated accounts. For 2014-15, the Welsh Government had an underspend of £0.2 billion, or 1.5% of the total budget. Resource and capital budgets were within Treasury limits and have therefore been carried forward to 2015-16, without funding being surrendered to the Treasury.

160. Four departments had outturn variances against budget which were above £10 million:

- Health and Social Services underspend of £86.8 million related to "timing differences between the NHS consumption of resource and the cash drawn down";¹⁰⁷

¹⁰⁷ The [NHS \(Wales\) Summarised Accounts 2014-15](#) Annex 4 page xiii shows the three overspends against resource allocation by Betsi Cadwaladr UHB, £26.6m, Cardiff and Vale UHB £21.4m and Hywel Dda UHB £7.5m.

- Education and Skills underspend of £38.0 million relating to Student Loans model non-cash fair value estimates;
- Local Government underspend of £46.2 million related to annually managed expenditure budget from Treasury not required; and
- Central Services and Administration underspend of £35.3 million lower than expected non-cash provision.

161. Members questioned witnesses on how changes to finances, reallocation of funding and underspends are prioritised and managed and to understand key amounts disclosed in the accounts. Members also sought an explanation on the timing differences between NHS consumption of resource and the cash drawn down that led to the £86.8 million underspend in Health and Social Services.

162. The Committee were told that:

“...with health, because it’s a grant for health, it’s treated almost as a cash grant, whereas the accounts elsewhere are on a resource basis. So, there are a number of reasons for that figure in terms of the underspend against the ambit, but one was very much a time difference, in that the health service didn’t draw down the cash that was available for them to draw down.”¹⁰⁸

163. Both the Summary of Resource Outturn and the Statement of Comprehensive Net Expenditure include significant aggregation of figures, although it is recognised that the Finance Committee is provided with the split between Resource and Capital spending. For example, £13.7 billion of grants to external bodies is shown as a single figure in Note 6. The Committee sought further detail around the disclosure of large amounts within the accounts especially within departmental outturn and grants.

“It’s called ‘grants’, and this is traditionally the way it’s been presented in this part of the accounts, but I think it’s unhelpful, too, because we’ve been doing a lot of work on grants recently. There’s now an annual grants report, which comes to the committee, and the committee has quizzed us quite hard on that. In that report, you’ll see a proper breakdown of the type

¹⁰⁸ RoP, paragraph 41, 6 October 2015

of grants involved. This includes the rate support grant to local authorities, for example, which is a huge block of expenditure, but it also includes rather more sensitive, much smaller grants, it includes hypothecated grants, and I think it should be on the list for the simplification project. But, again, as you say, if we're going to make it shorter, perhaps a reference to the accompanying annual grants report would be one way of doing it, or a simple pie chart, perhaps, as a visual.

“On that particular issue, it was one of the minor changes we made, looking forward to the end of 2015-16, with the change in the financial reporting management, as part of simplification. So, perhaps, as the Permanent Secretary has indicated, we made the change in line with what was recommended. With our position with grants, perhaps we made that change without considering what it would mean in terms of that transparency. But, as I said, it was one of the changes that was recommended as part of the simplifying and streamlining project.”¹⁰⁹

164. Members noted the fine balance between having a short document while maintaining transparency but questioned why the Welsh Government did not include within its accounts the more detailed expenditure analysis that is contained in its outturn report presented to the Finance Committee. Members stressed that such information needs to be scrutinised.¹¹⁰

165. Note 22 in the accounts shows an increase in both the number and value of losses and special payments in 2014-15. Members asked witnesses to summarise the reasons for this increase and also sought an explanation on changes to the Welsh Government's policy on writing off unrecoverable debt. Members noted there had been a significant increase in unrecoverable debt this year amounting to an additional £5 million.

166. Members wished to establish the time that had elapsed from when the original invoices were drawn and how long they had been in the accounts as unrecoverable debt. Members were particularly concerned about losses arising from the strategic drug stores having to write off £3 million worth of vaccinations. The Committee were told:

¹⁰⁹ RoP, paragraph 53, 6 October 2015

¹¹⁰ RoP, paragraph 54, 6 October 2015

“This is very much health board public health territory. A judgment would have to be made about likelihood and risk, and I’m not sure that those judgments have been made or that the restocking has taken place.”¹¹¹

Improvements in public accessibility of Annual Report and Accounts

167. Although the Welsh Government Consolidated Accounts 2014-15 is one of the shorter documents that the Committee scrutinised this year, at 61 pages, it provides very limited narrative on the priorities and level of resource committed to these priorities.

168. There appears to be little or no change in the format or detail of the introductory information introducing the accounts compared to last year.

169. The Committee discussed the 18th Report of the Financial Reporting Advisory Board (FRAB),¹¹² for the period April 2014 to March 2015 on 15 September 2015. FRAB acts as an independent source of advice on the setting of government accounting standards in the UK. The Board is aiming to improve the quality and usefulness of financial reporting and to improve scrutiny and accountability through the Simplifying and Streamlining Accounts project. This would include from 2015-16 a more integrated reporting framework based on three sections: a Performance report; an Accountability report; and the Financial Statements. The Committee’s understanding is that the Welsh Government may intend to opt out of this initiative.

170. Members challenged and pursued a response to its previous Recommendation 9. The Committee pressed the Permanent Secretary on the format of the accounts and the fact that the format appeared to have not changed at all despite some reassurances previously given to the Committee that improvements would be made to make the format more accessible to the public.

171. the Permanent Secretary responded:

“...there’s been no major change in the presentation of the accounts, but it is still our intention to deliver on that commitment. The financial reporting advisory board has a

¹¹¹ RoP, paragraph 161, 6 October 2015

¹¹² [Financial Reporting Advisory Board Report 2014-15](#)

project and expectation for Government accounts across the board that, from the next financial year's accounts, will show significant improvement in accessibility and readability. We're working closely with the Wales Audit Office to do that. It is a matter of balance, because the accounts need to work as a document of record and be auditable on that £15 billion-worth of the public's money, but I think our view, like the committee's, is that they could be—well, they could probably be shorter—simpler and with a stronger narrative. I hope the committee can expect to see that for the next round.”¹¹³

172. The Committee were told that the Welsh Government had hoped to have progressed further but given Treasury intervention, which brought forward the date for the compilation of the whole of Government accounts, this meant that progress had been delayed but was now on target to meet FRABs deadline.

173. Members noted that the accounts from 2015-16 will show a significant change and this would be a matter its successor Committee in the fifth Assembly should follow up.

174. In terms of improving public accessibility to and understanding of the Welsh Governments accounts, Members suggested that it would be helpful to develop a mechanism enabling the public to be able to “follow the money” and see where expenditure is.

Sustainability

175. The Consolidated Accounts describes the organisation's commitment to sustainability and sustainable development. The document highlights the 2013-14 Sustainable Development Annual Report.¹¹⁴ Also, in June 2015, the final set of Sustainable Development indicators 2015¹¹⁵ was published (in future this will be replaced by the Well-being Future Generations national indicators). The latest State of the Estate annual report, which focuses on the efficiency and environmental performance of the estate, available is for 2013-14.¹¹⁶

176. A selection of headline indicators are provided in the consolidated accounts, page 9. The majority of these indicators show a continued

¹¹³ RoP, paragraph 10, 6 October 2015

¹¹⁴ [Welsh Government, The Sustainable Development Annual Report 2013-14](#)

¹¹⁵ [Welsh Government, Sustainable Development Indicators 2015](#)

¹¹⁶ [Welsh Government, State of the Estate Report 2013-14](#)

reduction in carbon emissions or waste tonnage. Apart from a large fall in electricity consumption between 2011-12 and 2012-13, the Welsh Government has not managed to reduce consumption in recent years.

177. Members wished to identify the reasons for the lack of progress in electricity and other energy consumption and questioned the witnesses on what action was being taken to reduce consumption on the Welsh Government administrative estate.

178. The Committee was told that the rationalisation of the Welsh Government estate had produced a reduction in energy usage of about 30% in term of carbon footprint adding that:

“I don’t think we do generate any electricity. There was an unsuccessful attempt at a wind turbine at our offices in Aberystwyth, as I recall, but generally speaking, not. But I think we take some pride in the achievements on estate rationalisation, and some of the figures in the table, in the accounts, I think are reasonable.”¹¹⁷

Project Management

179. Members sought to establish how Welsh Government are improving project management capability within the Welsh Government and particularly the processes for reviewing contracts before they expire, to ensure the best value for money options are taken forward. The Committee has had concerns about the preparation in advance of contracts expiring, that the Welsh Government undertakes or the absence of preparation in one department in particular. During the Committees work on the *Intra- Wales Air Link*, the Committee expressed concern about the timeliness of re-procuring or deciding whether to move forward with another contract and sought assurances that this was not a feature across Welsh Government.

“The goods and services that my organisation purchases every year—everything from biros to IT consultancy—amounts to about £0.5 billion. Given our current financial circumstances, I’m looking very closely at that to see whether we are actually extracting full value for money. I’ve established a work stream under the ‘Preparing for the Future’ programme, with the head

¹¹⁷ RoP, paragraph 27, 6 October 2015

of the National Procurement Service as the senior responsible officer reporting to me on that, to establish that we do indeed have the right kind of, sometimes, pretty hard-nosed approach, actually, to procurement, and that, if the public services are feeling the pinch financially, we're making sure that we're getting absolutely best value out of our contractors. So, I'm not saying 'job done' on this, but I think we have identified it as somewhere where we may be able to get better value for money for the taxpayer."¹¹⁸

Grants Management

180. The Annual Report on Grants Management states that as a result of the Public Accounts Committee recommendations, a number of measures have been put in place to address concerns around the limitations of its overall management information and corporate data available to support decision making on grants. It has been agreed that grants improvements will continue to focus on further embedding the good practice of grants processes and procedures across the Welsh Government, supported by tactical improvements to the existing IT system rather than the implementation of a brand new IT system.

181. Further improvements are cited in terms of training; working with and learning from others; measuring compliance; and understanding administration costs.

182. In March 2015, the Permanent Secretary provided the Committee¹¹⁹ with details of hypothecated grant funding to the NHS of £22 million in 2013-14.

183. The Consolidated Accounts also includes a Governance Statement which summarises the governance framework. The Governance Statement also lists specific weaknesses in controls identified during the year.

184. Members raised the issue of grants management and highlighted the positive impression given to the Committee from the Annual Grants Management Report that progress is being made in term of improvements, processes being tightened up and appropriate risks taken. However, Members raised concerns that there had been some

¹¹⁸ RoP, paragraph 179, 6 October 2015

¹¹⁹ PAC(4)-10-15 PTN4, 21 April 2015

examples in the media where the arrangements for awarding grants had been unsatisfactory. Members asked what assurances could be given that written applications are received with sufficient justification and are considered thoroughly before grants are awarded.

185. The Committee were told that:

“...the grants management process stands up and has put us in a better position generally. There will always be some cases that go wrong. So, if you’re seeking an assurance that that will never happen, I can’t provide it. There will be cases where things go wrong or a firm goes bust—. I suspected you might ask me this question, so I asked myself the question, ‘Well, how do I know that this is effective?’ We can keep track of these figures, if you like, but, in recent years, we’ve made over 1,000 grant offers from which we currently have 14 cases where we’re seeking some kind of recovery. If we keep track of those figures, we should know whether we’re doing okay or not. I don’t think I could tell you what the right level was but I think that that creates a sense of proportion about the problem that we’ve got here, but we will never completely eliminate that. I think that our grants management now is generally far less risky than it was. We can still improve the grants management programme. It’s still at work.”¹²⁰

186. The Committee wished to examine further the robustness of the information required from grant applicants as part of any grant application processes with the Welsh Government as the Committee felt that there had been one specific example whereby little information was required. The Committee were told:

“It won’t be typical because there’s no standard grant application. They vary enormously in terms of size, scale and complexity. I think, again, in terms of not being overly risk averse, we do try to match proportionately the administration, the checking, and the paperwork to the risk, both in terms of the sum of money involved and the nature of the organisation that we’re funding. So, it won’t be exactly the same set of paperwork for every type of grant. It will vary. I hope, actually,

¹²⁰ RoP, paragraph 197, 6 October 2015

that, in some cases, if it's a small amount of grant to a reliable organisation, we do keep the paperwork to a minimum."¹²¹

Our View

In following up its recommendation from its scrutiny of the 2013-14 accounts, the Committee considered the Welsh Government's approach to improving the presentation of its accounts to ensure that information is readily understandable and accessible to the public. The Committee notes that the Welsh Government has not yet made any major changes to the presentation of its accounts but note its intention to deliver on its commitment to do so. The Committee recommends that the Welsh Government focus on streamlining its accounts to meet its commitment to produce a simpler set of accounts with a stronger narrative by the next account period. The Committee expects to see significant changes arising from the Welsh Government's streamlining project and recommends that more detail, in appendices if necessary, is needed within the accounts regarding expenditure analysis and that future accounts should include more details of grants awarded by the Welsh Government listed under programme expenditure.

In terms of improving public accessibility to and transparency of the Welsh Government's Accounts, the Committee recommends that the Welsh Government give consideration to adding links to its online accounting documentation that demonstrate the flow of funding from Welsh Government to other public sector organisations to enable the public to be able "to follow" the money and identify how the Welsh Government allocates funding.

The Committee gave consideration to the Welsh Governments approach to sustainability and note that while the majority of indicators contained within the Welsh Government's accounts show a continued reduction in carbon emissions or waste tonnage, apart from a large fall in electricity consumption, energy consumption has not been reduced in recent years. Although the Committee were told that waste figures contained in the accounts were reasonable we believe additional work should be undertaken to ensure the Welsh Government is operating sustainably. We

¹²¹ RoP, paragraph 203, 6 October 2015

recommend that Welsh Government review its approach to reducing energy consumption across its estate and explore innovative options to achieving this.

The Committee raised concerns regarding the Welsh Government's approach to project management and specifically issues relating to the processes it has in place for reviewing contracts prior to their expiration to ensure the best value for money options are identified and taken forward. The Committee notes that the Welsh Government has established a work stream under the "Preparing for the Future" programme to establish to identify issues within the Welsh Government's procurement processes and to ensure best value for money is achieved. However, we agree with the Welsh Government that this work is ongoing and is an area where improvement is necessary. The Committee recommends that the Welsh Government provides the Committee with regular updates on the progress of this work.

The Committee considered the Welsh Government's approach to Grants Management and believes that there are still examples of where grant management processes need improving. The Committee will continue to monitor the Welsh Government's approach to Grants Management.

Annexe A - Witnesses

The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at:

www.senedd.assembly.wales/mgIssueHistoryHome.aspx?Ild=1311

Name	Organisation
<i>22 September 2015</i>	
David Michael	National Library of Wales
Colin John	National Library of Wales
Avril Jones	National Library of Wales
David Anderson	National Museum Wales
Neil Wicks	National Museum Wales
<i>29 September 2015</i>	
David Melding AM	National Assembly for Wales
Claire Clancy	National Assembly for Wales
Nicola Callow	National Assembly for Wales
Sarah Powell	Sport Wales
Peter Curran	Sport Wales
<i>6 October 2015</i>	
Sir Derek Jones	Welsh Government
Gawain Evans	Welsh Government
Peter Kennedy	Welsh Government
David Richards	Welsh Government