

# Comisiwn y Cynulliad Assembly Commission

Cynulliad  
Cenedlaethol  
Cymru  
National  
Assembly for  
Wales



## AC(4)2011(5) Paper 5

**Date:** 20 October 2011

**Time:** 13:00-15:00

**Venue:** Presiding Officer's office

**Author name and contact number:** Claire Clancy, ext 8233

## Management Board report to the Commission October 2011

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**Assembly Commission's strategic goals**

**1.0 Strategic goal – provide outstanding parliamentary support**

**1.1 Assembly business update**

a. Committee business is now firmly underway, and early indications suggest that committees appear to be more active than during the equivalent period in the Third Assembly. Since the beginning of the autumn term several committees have formally established sub-groups to undertake specific inquiries. As at 4 October, this included:

- Common Agriculture Policy Task and Finish Group;
- Common Fisheries Policy Task and Finish Group;
- Procurement Task and Finish Group (will work informally); and
- Task and Finish Group on the future outlook for the media in Wales.

b. In addition to the inquiries being done by these sub-groups, committees are themselves underway with inquiries into:

- Energy policy and planning in Wales
- Disability-related Harassment in Wales
- Regeneration of town centres
- Children's Oral Health in Wales
- Community Safety in Wales
- Welsh Government draft budget proposals for 2012-13
- Stroke Risk Reduction
- Contribution of community pharmacy to health services in Wales
- Granting of Powers to Welsh Ministers in UK Laws

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- c. They are also undertaking additional work, such as preparing for budget scrutiny, examining annual reports of the PSOW and Children and Older People's Commissioners, and meeting stakeholders in a range of events.
- d. This level of activity and the new committee timetable is generating a need for adjustments to working styles and practices for both Members and staff. In particular, the demand for briefing is high and expected turnaround time extremely tight, with some Members expressing a desire for this to be made available more quickly. The staff supporting committees are working with Chairs and Members to ensure that expectations can be met in a sustainable way.

**1.2 Remuneration Board**

- a. The Remuneration Board met on 23 September to discuss its future work programme. In the next few years the Board will undertake a review of Assembly Members' pensions, and continue to monitor the implementation of its Determination based on feedback from Members and their staff. As part of its review of pension arrangements, the Board will undertake early consultation with Members and other stakeholders on the principles of pension provision for Assembly Members. This is likely to include written consultation, and a colloquium to be held in the spring. The Board will engage in ongoing consultation on all aspects of its future work programme.
- b. The next meeting of the Remuneration Board will be on 25 November.

**1.3 Fourth Assembly programme**

- a. The programme recently conducted a lessons learned session with Assembly staff and will be doing the same with support staff leads from each of the party groups. The Hansard Society is conducting some independent research with new Assembly Members about their experience of the Assembly and the support they were given to help them settle into their new roles. This material, and feedback gathered from Members more generally, will be included in a future paper for the Commission, and used to inform planning and action for the Fifth Assembly.

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1.4 Flow of information from the Welsh Government

- a. The *Protocol on Contact between the Welsh Government and the National Assembly Research Service* has now been agreed between Government and Commission officials and came into force on 10 October 2011. This follows the First Minister's agreement to the recommendation of the Remuneration Board that arrangements should be put in place for access to Welsh Government-held information which are equivalent to those in other UK parliamentary institutions.
- b. The protocol describes the relationship between the Welsh Government and the Research Service and sets out the working arrangements for accessing information from the Government by the Research Service on behalf of Assembly Members.
- c. The main change is that instead of each request having to be submitted in writing to Ministerial private offices, the Research Service will be able to contact relevant policy officials by phone for clarification purposes or to ascertain the location of previously published material and will be able to e mail officials directly for all other requests. The Government intend to publish all questions and responses on a disclosure log on their website.
- d. The protocol and new working relationships will be kept under review to ensure the best possible service to Members.

**2.0 Strategic goal – engage with the people of Wales**

2.1 Media coverage

- a. Media work during the summer recess concentrated on publicising the Presiding Officer's outreach activities, including essay pieces and interviews in newspapers including *The Western Mail* and *The Daily Post*, and *South Wales Argus*.
- b. There was significant coverage of the launch of the public consultation on the Official Languages Bill and Bilingual Services Scheme, including a thought piece from Keith Bush in the *Western Mail* and articles publicising the Bilingual Services workshops.

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**2.2 Summer engagement activities**

- a. The Assembly bus visited five national and seven regional events across Wales. Over 6,500 people visited the bus to engage with Assembly staff and take part in various activities.
- b. The Presiding Officers attended a number of the shows and met with a range of organisations to discuss their priorities, and to establish how the Assembly, with its new powers, could ensure that these issues were brought to the fore.
- c. The Petitions and Environment and Sustainability committees held well-received meetings and workshops at the Royal Welsh Show and the National Eisteddfod.

**2.3 The Assembly as a legislature then, now and in the future**

- a. The Assembly held a conference in partnership with the Wales Governance Centre and the Study of Parliament Group in September to consider the Assembly's development as a legislature. Contributors included Professor Richard Wyn Jones (the Wales Governance Centre's Director), Professor Laura McAllister of the University of Liverpool, Sir Christopher Jenkins (a former First Parliamentary Counsel), and Alan Trench (a constitutional expert).
- b. The conference, which was opened by the Presiding Officer, also provided an opportunity for the signing of a Memorandum of Understanding with the Wales Governance Centre, which will, in future, be based in the Pierhead.

**2.4 Draft Strategic Equality Plan**

- a. The Management Board has recently agreed the objectives set out in the Commission's draft Strategic Equality Plan. The Presiding Officer and the Assembly Commissioner with responsibility for equality have also provided their endorsement. The Assembly Commissioner's Equality team have now started the consultation process which will be on-going throughout October and November. Comments will be invited from all Assembly Members, Assembly staff, special interest groups and the public during this time. Responses will be analysed and will contribute to the final plan. This will

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be returned to the Management Board for consideration before being submitted to the Assembly Commission for formal approval at the February 2012 meeting. The final Strategic Equality Plan will be published in April 2012.

**2.5 Vote 2011 campaign feedback**

- a. In 2010, the Assembly devised a communications strategy to promote the three opportunities the people of Wales had to vote in 2011. Running in early 2011, the campaign aimed to raise awareness, encourage people to vote, support the Commission's goal to promote and widen engagement in devolution and to position the Commission as an informative, impartial and authoritative source of information.
- b. More than 20,000 Vote 2011 leaflets were printed and distributed. In addition, over 52,500 visitors to the Senedd between July 2010 and January 2011 were exposed to the leaflets and the display materials.
- c. The Assembly Bus visited the 22 local authority areas and the majority of electoral constituencies prior to the start of the pre-referendum moratorium in February. Outreach presentations were given to 626 people, 269 people attended conferences on Vote 2011, and officials spoke to 1,350 students at Freshers' Fairs across Wales.
- d. The online advertising campaign drove 7,767 clicks to the microsite, and, during the course of the campaign, more than 2,000 people visited the Vote 2011 pages on the Assembly website. The advertising campaign delivered 25 million impressions (the number of times the advert could have been seen online).
- e. Vote 2011 received broadcast coverage from BBC Breakfast, BBC News 24, the BBC Network News (lunchtime and evening) and Radio 5 Live and Radio 4 – giving exposure to a combined audience of approximately 24 million people. In addition, local press coverage in Wales (daily titles such as the Western Mail and Daily Post) as well as weekly regional titles reached an average readership of approximately 700,000.

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- f. The campaign was shortlisted for the Chartered Institute of Marketing's Canmol Cymru Awards 2011, but was not successful on this occasion.

**3.0 Strategic goal – promote Wales**

**3.1 Commonwealth Parliamentary Association**

- a. Two Members attended the 57<sup>th</sup> Commonwealth Parliamentary Association conference on behalf of the Assembly in July. The conference, which was hosted by the House of Commons, had a theme of 'Reinforcing Democracy in the New Age'.
- b. In July, the Deputy Presiding Officer represented the Assembly at a CALRE (Conference of European Regional Legislatures and Assemblies) workshop on the 'The Dynamics of European Regionalism' in Italy. The minutes and reports discussed at the workshop are available on the Assembly's website.
- c. The Presiding Officer attended a meeting of the CALRE Standing Committee in Tenerife in September. At the meeting, the Committee discussed the issue of immigration from Africa and its impact on European countries, and nominations for the next CALRE president. The minutes and reports discussed at the meeting will be made available on the Assembly's website.

**3.2 Official Opening of the Fourth Assembly**

- a. The Official Opening of the Fourth Assembly in June 2011 comprised two events:
  - i. the 'Celebration of the Mace', held on 6 June in partnership with the Inter-Faith Council for Wales; and
  - ii. the Royal Opening of the Fourth Assembly by Her Majesty The Queen, in the company of His Royal Highness The Duke of Edinburgh and Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall.
- b. The Royal Opening was attended by 298 invited guests, including representatives of the Welsh judiciary and the

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Supreme High Court, Assembly Members' guests, representatives of Welsh civic society and local government, and diplomatic representatives.

- c. A report of the official opening, which sets out the lessons learned and the final cost of the opening (£39,518 against a budget of £51,000), has been considered by the Presiding Officers. A copy can be made available to Commissioners on request.
- d. Feedback about the opening has been mainly positive, including correspondence from Her Majesty The Queen and His Royal Highness The Prince of Wales expressing their congratulations to the Assembly for a memorable and enjoyable occasion.

**3.3 Prime Minister's visit – July 2011**

- a. The Prime Minister, accompanied by the Secretary of State for Wales and the Deputy Prime Minister, addressed the Assembly in the Siambr in July 2011 following a regional meeting of the UK Cabinet. In his speech, the Rt Hon David Cameron MP paid tribute to the role that Wales has played in shaping the UK, and stressed that mature devolution should be about “mutual respect, the sharing of ideas and the spirit of collaboration”. He also confirmed that a process similar to the Calman Commission in Scotland would be established to seek a consensus on the future direction of devolution and the way that Wales is funded.
- b. Following the visit, Outreach officials compiled a lessons learned report to inform similar visits in future.

**4.0 Strategic goal – use resources wisely**

**4.1 Finance Committee – 6 October 2011**

- a. On 6 October, Angela Burns AM, accompanied by Claire Clancy and Steven O'Donoghue, attended the Finance Committee for scrutiny of the Commission's draft budget 2012-13. The Committee probed the proposed budget increase in comparison to budget reductions being applied elsewhere in the public sector. The Commissioner explained



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the Commission's proposals for protecting and enhancing services to Members, and the impact that would have resulted had the Commission decided to continue with a strategy of year-on-year budget reductions. The Committee has three weeks to lay its report. The current intention is to lay the Commission's final budget on 9 November, for a motion debate on 16 November.

#### 4.2 Audit Committee

- a. Minutes from the Audit Committee meetings on 9 June and 7 July 2011 are attached at Annex B for information.

#### 4.3 Investment programme

- a. Our Change Programme has been refocused and is now known as the Investment Programme. The purpose of the change was to streamline the way the programme is managed and to place a greater emphasis on project management and ensuring that all projects undergo careful, critical scrutiny, with appropriate expert input.
- b. The key projects under consideration at present are proposals to develop a combined HR and payroll system, and to refresh the ICT equipment the Senedd. Initial consideration is also being given to options for the replacement of the Merlin system. The Investment Programme is forecast to spend £960,000 this year.

#### 4.4 Industrial action – 30 November

- a. Trade unions have called a collective day of strike action on Wednesday 30 November in protest at the UK Government's, public sector pension reforms including planned increases to contributions with effect from April 2012. The three unions recognised by the Commission (PCS, Prospect and the FDA) have all indicated their general support for the action and their intention to ballot their members. FDA's (the union for senior managers and professionals) unusual decision to ballot for industrial action is an indication of the depth of feeling concerning the reforms.

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- b. Some 40 per cent of the Commission's workforce were absent from work as a result of the last day of industrial action on 30 June (as they were directly involved in the strike action). A further number of staff were absent due to caring responsibilities arising from school closures etc. Some 60 per cent of the Commission's staff are members of a trade union.
- c. The Commission's business continuity plans are being implemented to ensure all practicable steps are taken to mitigate the impact of the action on business.

#### 4.5 Attendance management

- a. Absence rates for the staff of the Commission have reached an all-time low as result of the robust but supportive application of the Commission's Attendance Management Policy. In the twelve months to August the level of absence reduced to an average of 5.72 days per employee. Absence rates had peaked at an average of 10.6 days per annum in 2007. Current rates of absence compare favourably with benchmark data that shows an average of 7.9 days per full time equivalent employee in public sector organisations of between 250-500 employees.

#### 4.6 Security staff

- a. Following an improved offer to security staff to change to new working hours, there were no extra volunteers. As the Commission prefers to move to the new working patterns on a voluntary basis, a recruitment exercise has begun to ensure that we have sufficient staff to cover the Assembly's requirements, including seven day opening, and Plenary sessions or events that continue into the evening.
- b. Part of the cost of bringing in new staff will be met from the removal of the need for planned overtime. Nevertheless, in the short term, there will be a net increase in cost of about £240k per annum, but this will reduce as security staff who continue to work on the old patterns will not be replaced as they leave or retire.

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**4.7 Head of Procurement**

- a. This post, which will enhance the skills available to us in procurement and contract management, has been offered to and accepted by Jan Koziel, currently Head of Procurement with the Environment Agency, Wales. He will start on 1 November. The post is a two year secondment, and will be reviewed towards the end of that period. Soon after he joins us, Jan will talk to all Commissioners to get their feedback and ideas on procurement-related issues.

**5.0 Financial report**

5.1 The budget for 2011-12 totals £48.8 million. The position at the end of August shows a total net spend of £12.339million for Assembly Services. This is within 0.5 per cent of the planned expenditure. Assembly Members have utilised 37 per cent of their total annual budget.

5.2 Both the Assembly Services and the Assembly Members' budget ambits contain one-off election resource that is not likely to be fully utilised. In particular, the Assembly Members' budget was set with the one-off election costs estimated using a larger turnover of Members at the election than actually took place, with the result that a considerable amount (£1.8m) was not required. The senior management team is currently considering the matter to determine the funds likely to be returned to the Welsh Block, and will bring a paper setting out the issues to the Commission's November meeting.

**6.0 Other information**

6.1 A list of information disclosed since the last report under the Freedom of Information Act is attached at **Annex A**. The full disclosure can be provided to Commissioners on request.

## **Annex A**

### **Information released following access to information requests (May-September 2011)**

- Costs associated with the running of the Deputy Presiding Officer's Office over the last five years
- Assembly costs relating to the Royal Wedding
- Payments made by the Assembly to barristers
- Numbers of cheques issued by the Assembly
- Information relating to Assembly staff filled vacancies
- Costs of the report by the Commissioner for Standards and costs of the motion to reinstate Liberal Democrat Member and translation costs
- Number and costs of flights using the North/South Wales air route since April 2010
- Information relating to recess periods

### **Information withheld following access to information requests (May-September 2011)**

- Information relating to ICT and server details
- Legal advice relating to disqualified Members
- Correspondence between an Assembly Member and the Commission
- Personal data relating to the above requests

## **Annex B**

Bwyllgor Archwilio Comisiwn y Cynulliad  
Assembly Commission Audit Committee

**NAFWC ACAC**

**Minutes of 9 June 2011**

**Time:** 11:00

**Venue:** Conference room 4B

### **Minutes of 09 June 2011 meeting**

#### **Present:**

Richard Calvert (Independent Advisor) (Chair)

Tim Knighton (Independent Advisor)

Professor Pickard (Independent Advisor)

#### **Officials present:**

Claire Clancy, Chief Executive and Clerk

Dianne Bevan, Chief Operating Officer

Nicola Callow, Head of Finance

Mark Jones, Wales Audit Office

Lynne Flux, Head of Internal Audit

Rachael Tonkin, KPMG

John Grimes, Head of Governance

Alison Rutherford, Secretariat

#### **Item 1 - Welcome and Introductions**

1. The Chair welcomed attendees. No apologies had been received

#### **Declaration of Interests**

2. No interests were declared.

#### **Minutes of Meeting held on 19 April**

3. The minutes of the previous meeting were agreed.

#### **Matters Arising**

4. Claire Clancy summarised events at the Assembly since the Audit Committee last met. Following the election in May there had been 23 new Members to the Assembly, a new Presiding Officer, Rosemary Butler, and a new Deputy Presiding Officer, David Melding. Four new Commissioners

had been selected, Angela Burns, Peter Black, Rhodri Glyn Thomas and Sandy Mewies. The portfolios of each of the Commissioners, including Audit Committee membership, would be agreed at the Commission meeting on 16 June.

Claire reported that she had received very positive feedback following the Members induction, including praise from the First Minister that the process had been successful and well received.

The Royal Opening had taken place the previous week to formally open the Fourth Assembly, and had been extremely successful.

Claire outlined events surrounding the disqualification of two Liberal Democrat Assembly Members as a result of being members of an organisation listed in the National Assembly (Disqualification) Order 2011. Motions to disregard the disqualification had been tabled, but any debate on the motions would have to follow the current investigation by the Police and CPS, and an internal review.

#### *External Audit*

5. Mark Jones advised that Richard Harries would be the new Wales Audit Office Audit Director for the Commission. He would shortly be meeting Claire Clancy and would attend the next Audit Committee meeting.

#### **Item 2 – Internal Audit**

##### **Paper 1 Progress on Internal Audit programme**

6. Lynne Flux introduced the paper and advised that work for the 2010/11 programme had been completed. Lynne invited comments from the Committee about the usefulness and format of the paper to be used for the 2011-12 audit cycle. The Committee agreed it was a clear summary and a useful way to track progress.

##### **Paper 5 Payroll Internal Audit Report**

7. Rachael Tonkin from KPMG introduced the Payroll report, a full scope audit, which produced an overall rating of Satisfactory. Rachael said that the control environment within the payroll function was very strong but that a streamlining of the control process was required to achieve a higher rating. Three recommendations had been agreed and should shortly be implemented. The committee emphasised the importance of effective controls.

## **Paper 6 Risk Management Internal Audit**

8. Rachael Tonkin outlined the findings of the limited scope review of Risk Management at the Assembly. She told the Committee that there was evidence that Risk Management was well embedded and dealt with at every level within the Assembly.
9. The report made a number of recommendations for improvement. These covered minor control weaknesses in managing the risk process and bringing more clarity to the reporting of risks. Specifically, the style of the reports could be changed to ensure key risks were highlighted and not lost in the detail. One suggestion was to provide a top ten risk report to the Audit Committee to ensure key risks were reported directly.
10. The Chair noted that Risk Management is largely embedded in the Assembly's culture, and that the improvements suggested were minor. The Committee emphasised the benefits of clear reporting, which can be aided by IT tools.

## **Paper 3 Annual Opinion and Report by the Head of Internal Audit**

11. Lynne Flux introduced the paper which provided a summary of the reviews undertaken for 2010-11. Of the total 47 recommendations made, 9 were rated as high. Lynne provided a positive opinion on the control environment within the Commission. In coming to this conclusion the Head of Internal Audit had drawn assurance from the work undertaken in the internal audit programme and from other sources. The latter included Directors' Statements of Assurance and Wales Audit Office audit work on members' expenses.
12. Mark Jones noted Wales Audit Office's agreement with the assurance and the Chair expressed the Committee's acceptance of the opinion.

## **Paper 4 Progress on recommendations**

13. The Committee considered the paper detailing updates on progress on recommendations of Internal Audit reports from the 2010/11 programme.
14. Dianne Bevan confirmed, in relation to the Contract Management recommendations, that stringent checking around contract management issues had been put in place and that legal issues and advice was being considered in detail where necessary.

15. John Grimes told the Committee that a new Head of Procurement would shortly be recruited to strengthen the team, to evaluate processes and provide assurance to the Chief Executive. John told the Committee that a paper would be delivered at the next Change Board to consider a strategic approach to the Change Programme and to clarify the various roles.
16. Claire Clancy reiterated the importance of having the right structures and systems in place, and to ensure that there is corporate commitment to the delivery of contracts.
17. The Committee emphasised the importance of including implementation dates when looking at progress, and tracking where dates are missed. The Committee suggested that the management response could be excluded from the report to avoid duplication, and that 'traffic lights' might be useful in monitoring progress on recommendations. This was agreed. Lynne Flux to oversee amendments to the reports produced.

## **Paper 2 Audit Plan 2011/12**

18. Lynne Flux introduced the Audit Plan and told the Committee that the aim of the 2011/12 plan was to ensure a more consistent spread of work throughout the year. She said that some in house resource would be available to assist in completing this work. Since the last meeting, she had been able, with KPMG to provide a more detailed plan with target Audit Committee review dates. Key changes since the Committee's consideration at the last meeting included the:
  - Fourth Assembly. The 4AP programme was conducting a 'lessons learned' exercise. The Head of Internal Audit would feed into this process rather than undertake a separate piece of work.
  - Website content. A short in-house piece of work would be conducted to assess the current operation of content management controls. Governance and decision making arrangements in the Assembly Commission. This would be conducted in-house and map the boards and committees operating in the Commission to assess effectiveness and potential duplication of roles.
  - The Resources Service was undertaking work looking at fraud, whistleblowing and the Bribery Act. Internal Audit were participating in this to develop, with staff groups, a fraud risk register.



### **Item 3 - 2010-11 Annual Accounts**

#### **Paper 7 Draft resource accounts 2010-11**

19. Nicola Callow introduced the paper and accounts, advising that they were substantially complete, with some drafting of the commentary to be finalised. The accounts were delivered on time to Wales Audit Office on 1 June and the Commission was on time to deliver the final accounts to the Committee at 7 July meeting.
20. Nicola highlighted one re-statement which referred to the change in accounting of costs of capital charges, and said that this charge had been removed from the Commission's account in line with Treasury guidelines.
21. The Committee identified some areas where cross references between statements and notes of the accounts would ensure a clearer picture is given. Nicola Callow agreed to include cross references where necessary.

### **Item 4 External Audit**

#### **Oral Update on the emerging external audit opinion for the financial year 2010-11**

22. Mark Jones from the Wales Audit Office thanked the Commission for the quality of the draft accounts submitted to them for audit. He reported that there were no substantial findings thus far and WAO would report fully at the July meeting. Mark also said that the sickness of one audit team member at the start of the audit had been addressed and would not impact on the timetable

### **Item 5 Assembly Commission Governance**

#### **Paper 9 Quarterly Risk Management Report**

23. Dianne Bevan introduced the paper and said that the horizon scanning exercise and strategic register would need to be considered in light of the new strategic goals of the Commission. Key issues on the horizon were Contract Management risks, possible industrial action, and some delays in the ABMS project in light of problems in loading it onto the system.
24. The Committee suggested that registers should be monitored closely and that traffic lighting and direction of travel of risk ratings could be indicated for clearer reporting.

## **Item 6 Other Items**

### **Future Meeting Dates**

25. The Chair asked that the Work Programme be circulated with the agenda for future meetings. The Chair said that dates following the July meeting had not yet been decided, noting that the June and July meetings were scheduled to fit in with the draft and final accounts. Future dates to support the Internal Audit Programme would be identified by John and Lynne and circulated to the Committee.

## **Item 7 Papers to note**

### **Paper 11 Audit Committee Annual Report**

26. The Chair said that the Annual Report had been finalised and circulated, and agreed by e-mail.

### **Paper 12 Departure Report**

27. The Chair noted there were fewer departures than at April's meeting because a shorter time period was covered in this report. The Committee questioned the 'value for money' claimed in the summary of the Bus Maintenance departure. The Committee asked John Grimes to investigate and report back to the Committee.

## **Any Other Business**

28. Mark Jones told the Committee that David Wood, Audit Team Leader at WAO was to leave at the end of the audit of the Annual Accounts, and that there would be a new team leader in place for next year's audit.

## **Date of next meeting**

29. The next meeting will take place on 7 July – venue to be confirmed.

# **Bwyllgor Archwilio Comisiwn y Cynulliad Assembly Commission Audit Committee**

**NAFWC ACAC**

**Minutes of 7 July 2011**

**Time:** 11:00

**Venue:** Video Conference Room, Ty Hywel,

## **Minutes of 7 July 2011 meeting**

### **Present:**

Richard Calvert (Independent Advisor) (Chair)

Tim Knighton (Independent Advisor)

Professor Robert Pickard (Independent Advisor)

Angela Burns, AM

### **Officials present:**

Claire Clancy, Chief Executive and Clerk

Dianne Bevan, Chief Operating Officer

Nicola Callow, Head of Finance

Lynne Flux, Head of Internal Audit

Richard Harries, Wales Audit Office

Mark Jones, Wales Audit Office

John Grimes, Head of Governance

### **Item 1 - Introductions**

1. The Chair welcomed attendees. No apologies had been received

### **Declaration of Interests**

2. No interests were declared.

### **Minutes of meeting held on 10 June 2010**

3. The minutes of the previous meeting were agreed.

### **Matters Arising**

4. Para 27 'Bus Maintenance Departure' John Grimes reported that he had investigated the circumstances behind this departure which had been required because there were fewer than three tenders. He said that, while consideration had been given to whether the preferred tender

offered value for money, this had been based primarily on the basis of the contract manager's opinion and there had been little analysis presented in support of it. He said that procedures would be strengthened to ensure a more thorough analysis in future cases.

5. This led on to a wider discussion of the risks associated with procurement and project management in the Assembly. The Chair noted that action was in hand which would lead to the appointment of a new Head of Procurement and asked whether, in the meantime, officials felt the safeguards in place were adequate. Responding, Claire Clancy pointed to the way in which awareness of, and sensitivity to, procurement issues had been raised within the Assembly. She also outlined the changed approach to scrutinising and approving projects and the recent training course which had been provided for contract managers. While one could not eliminate all risks, Claire Clancy thought that current position was satisfactory but that it would be fully strengthened once all the planned action had been implemented. She said that, while concerns remained, she would let the Audit Committee have a progress report on procurement exercises at each meeting.

### **Clearance of Minutes**

6. The Chair told the Committee that he intended to send their minutes to the Assembly Commission after each meeting. To avoid delay he would in future ask Members to agree them by e-mail rather than wait for the Committee's next meeting.

### **Item 2 - Annual Accounts and Assurance 2010/2011**

#### **ACAC(9) Paper 1 Resource Accounts 2010/2011**

#### **ACAC(9) Paper 2 Wales Audit Office ISA 260 Report 2010/2011**

7. Nicola Callow outlined the changes that had been made to the accounts since the Audit Committee had considered the draft version on 10 June. While a number of small amendments had been made following the audit, these were of minor significance.
8. Richard Harries reinforced this message saying that it was the Wales Audit Office's intention to issue an unqualified report on the accounts. He added that his team had very much appreciated the cooperative way that officials had worked with them – and, particularly, in dealing with the last minute change in relation to pension costs which had resulted from late guidance received by Wales Audit Office on 1 July.

9. The Audit Committee noted the change that had been required in the accounting treatment for the pension scheme past service costs. While this did not significantly affect the conclusions to be drawn from the accounts the Committee considered it unsatisfactory that a change of this kind should be required after the end of the year.
10. The Audit Committee noted the very satisfactory financial performance that had been achieved during the year and asked that their congratulations be passed to the Finance team. The Committee particularly welcomed the continued improvement over the last three years which had been evidenced by the most recent ISA 260 report. The Committee concluded by recommending to the Accounting Officer that she should sign the accounts.

### **Item - 3 Dates of Future Meetings**

#### **ACAC(9) Paper 3 Dates of future meetings**

11. The Dates of future meetings were agreed.

### **Item 4 - Paper to note**

#### **ACAC(9) Paper 4 Report on TRS project**

12. The Audit Committee noted the report on this project and that the lessons to be learned from it largely echoed those from other recent reports and which were already being addressed.
13. In the discussion Audit Committee members emphasised the key role that the Senior Responsible Officer plays within a project and the crucial role of an experienced project manager. Members stressed the importance of sound advice where technical issues were involved and noted that independent ICT consultants could assist with 'scoping' a project. The Committee noted also the importance of sound document management when dealing with complex project issues.

### **Date of next meeting**

14. The next meeting will take place on 11 November.