

# **Fifth Senedd Legacy Report**

March 2021



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# **Fifth Senedd Legacy Report**

March 2021



# About the Committee

The Committee was established on 22 June 2016. Its remit can be found at: [www.senedd.wales/SeneddPAC](http://www.senedd.wales/SeneddPAC)

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Current Committee membership:



**Gareth Bennett MS**  
Abolish the Welsh Assembly Party



**Vikki Howells MS**  
Welsh Labour



**Delyth Jewell MS**  
Plaid Cymru



**Darren Millar MS**  
Welsh Conservatives



**Rhianon Passmore MS**  
Welsh Labour



**Jenny Rathbone MS**  
Welsh Labour

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The following Member was also a Member and Chair of the Committee from 29 June 2016 to 28 March 2021.



**Nick Ramsay MS**  
Independent

# Contents

<b>Foreword .....</b>	<b>5</b>
<b>Recommendations .....</b>	<b>6</b>
<b>1. Operation of the Public Accounts Committee .....</b>	<b>9</b>
Remit .....	9
How we have undertaken our work during the Fifth Senedd.....	10
Contributing to the work programme of the Auditor General for Wales .....	14
Welsh Government responses.....	15
<b>2. Engaging with the people of Wales and Beyond .....</b>	<b>16</b>
Site Visits.....	16
Stakeholder Events.....	16
Engagement with Young People.....	17
Digital Engagement.....	18
Key Note Speeches.....	19
Sharing our work across Wales and beyond.....	20
Looking to the Sixth Senedd.....	21
<b>3. Making an Impact .....</b>	<b>22</b>
The Welsh Government’s Relationship with Pinewood.....	22
Regulatory oversight of Housing Associations.....	23
Care Experienced Children and Young People.....	24
NHS Wales Informatics Systems.....	25
<b>4. Top five priorities for our successor Committee .....</b>	<b>26</b>
Direct consequences of the Covid-19 pandemic .....	26
Financial support for business.....	28
Cardiff Airport.....	29
Public procurement.....	30
National Health Service finances .....	32
<b>5. Medium-term priorities for our successor Committee.....</b>	<b>33</b>

Scrutiny of accounts .....	33
Counter-fraud .....	35
Barriers to the successful implementation of the Well-Being of Future Generations (Wales) Act 2015 .....	35
Grants management in Wales.....	36
Coastal flood and erosion risk management in Wales.....	37
NHS Wales Informatics Services .....	38
Primary care out-of-hours services .....	39
Governance arrangements at Betsi Cadwaladr University Health Board (and wider issues emanating from our inquiry).....	40
<b>6. Audit Wales Reports.....</b>	<b>42</b>

## Foreword

As the Fifth Senedd draws to a close, it is time to reflect on our work and provide a helping hand to our successor Committee. I firstly wish to thank all those who have supported and contributed to the work of this Committee and all of our Members who have been part of the Committee during this Senedd term. I also wish to pay tribute to Mohammad Asghar, *Oscar*, a long standing member of the Public Accounts Committee, who sadly passed away in June 2020.

No one could have predicted five years ago that the closing year of the Fifth Senedd would witness a devastating global pandemic. As a Public Accounts Committee, we watched as public services across Wales united to respond to the crisis. We took a pragmatic approach to monitoring the situation. Our scrutiny was timely and sensitive, but we never compromised on holding the Welsh Government to account and ensuring the concerns of the public were represented in our work.

Our pragmatic approach is also reflected in the way we have worked consensually as a Committee, which has strengthened our effectiveness in shining a light on poor governance and inefficient public expenditure. We have worked hard to ensure our reports are agreed unanimously. This has put us in a strong and credible position as we challenge the Welsh Government on how it demonstrates effective management of Welsh public money.

Throughout this Senedd term, we have fostered a constructive relationship with the Welsh Government. Overall, the Welsh Government has responded positively to our reports. We have been satisfied with the assurances we have received from the Welsh Government that lessons have been learned and changes have been implemented following our work.

It is with that pragmatism, strength in consensus and the credibility that has made us an effective Committee. We have proven we can change the direction of the Welsh Government, saved the taxpayer millions of pounds and secured improvements to public services. We have represented the voice of the Welsh public on how public money is spent. We wish our successor Committee every success in continuing this work.\*

*\*This Foreword was agreed by the Chair of the Public Accounts Committee, Nick Ramsay MS, when the Report was agreed. He was the Chair of the Committee from 29 June 2016 to 28 March 2021.*

## Recommendations

**Recommendation 1.** We recommend that the Business Committee of the Sixth Senedd continues with the allocation of a weekly meeting slot for our successor Committee within the main Committee timetable throughout the Sixth Senedd. We ask that the Business Committee considers including the Public Accounts Committee within the current alternate Wednesday/Thursday scheduling of Committees.....Page 10

**Recommendation 2.** We recommend that our successor Committee continues to undertake Committee led work during the Sixth Senedd to supplement the Committee’s core work derived from the findings of Auditor General for Wales audits and examinations. .... Page 12

**Recommendation 3.** We recommend our successor Committee has the flexibility to meet virtually or in a hybrid format as it deems appropriate..... Page 14

**Recommendation 4.** We recommend that our successor Committee takes an active role in contributing to the Auditor General for Wales’ work programmes to ensure that the Committee’s priorities for the Sixth Senedd are reflected in Audit Wales’ audits and examinations..... Page 14

**Recommendation 5.** We recommend that the Welsh Government responds to Auditor General for Wales reports within 15 working days, to inform Committee decisions about how to prioritise its work, in line with the existing protocol. .... Page 15

**Recommendation 6.** We recommend that the Welsh Government continues to respond to our successor Committee’s recommendations with either ‘accept’ or ‘reject’ ..... Page 15

**Recommendation 7.** We recommend that our successor Committee continues to prioritise engagement with the public, stakeholders, and parliamentary colleagues across the UK and beyond to promote, support and improve the Committee’s work..... Page 21

**Recommendation 8.** We recommend that our successor Committee prioritises carrying out a body of work focusing on the Welsh Government’s direct response to the Covid-19 pandemic, drawing on relevant reports of the Auditor General for Wales. .... Page 28



**Recommendation 9.** We recommend that our successor Committee prioritises carrying out ongoing scrutiny of the Welsh Government’s support for business to explore matters of value for money in public expenditure in relation to:

- the immediate response to the pandemic;
- recovery from the pandemic;
- businesses’ transition to new trading arrangements after the UK’s departure from the EU; and
- ongoing support in response to the new trading relationship with the EU. .... Page 29

**Recommendation 10.** We recommend that our successor Committee prioritises scrutiny of the Welsh Government’s ownership of, and financial support offered to, Cardiff Airport in light of the outbreak of, and recovery from, Covid-19. .... Page 30

**Recommendation 11.** We recommend that our successor Committee prioritises consideration of the outcome of the review of Job Support Wales within the context of the Welsh Government’s procurement strategy. .... Page 32

**Recommendation 12.** We recommend that our successor Committee prioritises scrutiny of NHS finances in view of the statutory context of the National Health Service Finance (Wales) Act 2014 and in light of the outbreak of, and recovery from, Covid-19. .... Page 32

**Recommendation 13.** We recommend that our successor Committee continues with the annual scrutiny of accounts work, taking evidence from the Welsh Government and Senedd Commission on an annual basis and from other bodies on a cyclical basis (covering Welsh Government sponsored bodies, commissioners and the Public Services Ombudsman) and reflecting back on the response to recommendations from our previous work. .... Page 35

**Recommendation 14.** We recommend that our successor Committee prioritises examining whether instances of fraud increased during the Covid-19 pandemic and the actions taken by the Welsh Government and other public bodies to counteract this. .... Page 35

**Recommendation 15.** We recommend that our successor Committee continues to oversee the implementation of the Well-being of Future Generations (Wales) Act 2015 by scrutinising:

- the Auditor General for Wales’ consideration of the Welsh Government’s application of the sustainable development principle in setting its well-being objectives; and
- the Auditor General for Wales’ and the Future Generations Commissioner’s second statutory reports in 2025. .... Page 36

**Recommendation 16.** We recommend that our successor Committee continues to scrutinise the Welsh Government’s progress in improving grants management, drawing on the Welsh Government’s annual reporting and reflecting on any new evidence on grants management arising from the Auditor General’s work or other concerns that are brought to the Committee’s attention. .... Page 37

**Recommendation 17.** We recommend that our successor Committee revisits the issue of coastal flood and erosion risk management in Wales on publication of the Auditor General for Wales’ review.....Page 38

**Recommendation 18.** We recommend our successor Committee continues to receive regular progress reports in relation to the NHS Wales Informatics Service, soon to be the new digital specialist health authority, including details on implementation of our recommendations and whether further scrutiny is required.....Page 38

**Recommendation 19.** We recommend that our successor Committee monitors the progress made by the 111 Programme Team and Urgent Primary Care group on reviewing the strategy and subsequent implementation aimed at providing a consistent 24/7 urgent primary care.....Page 39

**Recommendation 20.** We recommend that our successor Committee seeks regular updates on the improvements at Betsi Cadwaladr University Health Board in the areas identified as part of the de-escalation status to targeted intervention, and the Welsh Government’s effectiveness at ensuring improvements through its Escalation and Intervention Arrangements..... Page 41

# 1. Operation of the Public Accounts Committee

## Remit

1. The Public Accounts Committee of the Senedd has retained the same remit in the Fifth Senedd as it was allocated in the Fourth Assembly, as set out below:

### **Public Accounts**

The Public Accounts Committee's role 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 considers 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.<sup>1</sup>

2. This remit was agreed at the start of the Fifth Assembly on 22 June 2016 and includes:

- general oversight of financial accounting and audit;
- ensuring value for money and effectiveness of spend across the Welsh Government's budget;
- strategic Communications;
- strategic and corporate planning in the Welsh Government;
- openness in Government, including Freedom of Information;
- oversight of the Welsh Government's relationship with the Wales Audit Office; and
- staffing, including the terms and conditions of Special Advisers and Welsh Government civil servants but not members of the Senior Civil Service.

3. It is important to note that this remit enables the Public Accounts Committee to cover ministerial responsibilities that are not covered by other

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<sup>1</sup> Adapted from Business Committee Paper - BC(5)02-16(p6) Committees in the Fifth Assembly - May 2016

committees' remits. The remit of the Public Accounts Committee is broad enough to consider any area of policy implementation but without questioning the merits of policy objectives.

## How we have undertaken our work during the Fifth Senedd

**4.** At the beginning of the Fifth Senedd, the Business Committee scheduled the Public Accounts Committee to meet within the main committee timetable.

**5.** The Committee welcomed this change as this slot enabled us to undertake additional inquiries, drawing in wider evidence beyond the Welsh Government and exercise our range of functions fully. We were able to give due attention to our work arising from the reports of the Auditor General for Wales (the 'Auditor General'). It has also allowed us to expand our work promoting value for money in public expenditure by conducting Committee-led inquiries. Meeting weekly is not unusual and we note that the Public Accounts Committee in the House of Commons meets twice weekly given the breadth of issues it is responsible for.

**6.** We do not believe that meeting any less often than weekly, and/or without a slot in the main Committee timetable, is sufficient for the Public Accounts Committee of the Senedd to fulfil its duties effectively.

**Recommendation 1.** We recommend that the Business Committee of the Sixth Senedd continues with the allocation of a weekly meeting slot for our successor Committee within the main Committee timetable throughout the Sixth Senedd. We ask that the Business Committee considers including the Public Accounts Committee within the current alternate Wednesday/Thursday scheduling of Committees.

**7.** Our work in the Fifth Senedd has varied widely and covers the breadth of Welsh Government functions, from examining the NHS's approach to medicine management to consideration of the Welsh Government's Supporting People Programme. We have carried out detailed inquiries into a wide range of issues including public procurement; the Welsh Government's initial funding of the Circuit of Wales project; NHS Wales Informatics Services; the 21<sup>st</sup> Century Schools and Education Programme; and housing adaptations. We have also scrutinised the implementation of government legislation such as the NHS Finance (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015.

### A hybrid approach: work led by both Audit Wales and the Committee

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**8.** A significant proportion of our work draws on the value for money studies and other audit reports prepared by the Auditor General. The Auditor General and

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his officials advise us throughout these inquiries by providing the Committee with briefings and expert advice ahead of meetings and during our consideration of the evidence we receive.

**9.** We depend on the technical expertise and statutory right of examination of the Auditor General. We have worked closely alongside Audit Wales to promote value for money in public expenditure and highlight the mismanagement of public funds where necessary. The body of work that we have undertaken alongside Audit Wales has been robust and effective at improving the economy, efficiency and effectiveness with which public money is spent.

**10.** However, our broad remit gives us flexibility in how we undertake our work. We have used this flexibility to carry out Committee led inquiries, in a similar way to the other Senedd committees. This has been crucial to ensuring that we can pursue areas of particular interest to the Committee and react to emerging issues that fall within our remit, but that have not been reported on by the Auditor General.<sup>2</sup> Key areas of Committee-led work over the Fifth Senedd include:

- annual scrutiny of the annual reports and accounts of a selection of publicly funded organisations. This scrutiny includes detailed examination of expenditure, effectiveness, governance and risk management procedures and protocols, and probity within publicly funded organisations;
- holding the Welsh Government to account for its response to the Covid-19 pandemic in a timely yet sensitive manner;
- scrutiny of the Welsh Government's very first 'ministerial direction';<sup>3</sup>
- issues affecting care experienced children and young people;
- the regulation of housing associations;
- the decision not to proceed with the M4 Relief Road; and

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<sup>2</sup> Some of this work draws on audits and examinations undertaken by the Auditor General for Wales even if they have not led to formal Auditor General reports.

<sup>3</sup> Ministerial Directions are a relatively rare occurrence and only one has been issued in Wales since 1999 to date. They generally arise in situations where the relevant Minister wishes to proceed with spending that is contrary to the formal written advice provided to that Minister by their departmental Accounting Officer. Such directions normally relate to Value for Money issues.

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- the implementation of the Well-Being of Future Generations (Wales) Act 2015.

**11.** During conferences and events to share good practice our Committee-led inquiries have generated interest from public accounts and audit committees in different jurisdictions.

**12.** Committee-led inquiries have proved to be highly valuable and have enabled us to pursue matters of concern. We have been able to respond quickly and flexibly where there has been public interest in doing so. For example, we have carried out work on the M4 Relief Road as well as Covid-19.

**Recommendation 2.** We recommend that our successor Committee continues to undertake Committee led work during the Sixth Senedd to supplement the Committee's core work derived from the findings of Auditor General for Wales audits and examinations.

#### Private Sessions

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**13.** From time to time, the Committee needs to scrutinise matters that cannot be disclosed publicly. This usually happens when there are obstacles to public disclosure, such as commercial sensitivities, or when concerns about sensitive matters that are not on the public record are raised with the Committee.

**14.** During the Fifth Senedd we were concerned that the risk of breaching commercial confidence and confidentiality agreements would make it difficult for us to judge how well taxpayers' money is spent in certain areas.

**15.** For example, we wished to examine the details of funding for businesses which were being withheld by the Welsh Government because it was deemed commercially sensitive, including financial support for Aston Martin, when it opened a factory in the Vale of Glamorgan.

**16.** We wanted to know whether the Welsh Government had offered any form of financial support<sup>4</sup>, in relation to any other company, similar to that entered into with Aston Martin. We were told that the companies involved did not want full details of the arrangements published as they were considered commercially sensitive.

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<sup>4</sup> This type of funding is known as guarantee, headlease or other contingent liability

**17.** However, the Permanent Secretary to the Welsh Government did agree to lead officials briefing the Committee on these arrangements in a private session. This enabled us to gain greater clarity on the sums involved and how these guarantees are accounted for.

**18.** Another significant issue we highlighted was the use by public organisations of ‘gagging’ clauses within settlement agreements when individuals leave such organisations. This resulted in the Permanent Secretary writing to all the Welsh Government arms-length bodies to remind them that these agreements should not be matter of course, and all endeavours should be made for full disclosure; that where the use of such agreements is necessary on legal advice, that legal advice is obtained to ensure disclosures are made as far as possible; and as with the issue on contingent liabilities, if there are reasons for non-disclosure, these be discussed with the Committee in private.<sup>5</sup>

**19.** Over the course of the Fifth Senedd we have held a number of these types of private sessions. They are the exception rather than the norm and are effective in enabling us to exercise our scrutiny role fully. This pragmatic and sensible approach has fostered a constructive relationship between us and the Welsh Government.

## Remote Working

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**20.** Like other Senedd committees, we adopted remote working arrangements in response to the pandemic. The move to virtual committee meetings provided us with opportunities to reach stakeholders more effectively by reducing barriers to participation such as geographical or time constraints.

**21.** We held a virtual stakeholder event in October 2020 as part of our inquiry into the implementation of the Well-being of Future Generations (Wales) Act 2015. The event was particularly well-attended, and we were pleased to engage with some organisations and public bodies that have found it more difficult to contribute to our inquiries in the past. Many participants commented positively on the event being more accessible.

**22.** We also reflected on how virtual meetings seem to better support non-partisan working as the seating arrangements in physical Committee meeting rooms can be adversarial (for example, where opposing parties sit facing each other). Virtual meetings seem to be a good leveller and lead to more constructive

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<sup>5</sup> [Letter from the Permanent Secretary to the Accounting Officers of the Welsh Government’s Arm’s Length Bodies and Commissioners in Wales](#), 13 September 2019

and cohesive discussions. We look forward to the Sixth Senedd and the potential for increased virtual or hybrid meetings given benefits that it can bring to Committee's ways of working.

**Recommendation 3.** We recommend our successor Committee has the flexibility to meet virtually or in a hybrid format as it deems appropriate.

## Contributing to the work programme of the Auditor General for Wales

**23.** The Standing Orders of the Senedd set out that the Public Accounts Committee must 'present views to the Auditor General from time to time on the Auditor General's exercise of his or her powers to undertake economy, efficiency and effectiveness examinations'.<sup>6</sup> Similarly, the Auditor General has a duty set out in legislation to take the views of the Committee into account when determining how to exercise some of his functions.

**24.** The effectiveness of the Public Accounts Committee depends on the expertise of Audit Wales in advising us about which areas of work we should prioritise, based on the findings of their audits and examinations.

**25.** Likewise, an effective Public Accounts Committee takes an active role in contributing to the Auditor General's work programme. This has enabled Audit Wales to take into account matters that are relevant to the Members of the Senedd and their constituents, before reaching an independent decision.

**26.** The Auditor General prepares a rolling work programme covering his national studies and this is then subject to consultation.

**Recommendation 4.** We recommend that our successor Committee takes an active role in contributing to the Auditor General for Wales' work programmes to ensure that the Committee's priorities for the Sixth Senedd are reflected in Audit Wales' audits and examinations.

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<sup>6</sup> Senedd Cymru, '[Standing Orders of the Welsh Parliament](#)', Standing Order 18.2, viewed on 4 March 2021



## Welsh Government responses

### How the Welsh Government responds to Auditor General for Wales reports

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**27.** Early in the Fifth Assembly, the Welsh Government developed a protocol for responding to recommendations contained in Auditor General reports within 15 working days. This means that the Committee can take into account both the report and the Welsh Government's response when we agree priorities for our forward work programme.

**Recommendation 5.** We recommend that the Welsh Government responds to Auditor General for Wales reports within 15 working days, to inform Committee decisions about how to prioritise its work, in line with the existing protocol.

### Responses to Committee recommendations

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**28.** Following the Welsh Government's responses to a number of the Committee's inquiries, the Chair wrote to the Permanent Secretary in October 2017, regarding the approach of *partially accepting* Committee recommendations. Following consideration, the Permanent Secretary advised that the Welsh Government would discontinue the practice of partial acceptance/acceptance in principle.

**29.** The use of either accept or reject provides much better clarity to the Committee on how the Welsh Government is responding to recommendations.

**Recommendation 6.** We recommend that the Welsh Government continues to respond to our successor Committee's recommendations with either 'accept' or 'reject'.

## 2. Engaging with the people of Wales and Beyond

**30.** One of the objectives of the Senedd is to engage all the people of Wales and champion the work of the Senedd. During the period of the Fifth Senedd we have strived to strategically engage the public with our work through various means.

### Site Visits

**31.** The Committee undertook a number of site visits to support our inquiries. We visited Pobl Housing Association in Newport as part of our work on the inquiry into the regulation of housing associations. Apart from looking at a new development, Loftus Garden Village, Members saw an example of housing regeneration. Members also met tenants who were able to discuss the aims of the inquiry and received suggestions to help with the recommendations.

**32.** The Committee launched its report on 'Hospital Catering and Patient Nutrition' at the Royal Gwent Hospital in Newport. Members were able to observe the serving of meals, speak to patients about their experiences of hospital food and practitioners about the importance of nutrition and hydration for patients.

**33.** Our inquiry into medicines management took us on visits to a number of GP practices and pharmacies. We gained insights into new technologies for the dispensing of medicines and discussed with practitioners the importance of collaboration between GPs, pharmacists and hospitals.

**34.** Similarly, our inquiry into out-of-hours services took us to Wrexham Maelor Hospital and to a number of facilities offering primary care out-of-hours services. It was particularly useful to discuss, directly with clinicians and other practitioners, the issues they felt were important and needed to be addressed. We were able to see first-hand the pressures faced by out-of-hours services particularly during our visits to the out-of-hours call centres.

**35.** A number of educational establishments including primary, secondary and a college were visited as part of our inquiry into 21<sup>st</sup> Century Schools. These visits gave us practical insights into facilities being provided for the modern day learner.

### Stakeholder Events

**36.** The Committee has engaged with stakeholders at the start of a number of inquiries to help shape our work and identify lines of inquiry. These included our

work on the regulatory oversight of housing associations; care experienced children and young people; effectiveness of local planning authorities in Wales and the barriers to the successful implementation of the Well-Being of Future Generations (Wales) Act 2015.

**37.** We hosted a convention in July 2019, on counter fraud in the public sector following the publication of the Auditor General's report on counter-fraud arrangements in the Welsh public sector, in June 2019. Speakers included the Head of Counter Fraud, Welsh Government plus representatives from NHS Wales, local authorities and the Chartered Institute of Public Finance and Accountancy (CIPFA).

**38.** We were keen to hear from as many public bodies and stakeholders as possible during our inquiry into the implementation of the Well-being of Future Generations (Wales) Act 2015. We were unable to carry out face-to-face engagement activities due to the pandemic. We carried out the entire inquiry virtually including launching the inquiry with an on-line stakeholder event. The event, held on Zoom, brought together around 40 different organisations including public bodies, charities, private sector umbrella organisations, and trade unions. We used digital tools to gather evidence: digital polls and comments made via Zoom's 'chat' functionality, alongside small and large-group discussion.

**39.** We were pleased with the positive response to the event, and how well attended it was by stakeholders across the whole country. The event, and the subsequent evidence gathering throughout the inquiry, enabled us to reach out to more public bodies and stakeholders than would have been possible with traditional, face-to-face engagement.

## Engagement with Young People

**40.** We have been committed to representing the young people of Wales and have utilised opportunities to engage young people in our work.

**41.** As part of our inquiry looking at public services for care experienced children and young people, we held focus groups with young people and also took evidence, in private, from young people who had experienced the care system.

**42.** We were particularly keen to hear from young people during our inquiry into the implementation of the Well-being of Future Generations (Wales) Act 2015. The policy intent of Act is to ensure that public services are delivered in a way that meets the needs of the present generation without jeopardising the ability of future generations to meet their own needs. We reached out to colleges, schools

and youth groups to find out from young people what they felt the barriers to sustainable development were.

**43.** Unfortunately, our inquiry was conducted during the second and third waves of the Covid-19 pandemic. Education institutions were physically closed for some, or all, of our consultation period. However, the students of two education providers were able to engage with our inquiry. Their tutors used the lesson plans and discussion materials that we provided as a framework for debate about the Act. The submissions that we received from the students fed directly into our final report.

**44.** Following the submission of students from Coleg Gwent Crosskeys Campus, the Chair of the Public Accounts Committee attended a virtual seminar with them to speak about the inquiry and answer questions they had about the Act, the work of the Public Accounts Committee and the Senedd.

## Digital Engagement

**45.** The Senedd as a whole has embraced digital engagement as an effective way to reach out to many people across Wales. The Public Accounts Committee is no different.

**46.** The nature of our work is such that our inquiries do not always lend themselves to engagement with the public as often as the Senedd's policy committees. However, whenever they do, we use digital platforms to reach out to as many people as possible. Some highlights are detailed below.

### Your Wales

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**47.** We launched an inquiry about waste management in Wales in response to the Auditor General publishing a trilogy of reports relating to waste management. The inquiry aimed to gather the opinions of the public on the state of current waste and recycling services across Wales and examine differences between local authorities.

**48.** We wanted to hear from the public across Wales and used a new online bilingual platform, Eich Cymru Chi / Your Wales, to find out their views on their experiences of 'bin day'. A traditional survey and interactive map was developed by the Citizen's Engagement Team and the online platform **attracted 3.35k visits**.

**49.** The findings of this work fed in the Welsh Government's consultation on 'Beyond Recycling: A strategy to make the circular economy in Wales a reality',

which closed in April 2020. The Welsh Government published its new strategy 'Beyond Recycling' on 2 March 2021.<sup>7</sup>

## Dialogue

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**50.** In 2019, we used an online tool called 'Dialogue' to gauge views on the support provided to business by the Welsh Government. We wanted to find out more about people's experiences of accessing support and awareness of the support available. The app enabled users to create ideas and issues for discussion with others and we gained insights into the challenges faced by small business owners.

## Social media platforms

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**51.** We have developed our social media presence as a way to engage with the people of Wales over the course of the Fifth Senedd. In particular, we have developed our Twitter content to publicise the work of the Committee, the likely areas of questioning for witnesses and to summarise key discussion points from evidence sessions. This has been a crucial way for us to establish two-way communication with stakeholders and, where possible, the general public.

**52.** Digital engagement featured particularly heavily in our inquiry into the Well-being of Future Generations (Wales) Act 2015. We used Twitter to keep stakeholders and interested members of the public informed about what evidence we were taking and from whom. We carried out online polls to gather evidence where it was missing from our written consultation and oral evidence gathering exercises, which we promoted on Twitter and Facebook. Social media was an important tool for us to track our inquiry and link our work into politically relevant issues, such as recovery from Covid-19 and Wales' response to Britain's departure from the EU.

## Key Note Speeches

**53.** The Chair made a number of keynote speeches during this Senedd term. Some examples include the Community Housing Cymru Annual Conference 2017 as a direct response to the Committee's work on housing associations; Finance for the Future Conference; Society of Welsh Treasurers, Wales Audit Office conference; a good practice exchange with local authorities; CIPFA; and a question and answer session with politics students at Coleg Gwent.

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<sup>7</sup> [Welsh Government strategy: Beyond Recycling](#), 2 March 2021

## Sharing our work across Wales and beyond

**54.** Throughout this Senedd term we have been dedicated champions of our reputation as a distinct and progressive Public Accounts Committee from which others can learn. We have made efforts to interact and learn from others within the UK and internationally.

### Working with other UK Parliaments

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**55.** In September 2017, we hosted the inaugural Public Accounts Committee Network, the aim of which was to facilitate an informative and inclusive forum for sharing good practice in relation to the work Public Accounts Committee's from the United Kingdom, Channel Islands and Isle of Man. Colleagues from the relevant Audit Offices were also represented as well as Welsh local authorities, academics and Welsh Government officials.

**56.** The Rt. Hon Dame Margaret Hodge MP, former Chair of the Westminster Public Accounts Committee, opened the meeting with a keynote speech on 'What makes an effective Public Accounts Committee?' Other speakers included the former MP, the Rt. Hon Caroline Flint, auditors, a lecturer in accounting at Ulster University Business School and a deputy Permanent Secretary from the Welsh Government. The day was a success and, apart from 2020 due to the pandemic, the network has met annually, with the host rotating around the various UK legislatures.

**57.** We have also been keen to undertake peer review of the way we work and in 2018 we invited the former Vice-Chair of the House of Commons Public Accounts Committee, Richard Bacon MP, to meet us to discuss our ways of working and share good practice. We discussed issues such as working consensually as a committee and effective questioning of witnesses.

### International Engagement

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**58.** During the Fifth Senedd we have been regularly involved with the work of organisations that work to support and share good practice across Public Accounts Committee's internationally. Primarily this work has been undertaken through the Commonwealth Parliamentary Association (CPA), but we have also worked with the Westminster Foundation for Democracy and Cardiff Business School.

**59.** We hosted delegations from the Public Accounts Committees of Bermuda and Armenia as well as contributing to workshops with the Public Accounts

Committees of Anguilla and the wider Caribbean region. In December 2019 we welcomed a delegation from the Shanghai Municipal Audit Bureau.

**60.** We have also participated in the CPA's UK Overseas Territories Financial Oversight project by participating and contributing to a number of workshops and conferences. Most recently this included discussing the approach to scrutiny during the Covid-19 pandemic and the impact of remote working.

**61.** Our Clerk undertook a two week attachment to the Public Accounts Committee of St Helena in 2018 to assist Members in reviewing their work processes, and provide support and information on the role and remit of the Committee to a broader range of stakeholders, including the Speaker and Legislative Council.

**62.** In March 2021, our application to join the Commonwealth Association of Public Accounts Committees (CAPAC) was accepted and we hope that our successor Committee will actively engage with this forum.

### Looking to the Sixth Senedd

**63.** The work of the Public Accounts Committee can sometimes seem technical or inaccessible. However, we have a responsibility to make our work as clear and engaging as possible to reassure the public that the government is being held to account for how it spends public money. Our successor Committee must continue to make the most of the tools at its disposal to engage with the public.

**64.** We have benefited from working alongside Public Accounts and Audit Committees across the UK and beyond. Opportunities to learn from, and to share our good practice with other legislatures is a crucial and valuable part of our wider engagement activities.

**Recommendation 7.** We recommend that our successor Committee continues to prioritise engagement with the public, stakeholders, and parliamentary colleagues across the UK and beyond to promote, support and improve the Committee's work.

### 3. Making an Impact

**65.** During the Fifth Senedd we have published a number of reports and made many recommendations with the aim of driving improvement and performance in economy, efficiency and effectiveness of public expenditure. In drawing this Senedd to a close we discussed the impact of our work with Welsh Government Officials.

**66.** Some of the feedback we received pointed to the value of our overview across the breadth of Welsh Government's activities, which means we are able to identify common themes. For example, in relation to the Welsh Government's Economy, Natural Resources and Skill (ESNR) Group we have been able to make the connections between record keeping and transparency in the way the Group operates.<sup>8</sup>

**67.** Similarly, the Welsh Government's Education and Public Services Group have commented on the value added from our inquiries into ongoing matters of government business. For example, our work on the Covid-19 pandemic helped 'put some extra momentum and challenge behind the work', Welsh Government was doing on the coronavirus response.<sup>9</sup>

**68.** Our inquiry into the Supporting People Programme also shaped the changes to the Welsh Government's approach as did our work on the 21st Century schools programme where our challenge on active travel and design was responded to positively by the Welsh Government.<sup>10</sup>

**69.** We have been pleased that most of our recommendations have been accepted by the Welsh Government and led to operational changes and wider service delivery improvement. Some other highlights of where we have made an impact are detailed below.

#### The Welsh Government's Relationship with Pinewood

**70.** In February 2019 we published a critical report into the handling of Welsh Government funding for Pinewood Studios<sup>11</sup>. Our report detailed a series of errors

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<sup>8</sup> RoP, [8 February 2021](#), paragraphs 21 - 22

<sup>9</sup> RoP, [8 February 2021](#), paragraph 284

<sup>10</sup> RoP, [8 February 2021](#), paragraph 288

<sup>11</sup> Report of the Public Accounts Committee, [The Welsh Government's relationship with Pinewood](#), February 2019



that resulted in millions of pounds of public money being wasted. These included conflicts of interest, VAT not being applied to the sponsorship costs and weaknesses on the processes for obtaining surveys on property being purchased.

**71.** We also expressed concern that the Welsh Government had entered into a contract that lacked clarity in terms of operating arrangements, and a collaboration agreement that did not explicitly make clear the roles and responsibilities of each partner.

**72.** As a result of our report, the Welsh Government made changes to the guidance provided to officials on identifying and managing effectively conflicts of interest.<sup>12</sup> The consideration of VAT implications were also embedded into the process for putting advice to Welsh Government Ministers.

**73.** Improvements were also made to contract management with the Welsh Government agreeing to ensure that in the future where bespoke contract agreements were required, the relationship between parties would be clearly defined. Additional professional advice would also be sought to ensure the rigorous assessment as recommended by us was applied.

**74.** Our recommendations about how the Welsh Government approaches structural surveys of property and land that it is purchasing were also accepted. This resulted in changes being made to the way the Welsh Government's property team operated.

## Regulatory oversight of Housing Associations

**75.** The Committee undertook an inquiry into the regulatory oversight of housing associations and reported its findings in August 2017.<sup>13</sup> We heard from a wide range of stakeholders, including tenants, and our report was well received by the sector. The inquiry was reported on in a number of high profile housing magazines and journals including Inside Housing which regularly featured commentary on our evidence sessions and inquiry.

**76.** We were pleased that as a direct result of our work the remuneration of senior management pay within the housing sector in Wales is now presented in

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<sup>12</sup> Welsh Government, [Response to the Report of the National Assembly for Wales Public Accounts Committee Report on The Welsh Government's relationship with Pinewood](#)

<sup>13</sup> Report of the Public Accounts Committee, [Inquiry into Regulatory oversight of Housing Associations](#), August 2017

one place in an annual Pay Transparency Report.<sup>14</sup> This followed one of our recommendations to generate greater transparency and openness in the sector.

**77.** We also recommended that the Welsh Government make provision for the availability of clear and comparable data sets to assist tenants in determining and challenging the position and policies of their Housing Association. This was also implemented by the Welsh Government and a comparison tool can now be found on the Welsh Government's website.<sup>15</sup>

## Care Experienced Children and Young People

**78.** In November 2018, we undertook an inquiry looking at public services for care experienced children and young people (who are, or have been, 'looked after' by a local authority under the Children Act 1989 and Social Services and Well-being Act 2014).

**79.** The Committee identified the following four areas to examine during the inquiry:

- public services for care experienced children and young people;
- local authority corporate parenting arrangements;
- arrangements for care placements; and
- the Pupil Development Grant for care experienced children.

**80.** Following the agreement, but prior to the publication, of our report in November 2018<sup>16</sup>, the then Minister for Children, Older People and Social Care made a Plenary statement relating to improving outcomes for Looked After Children.<sup>17</sup> The Minister's statement set out some of the outcomes achieved by the Welsh Government and allocated £15 million funding for reducing the need for children to enter care.

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<sup>14</sup> [Pay Transparency Reports](#), available on the Community Housing Cymru Website, viewed on 8 March 2021

<sup>15</sup> [Welsh Government Guidance: Compare your housing association](#), viewed on 9 March 2021

<sup>16</sup> Report of the Public Accounts Committee, [Care experienced children and young people](#), November 2018

<sup>17</sup> [Welsh Government Oral Statement](#): Improving Outcomes for Children: Reducing the Need for Children to Enter Care, and the Work of the Ministerial Advisory Group, 13 November 2018, viewed on 8 March 2021

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## NHS Wales Informatics Systems

**81.** We undertook an inquiry into NHS Wales Informatics Systems during the autumn of 2018 and reported serious failings in the operation of the systems.<sup>18</sup> These included a raft of problems with dysfunctional and outdated IT systems; unclear lines of accountability; and clinicians struggling with ‘archaic and fragile’ IT systems.

**82.** We called for a radical rethink in terms of the Welsh Government’s approach to Informatics in NHS Wales and for open and honest reflection on the current state of play. This included the barriers to progress and recognition of the scale and depth of the problems with NWIS.

**83.** In September 2019 the Welsh Government accepted all five of the Committee’s recommendations and put in place resources and practical changes required to improve informatics including:

- the launch of ‘A healthier Wales’ with increased the emphasis on digital for the future and a commitment to increased funding in this area;
- a review of governance of informatics was commissioned and would provide a review of digital leadership and informatics system management in the context of the wider NHS team in Wales, including health boards and trusts; and
- an additional £50m to be spent on support and accelerate the delivery of a portfolio of transformational programmes.

**84.** In announcing key next steps for digital health care in Wales, the Minister for Health and Social Services recognised the work this Committee on the issue of NWIS and how the Committee’s work informed these decisions.<sup>19</sup>

**85.** We consider the most recent updates from the Welsh Government on this issue and scope for further consideration by our successor Committee in the next chapter.

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<sup>18</sup> Report of the Public Accounts Committee, [Informatics Systems in NHS Wales](#), November 2018

<sup>19</sup> Minister for Health and Social Services, [Written Statement: Update on Digital Health and Care](#), 30 September 2019, viewed on 8 March 2021

## 4. Top five priorities for our successor Committee

**86.** We identify below five priorities areas that we suggest our successor Committee focuses on early in the Sixth Senedd:

- Direct consequences of the Covid-19 pandemic;
- Financial support for business;
- Cardiff Airport;
- Public procurement; and
- National Health Service Finances.

**87.** Inevitably, all of this work will be affected by both Covid-19 and the UK's departure from the EU. These areas are of critical importance given the potential impact of Brexit on the Welsh Government and scale of expenditure resulting from the Welsh Government's response to Covid-19.

### Direct consequences of the Covid-19 pandemic

**88.** We held standalone evidence sessions with Welsh Government officials between May – November 2020 to enable us to hold them to account on their initial response to the Covid-19 pandemic. We also held a similar session with the Senedd Commission. Nevertheless, as a matter of ongoing concern, it was not appropriate for this Committee to consider in detail the Welsh Government's response to Covid-19 and there will be significant work to do in evaluating this response during the post Covid-19 recovery period.

### Test, Trace, Protect (TTP)

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**89.** The Welsh Government's Test, Trace, Protect (TTP) strategy was developed to 'enhance health surveillance in the community, undertake effective and extensive contact tracing, and support people to self-isolate where required to do so'. It is the third of the Welsh Government's three-pillared approach to leading Wales out of the Coronavirus pandemic.<sup>20</sup>

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<sup>20</sup> Welsh Government, '[Test, Trace, Protect](#)', 4 June 2020, viewed on 5 March 2021

**90.** The Welsh Government's TTP programme is carried out by local authority Regional Contact Tracing Teams, Local Health Boards, the NHS Wales Informatics Service (NWIS) and Public Health Wales.<sup>21</sup>

**91.** As part of a body of work scrutinising the Welsh Government's response to Covid-19, our successor Committee should focus on the value for money of its TTP strategy. This work should draw on the Auditor General's overview of the Test, Trace and Protect programme in Wales, which was published in March 2021.

### Personal Protective Equipment (PPE)

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**92.** To support its response to the outbreak of Covid-19, the Welsh Government carried out its own procurement of Personal Protective Equipment (PPE), alongside participating in UK-wide procurement schemes.<sup>22</sup>

**93.** On 14 September 2020, Welsh Government officials told us that over 330 million items of PPE had already been distributed to Welsh public services to help the Government meet Covid-19 demands.<sup>23</sup> We also heard that 'From not quite a standing start, but from a fairly low base, we've got to a position now where we've got supply chains all across Wales'.<sup>24</sup>

**94.** At the same time, Members of the Senedd were being approached by constituents who had offered to supply PPE to the Welsh Government but had not received a response, or where a response had taken a long time to arrive.

**95.** The Auditor General's full report on the Welsh Government's procurement and supply of PPE during the pandemic is due to be published in early April 2021. Given the cost of purchases, the rapid creation of supply chains, and newly established commercial relationships with PPE suppliers, we encourage our successor Committee to explore the value for money of the Welsh Government's approach to procurement of PPE during Covid-19.

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<sup>21</sup> NHS Wales, 'Trace - Privacy and Data Protection Information', viewed on 5 March 2021

<sup>22</sup> RoP, 14 September 2020, paragraph 177

<sup>23</sup> RoP, 14 September 2020, paragraph 31

<sup>24</sup> RoP, 14 September 2020, paragraph 57

## Vaccinations

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**96.** The Welsh Government was initially criticised for the speed of the rollout of its vaccination programme.<sup>25</sup> The First Minister defended its approach, arguing that “The sensible thing to do is use the vaccine you have got over the period that you have got it for so your system can absorb it.”<sup>26</sup> Despite a slow start relative to the other UK nations, Wales subsequently became the first UK nation to reach the common target of offering vaccinations to the top four priority groups.

**97.** The Welsh Government reviewed its vaccination strategy in February 2021.<sup>27</sup> Its next milestone is to offer everyone in the top 9 priority groups their first dose of the vaccine, which it aims to meet by the middle of April 2021.<sup>28</sup>

**98.** The Welsh Government’s vaccination programme is a live issue, and has therefore not been considered in detail by this Committee. We note that the Auditor General will undertake a piece of work considering the plans for, and funding of, the vaccination programme and how it is working in practice. We encourage our successor Committee to draw on the findings of this work alongside any other relevant reports to pursue scrutiny of the Welsh Government’s vaccination programme as part of its wider work into the Covid-19 pandemic.

**Recommendation 8.** We recommend that our successor Committee prioritises carrying out a body of work focusing on the Welsh Government’s direct response to the Covid-19 pandemic, drawing on relevant reports of the Auditor General for Wales.

## Financial support for business

**99.** The Auditor General published ‘Welsh Government Financial Support for Business’ in November 2018.<sup>29</sup> This review was prompted by previous Auditor General reports along with the Public Accounts Committee and the media

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<sup>25</sup> See, for example: BBC, ‘[Covid vaccine: Wales has delivered 70,000 of 275,000 doses](#)’, 10 January 2021, viewed on 9 March 2021; ITV, ‘[First Minister defends intentionally slower vaccine rollout amid criticism](#)’, 18 January 2021, viewed on 9 March 2021; etc.

<sup>26</sup> The Guardian, ‘[Wales' Covid vaccine rollout criticised as first minister defends delay](#)’, 18 January 2021, viewed on 9 March 2021

<sup>27</sup> Welsh Government, ‘[Vaccination Strategy for Wales](#)’, February 2021, viewed on 9 March 2021

<sup>28</sup> Welsh Government, ‘[Covid-19 vaccination programme weekly update: 9 March 2021](#)’, 9 March 2021, viewed on 9 March 2021

<sup>29</sup> Auditor General for Wales, ‘[Welsh Government Financial Support for Business](#)’, November 2018, viewed on 4 March 2021

highlighting examples of projects that received Welsh Government financial support but did not deliver the intended benefits.

**100.** We undertook an inquiry in the summer 2019 term, writing to the Welsh Government with our findings in January 2020.<sup>30</sup>

**101.** We were scheduled to return to this issue in summer 2020, but in light of the pandemic, the session focused on the economic impact of Covid-19 and the Welsh Government's response. This scrutiny included consideration of the financial support issued by the Welsh Government to assist businesses in the early stages of the pandemic.

**102.** The UK's departure from the EU and the Covid-19 pandemic will have significant, long-lasting consequences for businesses in Wales. We suggest our successor Committee builds on our early work, the previous work of the Auditor General and carries out its own inquiry into Welsh Government's support for business. This should take into account support issued throughout the pandemic and as it responds to the consequences of the UK's new trading relationship with the EU.

**Recommendation 9.** We recommend that our successor Committee prioritises carrying out ongoing scrutiny of the Welsh Government's support for business to explore matters of value for money in public expenditure in relation to:

- the immediate response to the pandemic;
- recovery from the pandemic;
- businesses' transition to new trading arrangements after the UK's departure from the EU; and
- ongoing support in response to the new trading relationship with the EU.

## Cardiff Airport

**103.** Our predecessor Committee published its report on the Welsh Government's acquisition and ownership of Cardiff Airport in March 2016. The inquiry specifically examined the Welsh Government's role in the acquisition process, governance

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<sup>30</sup> [Letter](#) from the Committee Chair to the Welsh Government, 10 January 2020

arrangements post-acquisition, commercial progress and wider development and benefits realisation that the acquisition can bring to the Welsh economy.

**104.** The report concluded that the Welsh Government had a clear rationale for purchasing the Airport and there was a clear case for intervention to help secure a change in ownership. This met the Welsh Government's wider policy objective that recognised the strategic importance of the airport to the wider economy.

**105.** We considered the Welsh Government's response to the report in November 2016 and have continued to monitor progress at the Airport in both evidence sessions and correspondence during the Fifth Senedd. We acknowledge the impact of the Covid-19 pandemic on the aviation industry worldwide, but remain concerned about the future of Cardiff Airport. The Welsh Government agreed, on 8 February 2021, to send six-monthly reports on the current situation regarding the Airport to the Public Accounts Committee.

**106.** As a consequence of Covid-19, on 3 March 2021 the Welsh Government announced that it had agreed a financial package of support to Cardiff International Airport Limited (CIAL). The package included grant investment of up to £42.6m, plus the write-off of £42.6m of the airport's debt.<sup>31</sup> Given this investment, plus the impact on passenger numbers of the pandemic, alongside previous Welsh Government financial investments, it will be crucial for our successor Committee to consider whether the Welsh Government's ownership of Cardiff Airport represents good value for money.

**Recommendation 10.** We recommend that our successor Committee prioritises scrutiny of the Welsh Government's ownership of, and financial support offered to, Cardiff Airport in light of the outbreak of, and recovery from, Covid-19.

## Public procurement

**107.** We commenced an inquiry into public procurement in Spring 2018, following publication of two reports by the Auditor General.<sup>32</sup> The inquiry was deferred for a period as during the evidence session with the Welsh Government,

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<sup>31</sup> Welsh Government, '[Written Statement: Future support for Cardiff Airport](#)', 3 March 2021, viewed on 5 March 2021

<sup>32</sup> Auditor General for Wales Reports, [Public Procurement in Wales](#) (October 2017) & [The National Procurement Service](#) (November 2017), viewed on 9 March 2021

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it transpired that a number of our concerns would be addressed in the review the Government undertook and completed in autumn 2018.

**108.** We wrote to the Welsh Government requesting regular written updates on the transition of the National Procurement Service to a smaller national contracting unit and the establishment of a policy development and delivery unit. We had been due to receive a further update in spring 2020 but this was deferred due to Covid-19 to September 2020.

**109.** On a similar vein, as part of our ongoing inquiry into public procurement, the Welsh Government provided us with an update<sup>33</sup> on the procurement process for Job Support Wales. There have been a number of difficulties experienced with the procurement process, which led to the Minister for Finance and Trefnydd commissioning a review. The findings of the review made a number of recommendations to strengthen internal processes and these were being taken forward by officials.<sup>34</sup> One of the main areas of concerns related to the documenting of decisions which we refer in our report on the Scrutiny of Accounts 2019-20: Welsh Government.<sup>35</sup> Similar concerns have been a theme across our work during the Fifth Senedd.

**110.** We were also told by the Director General for the Economy, Natural Resources & Skills (ENSR) Group that he hoped to publish the findings of the review of in full and if not would consider means by which to share these findings with the Committee.<sup>36</sup>

**111.** We followed this up in February 2021 during an evidence session with the Director General for ENSR who said that work was ongoing by the Welsh Government's Internal Audit team to cross check the final review report to ensure it is entirely fair to all the parties concerned, particularly given the high degree of sensitivity around it.<sup>37</sup> We were assured a copy of the report would be published shortly.<sup>38</sup>

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<sup>33</sup> [Letter from the Director General for Economy, Skills and Natural Resources Group](#), 7 September 2020

<sup>34</sup> Minister for Economy and Transport, [Written Statement: Review of Job Support Wales Procurement - Up-date](#), 8 October 2020

<sup>35</sup> [Scrutiny of Accounts 2019-20: Welsh Government](#), March 2021, page 43, paragraphs 154 - 156

<sup>36</sup> RoP, [14 September 2020](#), paragraph 154

<sup>37</sup> RoP, [8 February 2021](#), paragraph 110

<sup>38</sup> RoP, [8 February 2021](#), paragraph 112

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**112.** In our report on the Scrutiny of Accounts 2019-20: Welsh Government we conclude that our successor Committee in the Sixth Senedd considers the outcome of the review of Job Support Wales given our long term interest and concern regarding the documenting of decisions across the Welsh Government.

**Recommendation 11.** We recommend that our successor Committee prioritises consideration of the outcome of the review of Job Support Wales within the context of the Welsh Government's procurement strategy.

## National Health Service finances

**113.** The NHS in Wales spends over £6 billion a year and accounts for almost half of the Welsh Government's revenue spending. In previous reports on health finances, and on the picture of public services, the Auditor General expressed concern about the short-term focus of financial planning across Wales' NHS. In response, the Welsh Government brought forward a Bill, which received Royal Assent as the National Health Service Finance (Wales) Act 2014.

**114.** The Act introduced two new duties for the seven health boards in Wales:

- to break even over a rolling three-year period – replacing the previous requirement to break even every year; and
- to have a three-year integrated plan that is submitted to and approved by the Welsh Ministers.

**115.** The Auditor General undertook an early high-level review of the implementation of the Act in 2017 and we subsequently agreed to undertake a rolling inquiry, examining the finances of all the health boards. Unfortunately, due to the Covid-19 pandemic, we were unable to complete this work but we did discuss the [then current] situation on NHS finances, with the Director General HSS and NHS Chief Executive in November 2020.

**116.** We suggest that our successor Committee continues with the work we have undertaken on NHS finances, particularly in view of the considerable additional expenditure during the pandemic.

**Recommendation 12.** We recommend that our successor Committee prioritises scrutiny of NHS finances in view of the statutory context of the National Health Service Finance (Wales) Act 2014 and in light of the outbreak of, and recovery from, Covid-19.

## 5. Medium-term priorities for our successor Committee

**117.** In considering potential medium-term priorities for our successor Committee, we believe it is fundamental that an underpinning strategic priority for that Committee's work should be to continue to drive forward improvements to the Welsh Government's financial reporting.

**118.** In our report on the Scrutiny of Accounts 2018-19, we recommended that the Welsh Government demonstrate best practice in financial management, budgeting and reporting. We stated that this should include the publication of indicative spending plans and priorities linked to outcomes, alignment of budgets to outturn, the publication of Whole of Government accounts and forward-looking public finance plans and forecasts.<sup>39</sup>

**119.** We suggest our successor Committee considers our recommendation above as a starting point for measuring the Welsh Government's financial performance.

### Scrutiny of accounts

**120.** The scrutiny of the annual reports and accounts of publicly funded organisations has become an annual element of the Committee's work. It is undertaken in the autumn term. We scrutinise the annual reports and accounts of a selection of public bodies to consider how these organisations use public money. We analyse their financial performance, key performance indicators, governance and risk management arrangements, workforce management, environment and sustainability issues, and other key strategic matters.

**121.** The Committee always considers the Welsh Government and Senedd Commission's annual reports. In addition, the following bodies' accounts were considered during the Fifth Senedd.

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<sup>39</sup> Report of the Public Accounts Committee, [Scrutiny of Accounts 2018-19: Welsh Government](#), May 2020

Year	Public bodies scrutinised
Annual Accounts 2015-16 <sup>40</sup>	Careers Wales ESTYN HEFCW
Annual Accounts 2016-17	Arts Council for Wales Future Generations Commissioner for Wales National Library for Wales Sport Wales
Annual Accounts 2017-18	National Museums Wales Public Services Ombudsman for Wales

**122.** The Committee has been pleased to note the response of the public bodies to our scrutiny. In particular, we are pleased that have seen an improvement in the accessibility of bodies' annual reports. Some organisations have risen to the challenge of presenting this often complex information in a more understandable format.

**123.** In addition to the more general improvements, we have has also brought to light a number of areas of concern which have been subject to greater scrutiny and ultimately led to an improvement in practices. These have also generated media coverage such as:

- [Welsh Government's 'avoidable' £1.25m compensation payout](#)
- [National Library of Wales in denial about cuts, AMs warn](#)

**124.** We have also taken a keen interest in the Senedd Commission's annual staff surveys as part of our scrutiny of their annual reports and accounts. In our report on the 2019-20 Accounts, we recommended that the Commission should ensure that future staff surveys are consistent from year to year to ensure that meaningful conclusions about long-term trends can be drawn from their findings. We also recommended that similar questions are asked to the staff surveys of other legislatures and public bodies to allow for the results to be benchmarked. We suggest that our successor Committee follows up on this area during the scrutiny of the Senedd Commission's 2020-21 Accounts.

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<sup>40</sup> We considered the 2015 -16 accounts of Natural Resources Wales following their qualification by the Auditor General as a separate piece of work. We also considered their 2017-18 accounts, which were also qualified.

**Recommendation 13.** We recommend that our successor Committee continues with the annual scrutiny of accounts work, taking evidence from the Welsh Government and Senedd Commission on an annual basis and from other bodies on a cyclical basis (covering Welsh Government sponsored bodies, commissioners and the Public Services Ombudsman) and reflecting back on the response to recommendations from our previous work.

## Counter-fraud

**125.** The Committee has taken a keen interest in counter fraud following the publication of the Auditor General's report on counter-fraud arrangements in the Welsh public sector, in June 2019. A subsequent report was published in 2020. We are aware of the importance the Welsh Government places on tackling fraud and looking to the future, including the increased risk of fraud posed by the Covid-19 pandemic. This will bring potential for new challenges for the Welsh Government in ensuring it has governance mechanisms and the resources in place to counter more sophisticated types of fraud. We suggest this will be an important element of the Public Accounts Committee's work in the Sixth Senedd and our successor Committee should continue to monitor the approach of the Welsh Government and other public bodies' to counter fraud.

**Recommendation 14.** We recommend that our successor Committee prioritises examining whether instances of fraud increased during the Covid-19 pandemic and the actions taken by the Welsh Government and other public bodies to counteract this.

## Barriers to the successful implementation of the Well-Being of Future Generations (Wales) Act 2015

**126.** The Auditor General published his first statutory report in relation to the Well-being of Future Generations (Wales) Act 2015 in May 2020. The Future Generations Commissioner published her 'Future Generations' report in May 2020.

**127.** The Senedd gave responsibility for scrutiny of these reports to the Public Accounts Committee. In recognition of the breadth of the Act and its far-reaching implications for the work of the entire Senedd, PAC invited Members from Committees across the Senedd to feed into the inquiry. We chose to focus our inquiry on barriers to implementation of the Act, with an emphasis on how implementation can be improved in future.

**128.** We heard from around 100 public bodies, stakeholders, academics and student groups throughout our inquiry. We carried out a virtual stakeholder event,

written consultation, and took oral evidence from nine panels of witnesses over five Committee meetings. Our report was published in March 2017 and debated during the last Plenary of the Fifth Senedd, 24 March 2021.<sup>41</sup> The Report contains recommendations to the Welsh Government, the Future Generations Commissioner, the Auditor General, public bodies, and to the Senedd itself.

**129.** The inquiry became particularly relevant as we looked at the recovery from Covid-19. Public bodies had a lot of positive experiences to share about their collaboration during the pandemic. We also reflected on the scale of the challenges facing Wales as we enter the Covid-19 recovery phase.

**130.** We therefore urge our successor Committee to continue its scrutiny of this ground-breaking and aspirational legislation. We identify two points during the Sixth Senedd at which this work could be undertaken. First, when the Auditor General considers the Welsh Government's application of the sustainable development principle in setting its well-being objectives (scheduled to be completed during 2021-22). Second, when the Auditor General and the Future Generations Commissioner publish their second statutory reports in 2025.

**Recommendation 15.** We recommend that our successor Committee continues to oversee the implementation of the Well-being of Future Generations (Wales) Act 2015 by scrutinising:

- the Auditor General for Wales' consideration of the Welsh Government's application of the sustainable development principle in setting its well-being objectives; and
- the Auditor General for Wales' and the Future Generations Commissioner's second statutory reports in 2025.

## Grants management in Wales

**131.** Issues relating to the management of grant funding by the Welsh Government have featured regularly in our work programme since the Fourth Assembly.

**132.** Areas of concern highlighted by our work and reports by the Auditor General included inadequate due diligence arrangements, poor communication between Welsh Government departments and with other funders, opportunities to reduce the overall number of grant schemes, the general inconsistency of grants

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<sup>41</sup> Plenary, [Record of Proceedings](#), 24 March 2021

management practice, administration costs and compliance with the code of practice for funding the Third Sector.

**133.** During our consideration of the Welsh Government's 2015 Annual Report on 23 February 2016, the then Permanent Secretary noted that when he took up post [in October 2012] he would have characterised grants management as having been 'demonstrably weak and high risk'. The then Permanent Secretary also emphasised that our own scrutiny of these issues had provided a focus for improvement.

**134.** We welcomed this feedback from the Welsh Government on our work together with the improvements that the Welsh Government has introduced to strengthen its management of grant funding. This is, however, an on-going process of continuous improvement and will need further consideration in the future.

**Recommendation 16.** We recommend that our successor Committee continues to scrutinise the Welsh Government's progress in improving grants management, drawing on the Welsh Government's annual reporting and reflecting on any new evidence on grants management arising from the Auditor General's work or other concerns that are brought to the Committee's attention.

## Coastal flood and erosion risk management in Wales

**135.** During this Senedd period, we have seen the damaging effects of severe weather on the Welsh coastline and more recently on inland waterways. The Auditor General's report, published in July 2016, highlighted a significant capital investment in coastal risk management over recent years and the Welsh Government's plans for a new £150 million Coastal Risk Management Programme from 2018-19 to 2020-21. However, climate change means that managing the risks for current and future generations requires solutions that are guided by the sustainable development principle at the heart of the Well-being of Future Generations (Wales) Act 2015, including long-term investment. The Committee undertook a short inquiry during autumn 2016.

**136.** Prior to the Covid-19 pandemic, we had been advised that, on the decision of the Coastal Risk Management Board, the programme had been extended until March 2022. As such, we were unable to consider the mid-programme review. The Auditor General's work programme highlighted plans to follow up this area.

**Recommendation 17.** We recommend that our successor Committee revisits the issue of coastal flood and erosion risk management in Wales on publication of the Auditor General for Wales' review.

## NHS Wales Informatics Services

**137.** Following publication of the Auditor General's Report in January 2018, we undertook an inquiry publishing our own report in November 2018.<sup>42</sup> As detailed in paragraphs 81 - 82 of this report, our work uncovered a range of serious problems relating to NHS Wales Informatics Services.

**138.** The Welsh Government responded and accepted all of the recommendations contained within our report.<sup>43</sup> We returned to this issue in November 2019 for an update on the progress being made on the implementation of our recommendations. Overall, we were pleased to note the progress being made and the positive way in which the service was moving forward.

**139.** However, we remained concerned over the timescales for implementing some improvements, specifically the recruitment of the Chief Digital Officer and the establishment and mandate of the Special Health Authority. We were due to revisit this again in November 2020, but dealt with the questions by written communication, due to the Covid-19 pandemic.

**140.** Understandably, progress has not happened as planned on a number of recommendations included in our report but it is anticipated that further improvements will be implemented over the next year, supported by increased investment and new delivery, governance and leadership arrangements.

**Recommendation 18.** We recommend our successor Committee continues to receive regular progress reports in relation to the NHS Wales Informatics Service, soon to be the new digital specialist health authority, including details on implementation of our recommendations and whether further scrutiny is required.

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<sup>42</sup> Report of the Public Accounts Committee, [Informatics Systems in NHS Wales](#), November 2018

<sup>43</sup> Welsh Government, [Response to the Report of the National Assembly for Wales Public Accounts Committee Report on Informatics Systems in NHS Wales](#), December 2018



## Primary care out-of-hours services

**141.** We undertook an inquiry into this area during spring 2019, following publication of a report from the Auditor General in July 2018. As part of our evidence gathering, we undertook visits to a number of facilities offering out-of-hours services. We found that this is a service under considerable strain. We were pleased that the Welsh Government responded positively to concerns about out-of-hours services highlighted by the Auditor General and the actions it set out to address these. It placed multidisciplinary working at the heart of its transformational model for 24/7 primary and community care which we welcomed together with the plans to fully integrate out-of-hours services into the wider primary care service.

**142.** We also felt that national leadership for out-of-hours services appeared to have been lacking and we welcomed the developments that have been made in this area including the establishment of the Urgent Care Group. This group has an important role to play in developing models of care and securing opportunities for regional working, as well as helping to drive improvements that are needed in the delivery and integration of out-of-hours services.

**143.** A great deal of progress has been made against the recommendations of both reports together with the continued rollout of the 111 service progressing well. However, we have noted that there are two health board areas where 111 hasn't been rolled out. This is causing confusion in those areas, where the public see 111 being promoted on a national level across Wales. Furthermore, for those having to use the NHS Direct service instead and dialling a 0845 number this incurs a significant charge which can be a barrier to accessing the service.<sup>44</sup>

**144.** We were pleased to note that there has been a sharp reduction in attendance at Emergency Departments (EDs), and a large increase in the amount of calls to the NHS 111 service and use of the Covid-19 online symptom checker. We welcome that the 111 Programme Team and Urgent Primary Care group within the Primary Care Strategic Programme are working closely together to review the future strategy and implementation over the next few years.

**Recommendation 19.** We recommend that our successor Committee monitors the progress made by the 111 Programme Team and Urgent Primary Care group

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<sup>44</sup> RoP, 1 March 2020, paragraph 9

on reviewing the strategy and subsequent implementation aimed at providing a consistent 24/7 urgent primary care.

## Governance arrangements at Betsi Cadwaladr University Health Board (and wider issues emanating from our inquiry)

**145.** Our predecessor Committee in the Fourth Assembly started looking into issues relating to the governance of Betsi Cadwaladr University Health Board (BCUHB) in July 2013. In February 2016, that Committee published a further report on 'Wider issues emanating from the governance review of Betsi Cadwaladr University Health Board' which brought together evidence from its on-going scrutiny during 2014 and 2015. A wide range of further recommendations were made.

**146.** We undertook a short inquiry in spring 2019 to ascertain what lessons had been learnt within BCUHB and whether wider health board governance improvements were necessary. We reported in May 2019<sup>45</sup> and the Welsh Government accepted and implemented a number of our recommendations.<sup>46</sup> The Minister for Health and Social Services has also issued regular statements on improvements made within the Health Board as part of the special measures process.

**147.** On 3 November 2020, the Minister announced strategic assistance for the BCUHB Board, and later the same month announced that BCUHB had been taken out of special measures and moved into targeted intervention.<sup>47</sup>

**148.** As we concluded our work, we heard from the Chief Executive of the NHS in Wales and Director General for Health and Social Services that there are some areas within BCUHB that still require progress including mental health services.

**149.** We were told that the strategic financial assistance provided was to ensure that the financial outlook for the organisation doesn't prevent some of the necessary thinking that needs to happen in BCUHB. We also heard that the Welsh Government will continue to review BCUHB within the escalation framework, as

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<sup>45</sup> Report of the Public Accounts Committee, [Governance Review of Betsi Cadwaladr University Health Board: Lessons Learnt](#), May 2019

<sup>46</sup> Welsh Government, [Response to the Report of the National Assembly for Wales Public Accounts Committee Report on 'Governance Review of Betsi Cadwaladr University Health Board: Lessons Learnt'](#), July 2019

<sup>47</sup> Minister for Health and Social Services, [Oral Statement: Strategic Assistance for Betsi Cadwaladr University Health Board](#), 3 November 2020

with other organisations in Wales, and approach it in a fair and equitable manner in terms of its ongoing performance.<sup>48</sup>

**Recommendation 20.** We recommend that our successor Committee seeks regular updates on the improvements at Betsi Cadwaladr University Health Board in the areas identified as part of the de-escalation status to targeted intervention, and the Welsh Government's effectiveness at ensuring improvements through its Escalation and Intervention Arrangements.

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<sup>48</sup> RoP, 1 March 2021, paragraphs 35 - 37

## 6. Audit Wales Reports

**150.** Our Legacy Report identifies a number of issues which our successor Committee may wish to follow up and return to, including certain planned Audit Wales reports. The table below lists the Audit Wales outputs published in advance of our Legacy Report which we have been unable to consider or that are likely to be published before our successor Committee is established.

Study	Aim
<b>In-sourcing the Welsh Government's ICT service</b>	This report, published in March 2021, looks at the decision to bring Welsh Government ICT in-house and how effective this process has been.
<b>Test Trace Protect (TTP)</b>	An overview of the Test, Trace and Protect programme in Wales, published in March 2021, looking at its establishment and on-going development.
<b>Personal Protective Equipment (PPE)</b>	The Auditor General wrote to the Committee Chair with an update and some interim findings on 15 December 2020. <sup>49</sup> A fuller report is being prepared.
<b>Follow-up of the joint review at Cwm Taf UHB</b>	A follow-up report on the joint inspection work by Audit Wales and Healthcare Inspectorate Wales.
<b>Supporting NHS staff wellbeing</b>	Flowing from its local audit work, Audit Wales is preparing a commentary on managing the well-being of staff, with a particular focus on staff at increased risk of contracting Covid-19.
<b>Covid-19 vaccination programme</b>	An initial commentary considering the plans for and funding of the vaccination programme and how it is working in practice.
<b>Local authority discretionary services</b>	Considering the scale of changes in discretionary provision and if councils have an effective strategic approach to determine how best to provide discretionary services in the future.
<b>Orthopaedic services</b>	This national summary will build on the findings from local audit work and reflect on the wider impact of Covid-19 on service provision.  The 4 <sup>th</sup> Assembly PAC undertook an inquiry following a previous Audit Wales report and we have kept a watching brief.
<b>Unscheduled care</b>	An initial commentary, informed by an interactive data tool.
<b>Welsh Health Specialised Services Committee (WHSSC)</b>	A report that will highlight both the benefits and challenges of the current governance arrangements for specialised services.

<sup>49</sup> [Letter](#) from the Auditor General for Wales, 15 December 2020