

Chair of Public Accounts Committee  
National Assembly for Wales  
Tŷ Hywel  
Cardiff Bay  
CF99 1NA

18 March 2020

Dear Nick

## Public Accounts Committee Report on the Scrutiny of Accounts 2018-19

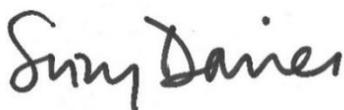
I am writing in response to your letter dated 14 February 2020 which notes that, following the Commission's response to the Committee's Report on the scrutiny of accounts 2018-19, you are requesting further clarity on the rejection of Recommendations 1 & 4,

The Commission has considered further its responses to your Committee's recommendations, concerning the Commission's financial performance indicators and the engagement target, at its 16 March meeting.

Its consideration are set out in full in the attached Annex. If you would like any further information on any matter covered in the Annex, please do not hesitate to let me know.

I would like to thank the Committee again for its scrutiny.

Yours sincerely



Suzy Davies

cc Assembly Commissioners, Manon Antoniazzi, Nia Morgan



# Public Accounts Committee Report on the Scrutiny of Accounts 2018-19

## Recommendation 1.

**(1) The Committee recommends that the Assembly Commission introduce a KPI focusing on financial management as opposed to an outturn target.**

**(2) The Committee welcomed the increase in the overspend target (from 0.5% to 1.5%) since this addresses in part, our concern about the risk of spending to achieve the target. However, we remain of the opinion that the target itself is not a suitable indicator since it does not link value for money and efficiency in the use of resources. We appreciate that the Commission can make its own decision as to targets but ask that an in-year target measure be considered.**

As noted previously the Commission believes its current financial indicators provide an authoritative measure of financial management arrangements. The new indicators provide assurance that true and fair accounts are produced on a timely basis, in line with the budget set out and scrutinised by the Finance Committee.

We note that the Committee welcomes the increase in the overspend target (ensuring an outturn operational underspend of between 0.5% and 1.5%) but that it has concerns that this is not a suitable indicator as it does not link value for money and efficiency in the use of resources.

We have previously considered such targets e.g. the previous indicator set a target of £500k of value for money savings. This was found not to be a suitable indicator as the level of savings achieved in-year, was heavily influenced by the number and size of contracts being renewed in any given year.

In addition, the Commission aims to provide, in its annual budget, a clear and transparent account of its activities for the forthcoming year. If efficiencies are anticipated in any given year, these are built in to the budget.

The Assembly Commission will review these corporate performance indicators at the end of the first reporting period and consider whether any changes are required.



#### **Recommendation 4.**

**(1) The Committee recommends that the Assembly Commission gives consideration to setting a more specific percentage figure target for the engagement index in light of its consistently exceeding the target currently set.**

**(2) As with Recommendation 1, the Committee appreciates that the Commission set this target following a benchmarking exercise against other comparable organisations. However, we remain disappointed that a more ambitious target was not set and request that the Commission re-considers this and reflects on its whole suite of indicators to ensure the targets encourage the Commission to stretch itself.**

We note the Committee's concern that the Commission has not set a more ambitious target for the engagement index.

We are content that the benchmark comparator is appropriate, and our continued good performance in this area allows us to focus instead on other areas of activity which may require greater support.

The Commission is content with performance in this area and it believes that setting a more ambitious target would then result in resources being diverted to this area, (current staff engagement) to the detriment of other areas e.g. BAME representation/recruitment.

#### **Recommendation 5.**

**(1) The Committee recommends that the Assembly Commission makes public the overall results for each individual question in the staff survey. This should include comparative data over a three year period.**

**(2) The Committee welcomed the Commission's commitment to consult staff on making public the results of the annual staff survey. I would welcome updates on this initiative, when available.**

The Commission will provide the Committee with an update once consultation has taken place.

