

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Mr N Ramsay MS
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

19 May 2020

Dear Mr Ramsay,

Welsh Government approach to responding to the public health crisis

Thank you for the opportunity recently for me to brief the Committee on how we were responding to the current public health crisis. I hope that the Committee found the session helpful. I will be writing shortly with the further information which I promised to supply.

I am sorry that the connection difficulties at my end meant that the Committee had a late start to the session and I am very grateful to the Commission staff who stepped in to help me overcome the technical difficulties. I appreciate that the delay meant that the Committee needed to go straight into questions from Members. There were a few points which I had wanted to make at the start of the session about our strategic approach which time did not allow for so I am setting them out in this follow-up letter instead.

Firstly I would like to pay tribute to the Welsh Government civil service. The response from staff at all levels to this crisis has been magnificent. People have been redeployed to very different roles sometimes overnight and very many of them are working extremely long hours each day, including weekends. I could not have asked for a better response from the organisation. Both the First Minister and I share a concern for the welfare of everyone, both because of the pace at which staff are having to work and



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from the impact of lockdown upon them. I and my senior team are doing everything that we can to help our staff through this difficult period.

These are extraordinary times where events are complex and fast-moving. There is no part of our economy or community life which has been left untouched by this crisis. Life has become very different for us all since the start of lockdown on 23 March. Doing business remotely has become normal for all of us and (apart from the occasional glitch, as I discovered at the Committee session) is working very successfully. The Committee will know that last year the Welsh Government invested in a major upgrade of our IT equipment. I have always believed in investing in good ICT which is why I wanted to press ahead with the improvements but I do not think that I have ever seen such a reward on investment as we see now, where almost all of our staff are working from home using their new equipment. I am not sure how we could have managed without that investment in new equipment and the corresponding training in making best use of it.

When it first became clear that we were dealing with a very serious public health crisis which was going to affect all aspects of the Welsh Government, I had three major concerns as Permanent Secretary and Principal Accounting Officer. My first concern was how the civil service could respond swiftly and flexibly so as to give Ministers the support that they needed to respond to the crisis effectively for the people of Wales. My second concern was how we could do this while still maintaining proper control and accountability for public money. And my third concern was for the wellbeing of our staff.

I also felt that there were, and still are, three major risks for me as Accounting Officer. The first risk is that in our haste to bring in measures in response to the crisis we do not deliver good value for the taxpayer, either because the measures themselves do not give value for money or because we fail to implement them effectively. The second risk is that we do not keep control of our overall budget because accumulated spending commitments become more than we will be able to afford. And the third risk is that we fall prey to fraudsters seeking to take advantage of the fact that we are working at pace and with streamlined procedures.

This crisis has come hard on the heels of the work which we did last year to prepare for the possibility of a no-deal Brexit and we have sought to use the learning from that experience. One of the lessons which came out of that was the value of having at official level a senior co-ordinating group which has all my senior team on it plus representatives from each of the key areas of activity. So I established the ExCovid group, which I have already told the Committee about, which meets twice a week.



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Under the leadership and guidance of Ministers, ExCovid is the strategic clearing house for sharing information, keeping track of progress, checking we have identified and are responding to the issues of the day, and making sure we are deploying our resources as effectively as we can. All the Additional Accounting Officers whom I have appointed are members of ExCovid and an important role of the group is to provide a forum where we can identify Accounting Officer issues as they arise, make sure that we are consistent in our responses, and discuss the actions and processes which we need to put in place.

It was clear that the Welsh Government was going to have to take decisions and then proceed to implement them at a speed which we would not normally contemplate. There simply was not going to be time on occasions for the normal kind of consideration, analysis and careful documentation beforehand. I felt that as Principal Accounting Officer I needed to recognise that fact but also to avoid the risk of descending into actions which were not thought-through or where we could not demonstrate subsequently that we were using public money properly. So I wrote to all of my Additional Accounting Officers telling them that I wanted them to increase selectively their appetite for risk but to also recognise that it was still important to use public money properly and where the full documentation to justify a decision could not be provided beforehand in the usual way it was important for there to be a retrospective account made.

We have had on occasions to take decisions in relation to our Accounting Officer responsibilities within hours when we would usually expect to have days to consider the issue carefully and of course we accept that that is a necessary part of dealing with the crisis at the speed required. This is a once-in-a-century pandemic situation so we should accept that we have to adapt our usual approach. We are dealing on a daily basis with issues which it would normally take months to resolve – as an example, it took 11 days to set up and equip the field hospital in the Principality Stadium. It would normally take about 11 years to build a new hospital.

Despite all of this we are maintaining our core financial processes which are still robust, we are identifying and treating risks as they emerge and we are maintaining proper audit trails, albeit that the some of them are having to be created retrospectively.

It is a sad fact of life that some unscrupulous people see a crisis like this as an opportunity for fraud and we are very mindful of this risk and doing all that we can to mitigate it, working together with activities which H M Treasury in London are co-ordinating. We have kept our counter-fraud team in place and have issued revised



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guidance to staff. We are also sharing our guidance and learning on counter-fraud with the rest of the public service in Wales.

We maintain a strong communication channel with our public bodies and we share with them on a regular basis the guidance which we are issuing, relating to issues such as accounts preparation, AGMs, furlough concerns and application, public sector pay and remuneration, and pensions. We have also helped to facilitate key worker identification and redeployment of staff across the public service. While we recognise that our public bodies will still be accountable themselves for issues arising in their own areas we are very pleased to share our learning and experience with them and to learn from them as well.

We have issued revised guidance to staff on a range of Accounting Officer issues such as grants management, procurement and cash management. This guidance is all intended to ensure that we adopt a uniform approach across the whole organisation and to assist staff to concentrate on the essentials while working at pace. To assist further, many of our finance professional staff are now focussed almost entirely on providing help and advice in relation to the Covid response, with some of them bedded out in those parts of the office with particular challenges.

It is vital that we keep track of all aspects of spending in relation to the crisis and we have introduced a process specifically designed for identifying and recording this expenditure. Our Treasury Department has responsibility for keeping track overall on spending commitments, advising on affordability, and liaising at official level with H M Treasury about the evolving position on additional resources which the UK Government is making available

Across the Welsh Government a many staff have been moved, sometimes overnight, to either lead or support the new work. We have needed to staff our Emergency Control room on a rota basis. Inevitably some other work which is important but less immediately pressing has had to be postponed. As we look ahead to the Recovery Programme alongside dealing with immediate virus issues we are going to have to juggle the allocation of staff to make sure that we can continue to make proper progress on Ministerial priorities and serve the people of Wales. This will be a challenge for us but I recognise that it is vital that we start to look beyond the current crisis and prepare for life afterwards.



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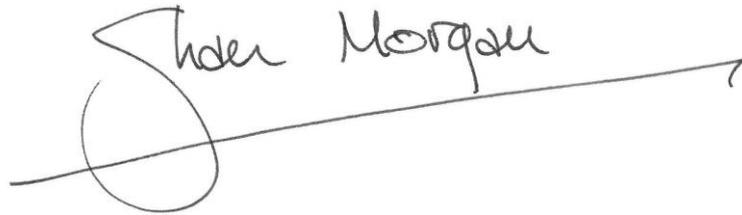
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When we do come out of these hugely difficult and challenging circumstances there will be much that we will have learned as an organisation. I am determined that we will make sure that we make use of that learning in the future.

I am copying this letter to the Chair of the Welsh Government Audit and Risk Assurance Committee and the Auditor General for Wales.

Yours,


Shan Morgan
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