



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

# Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cyfrifon Cyhoeddus](#)

[The Public Accounts Committee](#)

19/09/2016

[Agenda'r Cyfarfod](#)  
[Meeting Agenda](#)

[Trawsgrifiadau'r Pwyllgor](#)  
[Committee Transcripts](#)

## Cynnwys Contents

- 4 Cyflwyniadau, Ymddiheuriadau, Dirprwyon a Datganiadau o Fuddiant  
Introductions, Apologies, Substitutions and Declarations of Interest
- 5 Llywodraethiant Byrddau Iechyd GIG Cymru: Ymateb Llywodraeth  
Cymru i Adroddiad Pwyllgor y Pedwerydd Cynulliad  
NHS Wales Health Board Governance: Welsh Government Response to  
the Fourth Assembly Committee's Report
- 10 Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd  
o'r Cyfarfod ar gyfer y Busnes a Ganlyn: Eitemau 4, 5, 6, 7, 8, 9 ac 11  
Motion under Standing Order 17.42 to Resolve to Exclude the Public  
from the Meeting for the Following Business: Items 4, 5, 6, 7, 8, 9 and  
11
- 11 Craffu ar Gyfrifon 2015–16: Comisiwn y Cynulliad  
Scrutiny of Accounts 2015–16: Assembly Commission

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.



Nia Morgan                      Cyfarwyddwr Cyllid, Cynulliad Cenedlaethol Cymru  
Director of Finance, National Assembly for Wales

Dave Thomas                    Swyddfa Archwilio Cymru  
Wales Audit Office

Mike Usher                      Swyddfa Archwilio Cymru  
Wales Audit Office

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Fay Buckle                      Clerc  
Clerk

Claire Griffiths                Dirprwy Glerc  
Deputy Clerk

Joanest Varney–  
Jackson                        Uwch–gynghorydd Cyfreithiol  
Senior Legal Adviser

*Dechreuodd y cyfarfod am 14:00.*  
*The meeting began at 14:00.*

**Cyflwyniadau, Ymddiheuriadau, Dirprwyon a Datganiadau o Fuddiant**  
**Introductions, Apologies, Substitutions and Declarations of Interest**

[1]     **Nick Ramsay:** [*Inaudible.*] and sound amplification. Translation is on channel 1 and amplification is on channel 0. Please ensure that all electronic devices are on silent and, in the event of an emergency, an alarm will sound and ushers will direct everyone to the nearest safe exit.

[2]     No apologies have been received from Members. The Auditor General for Wales has sent his apologies and I'm pleased to welcome Anthony Barrett, the assistant auditor general, who's attending in his place today.

14:00

**Llywodraethiant Byrddau Iechyd GIG Cymru: Ymateb Llywodraeth  
Cymru i Adroddiad Pwyllgor y Pedwerydd Cynulliad  
NHS Wales Health Board Governance: Welsh Government Response to  
the Fourth Assembly Committee's Report**

[3] **Nick Ramsay:** Item 2 on today's agenda is the NHS Wales health board governance and the Welsh Government response. The previous committee reported in February 2016 on its inquiry into NHS Wales health board governance. Due to the dissolution of the fourth Assembly, the Welsh Government response to the committee's recommendations was not available until the fifth Assembly. The Auditor General for Wales provides advice to the committee on the adequacy of Welsh Government responses to PAC reports.

[4] Of the 27 recommendations contained in the report, 17 have been accepted, four have been partially accepted, two have been noted and four recommendations, namely R5, R7, R9, R25, have not been accepted. The auditor general has indicated that the responses to the recommendations are reasonable and do provide an assurance that actions are either under way or planned in most of the areas where concerns were raised. Where the recommendations have not been accepted, he states that the reason for doing so are reasonable and considered.

[5] The previous committee's legacy report recommended that the successor committee seeks further updates from Betsi Cadwaladr University Local Health Board on the progress made with the GP out-of-hours contract. As the Auditor General for Wales plans to do further work on this, the committee may wish to consider his report in spring 2017.

[6] As for action on this report in this fifth Assembly, we've got a number of things that we could consider. Are Members content to wait for the auditor general's report in 2017 on the GP out-of-hours contract with Betsi Cadwaladr university health board, and then we can consider whether any further work is required?

[7] Are Members content for the Chair to write to the Chair of the Health, Social Care and Sport Committee, asking that the committee monitors the action that the Welsh Government is taking in progressing these recommendations? Are there any thoughts on that from the committee

[8] **Mike Hedges:** Can I agree with you, Chair? It's a very good report. As much as I would like to get further information on Betsi Cadwaladr now, why would we try and do it when the auditor general is doing a full report, albeit slightly further in the future than I would like? That's probably the best we're going to get, and anything we try to do in the intermediate time will probably not be of any benefit.

[9] **Nick Ramsay:** Yes, okay. I'm aware that new Members particularly might not be fully versed in the background of this issue. You don't need to be fully versed, but it might be helpful to have some background. Dave Thomas, would you like to make a few comments on this issue?

[10] **Mr Thomas:** Thank you, Chair, yes. I think your preamble has covered a lot of the background really, but just by way of what this response is and where it's actually coming from, the PAC report that the Welsh Government are responding to didn't just look at Betsi Cadwaladr; it looked at a number of other wider issues to do with NHS governance. So, you will see within the Welsh Government response, issues on wider governance in the NHS in Wales. But I think that the substantive issue here is that we and HIW will undertake a joint review follow-up in 2017. That will encapsulate all of the progress that Betsi Cadwaladr has made, so I think that the discussions that we've already had on waiting until then are entirely sensible.

[11] **Rhianon Passmore:** Chair, whilst I accept that point, there is absolutely no point in us pre-empting what's going to occur later on. It's just really seeking reassurances around the out-of-hours issues. Obviously, you mentioned Hywel Dda Local Health Board in the papers as well. So, it's really about sort of feedback around that in terms of treatment escalation plans et cetera.

[12] **Mr Thomas:** Just on the out-of-hours issue, I should make it clear that the joint review that we and HIW will do on Betsi covers all of Betsi's governance arrangements. Separate to that, we're doing something across Wales on GP out-of-hours services, which will be ready around about the same time. So, that is an opportunity to bring that back alongside it.

[13] **Neil Hamilton:** And that's towards the end of the year.

[14] **Mr Thomas:** It'll start in January, but it won't be probably until March before we're ready to report.

[15] **Neil Hamilton:** Right, okay.

[16] **Nick Ramsay:** Lee Waters.

[17] **Lee Waters:** Thank you. Is there an opportunity to comment on some of the responses to the recommendations from the Welsh Government in this discussion? How are you handling that?

[18] **Nick Ramsay:** Yes.

[19] **Lee Waters:** Okay. I was struck by recommendation 4, which the Government has accepted—it's on page 3 in the pack—that they will share the outcomes of the reviews with the Welsh Government. But it strikes me that there need to be opportunities for learning with other health boards as well, because, as we've seen from increasing the escalations last week, there are similar problems across other health boards. So, it strikes me that, rather than just sharing the outcome with the Welsh Government, we'd expect them to share the outcome with other health boards as well. I don't know if that's something that the auditor had in mind too.

[20] **Mr Thomas:** Potentially, I think the route would be into Welsh Government first, and then I think Welsh Government should look at what means it's got to promulgate more broadly within NHS Wales. But there are various ways and means they could do that. The NHS meets at lots of different levels in Wales, so the opportunities are there to do it. I think it would depend what the issues were, because what you've got under recommendation 4 is a smaller amount of text to cover a very, very broad area, and there could be some very specific issues around concerns that are very particular to some service areas. So, I think I'd be measured in just saying that I'd like to see what the issues were, and then there'll be a certain way of actually feeding that back.

[21] **Lee Waters:** It's as likely that there are going to be problems occurring in more than one health board, and we don't want to encourage siloed thinking, do we?

[22] **Mr Thomas:** No, we don't, no. I think the whole issue of learning from mistakes should be embedded in the NHS; I would say that should be routine. You've got the 1000 Lives initiative, which is based on doing that. So, what I'm saying is there are mechanisms already there to use for that. I think the point you make is right—yes, they should be shared, they should

be learnt.

[23] **Lee Waters:** Okay. If I can make just one other point, if I might, in terms of recommendation 25—this is on page 16 of the pack—which the Government has not accepted. This is the issue of lay assessors being part of future inspection regimes. The Government have rejected this on the grounds that other equivalent organisations don't use lay assessors, and there are enough volunteers to be had, because volunteers can take advantage of their volunteering days. This seems pretty flimsy to me, and volunteering days is a very public-sector-centric way of looking at this, because I'd imagine a large number of organisations and employees across Wales don't have volunteering days. So, in terms of the principle thrust of the recommendation, which is harnessing a lay person's wisdom in an inspection, the Government not only rejects that, but its grounds for rejecting that are pretty narrow minded—to my mind, at least. I wonder if you have any thoughts.

[24] **Mr Thomas:** It's a matter for HIW, as I recall from the discussion, Chair. And I think, if I recall correctly, it related to whether they use paid lay assessors, as opposed to using non-paid lay assessors. I think it's a matter for the committee as to what it thinks. Consistency is the issue, and I think HIW have indicated in their response why they've taken that approach. I think it's not for us to query; that's a matter of operation for HIW.

[25] **Lee Waters:** Because in school inspections, it's routine to have paid lay assessors as part of the team.

[26] **Mr Thomas:** Yes.

[27] **Lee Waters:** So why would the health community be any different?

[28] **Mr Thomas:** It's a matter, I think, to raise with HIW. It's difficult for us to answer that.

[29] **Nick Ramsay:** Can I suggest here, we will be scrutinising Dr Andrew Goodall on 7 November, when he attends the committee? So, we could ask him these questions then, or, if these are burning issues, we could write to him in advance.

[30] **Lee Waters:** What do colleagues think? They're just my impressions.

[31] **Nick Ramsay:** Any other thoughts?

[32] **Mike Hedges:** Can I suggest we write to him in advance, and we can then take his answers and take it onto the next stage? So, if we write to him in advance, he'll reply, then it will give Lee and others an opportunity to raise further points at that stage. Otherwise, if we don't write to him, he'll come along and say, 'I'll forward information to you', and then we'll have to wait until the next time he comes to do it. So, the more information we can get early, the better the chance to dig deeper.

[33] **Nick Ramsay:** Mike Usher.

[34] **Mr Usher:** Just looking at the Government response to recommendation 25, in fairness, I think this is a matter for HIW. So, I think a letter to Andrew Goodall would simply prompt the same response. The committee might want to write to Kate Chamberlain, the chief inspector, on that point specifically.

[35] **Nick Ramsay:** Yes, okay. Thanks.

[36] **Rhun ap Iorwerth:** Chair, I think a lot will depend on whether this has been a live issue in the past—it's an issue that certainly hasn't crossed my mind in the past—and whether there has been an element of recommendation along these lines that Lee makes in the past or not, as to how full an answer we can get from HIW. Otherwise, it'll be, 'Yes, this could be something we consider', but there's obviously no harm in asking.

[37] **Rhianon Passmore:** Chair, if I may, in terms of recommendation 25, my understanding of it is it's just calling for a review for audit, rather than whether we should or whether we shouldn't. And that's not been accepted.

[38] **Nick Ramsay:** And

[39] 'an urgent and focussed independent review to audit existing and potential future requirements for lay assessors'.

[40] **Rhianon Passmore:** Which seems eminently sensible if there's doubt about whether we want them or do not want them.

[41] **Nick Ramsay:** So, I think—well, shall we contact HIW? That's probably the easiest in the first instance, and then we'll take it from there. But, as I

say, on the sounds from the Member, that will be an opportunity to explore this early in the first instance. Any other thoughts on this? Comments? Oscar.

[42] **Mohammad Asghar:** The only thing is, Chair, that is not accepted by the—*[Inaudible.]* Look, you need to scrutinise the head of NHS on those lines, for which our recommendation hasn't been accepted rather than which have been accepted. There's no point in doing things again, but those that are not accepted or are partially accepted, we've got to look seriously at those points.

[43] **Nick Ramsay:** Yes, okay. Thank you.

14:11

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod ar gyfer y Busnes a Ganlyn: Eitemau 4, 5, 6, 7, 8, 9 ac 11  
Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting for the Following Business: Items 4, 5, 6, 7, 8, 9 and 11**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in 17.42(vi).*

*accordance with Standing Order 17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[44] **Nick Ramsay:** Moving on, and item 3, which is a motion under Standing Order 17.42 to exclude the public from the meeting for the following business, which is items 4, 5, 6, 7, 8, 9 and 11 of today's meeting. I propose, in accordance with Standing Order 17.42, that the committee resolves to meet in private for those items. Are all Members content? Thanks.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 14:11.  
The public part of the meeting ended at 14:11.*

*Ailymgynullodd y pwyllgor yn gyhoeddus am 15:35.  
The committee reconvened in public at 15:35.*

## **Craffu ar Gyfrifon 2015–16: Comisiwn y Cynulliad Scrutiny of Accounts 2015–16: Assembly Commission**

[45] **Nick Ramsay:** Welcome back to this afternoon’s meeting of the Public Accounts Committee. Item 10 on our agenda is the scrutiny of the accounts 2015–16 of the Assembly Commission. Can I welcome our guests? This is the third year that the Assembly Commission’s annual accounts have been scrutinised by the committee. The accounts are subject to audit by the Auditor General for Wales and the unqualified audit opinion was signed on 15 July 2015. Pages—*[Interruption.]* Can I also remind Members to switch off their electronic communication devices, please? Pages 100 to the end of the annual report have been audited, along with specified tables in the remuneration report and policy. However, as with most audits, the rest of the annual report was not subject to audit, although the auditor does consider where there are material inconsistencies with the accounts. Welcome to our witnesses. Would you like to give your names and positions for the Record of Proceedings, please?

[46] **Suzy Davies:** I’ll start off, then. I’m Suzy Davies, the new Commissioner responsible for budget and governance.

[47] **Mrs Clancy:** I’m Claire Clancy, the Chief Executive and Accounting Officer.

[48] **Mrs Morgan:** Prynawn da. Nia Morgan, Director of Finance.

[49] **Nick Ramsay:** Prynawn da. Thanks for being with us today. Okay, we’ve got a number of questions for you, and, if I kick off with the first question, there is the new online summary document, which we’ve found very useful. In addition to the online summary document, how have you changed the presentation of your annual report and accounts to make this document more accessible to the public?

[50] **Suzy Davies:** We’ve obviously taken into account the recommendations made by the previous Public Accounts Committee, and Treasury guidelines,

about how best to present information of this nature. I hope that those of you who've been Members of this Assembly before will have had a chance to see and notice the differences in the way that the material's presented at the moment. The aim is still to be the best we possibly can in terms of clarity and transparency and I hope that we've achieved that for you. But I think the streamlining, as an Assembly Member myself, has been most helpful. So, I hope you like the report. We do actually road test it before it's published as well, internally. So, if you've any questions on that, I'd be able to help.

[51] **Nick Ramsay:** Great. How is the publication of these documents publicised?

[52] **Suzy Davies:** Members are notified via the intranet and the way that the Assembly's communicating more generally as well has been part of how we're dealing with this. So, obviously, there's the website, but, as well as the intranet, we've got a far greater social media presence. So, it's much easier, I think, for people to know when we're doing the work that we're doing and perhaps to engage with us at that stage. Anyone who requests a hard copy, of course, is entitled to have one.

[53] **Nick Ramsay:** And do you have plans to show how resources are committed to Assembly priorities in future years?

[54] **Suzy Davies:** I'd tell you that the original budgets are indicative of where we spend, but perhaps, Claire, you'd want to fill in a bit of detail on that.

[55] **Mrs Clancy:** Yes. In the narrative, we certainly try to focus everything around the three main strategic goals of the Commission, so that we're—. This is part, really, of the streamlining and the transparency, to try and get across everything that's been delivered in the narrative. We did, I think, in the budget document for 2015–16, split down the—or try to split down the—amounts of budget between the three goals. But it's a slightly spurious thing to do because the figures are so big and, obviously, there's a considerable amount of overlap between the use of resources between the strategic goals. So, for example, much of the work that staff do—they'd be delivering all three of the strategic goals at the same time: so, engagement, using resources wisely and outstanding parliamentary support. So, what we tried to do is give some real transparency through what's being delivered, rather than what might be a sort of spurious headline that doesn't really add to that transparency.

[56] **Nick Ramsay:** Thanks. Rhun ap Iorwerth.

[57] **Rhun ap Iorwerth:** Os gallaf i Rhun ap Iorwerth: If I could ask an additional question on that first—given that you've invited us to ask you further about how this new process of presenting information is road-tested and so forth—what is the process and how do you decide whether you've been successful or not in the way you present information? information?

[58] **Suzy Davies:** Well, one of the committees—I think it was ACARAC—actually, had a chance to look at this document before it went out—that's the audit and risk committee—just to make sure that we were covering off the kind of issues that, actually, PAC had raised previously. So, that was the primary source for doing it. But, of course, each individual team, if you like, within the Commission looks at what it's putting forward to the management board in respect of what the report will look like eventually, anyway. So, as previous Members will know, there's a whole array of checks and balances in the way governance works, and this is just one tiny part of it, really.

[59] **Mrs Morgan:** I adeiladu ar beth Mrs Morgan: To build on what Suzy has just said, as some of you may be aware, during this year, Her Majesty's Treasury brought in their own initiative in terms of the simplification of public accounts. So, we've adopted that framework and we've looked at our annual report and endeavoured to make things as simple as possible. During the year, we produced an interim annual report and accounts around November or December, and they were audited by Matt over there, who is from the Wales Audit Office, and our independent audit committee within the Assembly looked at the y mae Suzy newydd ei ddweud, fel y mae rhai ohonoch chi'n ymwybodol, yn ystod y flwyddyn hon, mae Trysorlys ei Mawrhydi wedi dod i mewn â'i *initiative* nhw ynglŷn â symleiddio cyfrifon cyhoeddus. Felly, rydym ni wedi cymryd y fframwaith hwnnw ac wedi edrych ar ein hadroddiad blynyddol ni a gwneud ein gorau i wneud pethau mor syml ag sy'n bosib. Yn ystod y flwyddyn, gwnaethom ni adroddiad blynyddol a chyfrifon dros dro—*interim accounts*—tua mis Tachwedd neu fis Rhagfyr, a chafodd y rheini eu harchwilio gan Matt draw yn fanna,

sy'n un o Swyddfa Archwilio Cymru, a gwnaeth ein bwrdd archwilio annibynnol ni o fewn y Cynulliad edrych ar fformat newydd y cyfrifon. Roedd y ddau yn hapus iawn gyda'r fformat newydd, ac roedd yn bwysig ein bod ni'n eu gwneud nhw mor syml ag oedd yn bosib, ond hefyd ein bod ni'n parhau i ddarparu gwybodaeth i chi i allu eu sgrwtineiddio nhw. Hynny yw, bod popeth mor fanwl ag sy'n bosib. Felly, roedd angen cydbwysedd rhwng bod mor dryloyw ag sy'n bosib—*transparent*—ac hefyd ceisio bod mor syml ag sy'n bosib.

new format of the accounts. Both were very happy with the new format and it was very important that we did take on board the need to make them as simple as possible, but also that we continued to provide the information that you need in order to scrutinise them. That is, that things are as detailed as they can be. So, it was a matter of striking that balance between being as transparent as possible and also endeavouring to present the information in as simple a way as possible.

[60] **Rhun ap Iorwerth:** Ac a fyddwch chi'n chwilio am dystiolaeth bod mwy o bobl yn gallu cymryd mantais o'r cynnig mwy syml sydd yna i bobl ei ddarllen?

**Rhun ap Iorwerth:** And will you be looking for evidence that more people can take advantage of this more simple offer that's there for people to read?

[61] **Suzy Davies:** Well, I'm not aware of anybody who has come forward and said, 'We've found this a lot easier to use', but I'm hoping that you as Members can give us that information. I'd also add at this stage, I think, that it's probably easier to find as well, in places like our website. So, there's a chance that more people will have a chance to look at it and come to their views about whether it's easier to use, as well.

[62] **Rhun ap Iorwerth:** Rwy'n siŵr y gwnawn ni drafod y wefan yn nes ymlaen. Os caf i fynd ymlaen a thrafod arbedion, mae'r adroddiad yn nodi faint o arbedion sydd wedi cael eu cofnodi: £866,000 yn 2015–16, a hynny wedi bod yn dipyn o gynnydd o ran arbedion o'i gymharu â'r flwyddyn flaenorol. Sut ydych chi fel Comisiwn wedi mynd ati i osod targedau ar gyfer arbedion ariannol?

**Rhun ap Iorwerth:** I think we'll talk about the website later on. If I can go on to savings, the report notes the amount of savings that have been recorded as £866,000 in 2015–16, and that's quite an increase on the savings made in the previous year. How have you as a Commission set targets for financial savings?

[63] **Suzy Davies:** Well, everything is measured against our strategic goals, and actually one of those strategic goals is using money wisely. So, you could say it's hardwired, if you like, into the way the Commission works and does its forward planning, that any opportunities to use money efficiently are taken into account.

[64] In terms of setting targets, in the past I think the emphasis was very much on cutting back on staff, or staff changes, whereas there was encouragement, I think, actually, from this committee to start looking at other sources of savings, more non-staff-related savings and more recurring savings. And even though there are limitations to what you can save in that way, certainly there's a great focus on those when budget decisions are being taken.

[65] **Rhun ap Iorwerth:** A sut Rhun ap Iorwerth: And how do your mae'ch arbedion chi yn cymharu efo savings compare with those in other rhannau eraill o'r sector gyhoeddus, parts of the public sector, because oherwydd mae yna bwysau ar bawb, there is pressure on everyone, of wrth gwrs, i ganfod y math yma o course, to find these kinds of arbedion? savings?

[66] **Suzy Davies:** Well, quite a lot of the Commission's work is benchmarked against other public sector organisations anyway, and other parliamentary services. So, in terms of that, I think we must be doing pretty well on that. But, you are quite right to point out that we actually achieved a greater saving in our budget year than we were anticipating.

[67] **Mrs Clancy:** We, in particular, work with the other Parliaments on how to deliver efficiencies. So, with the Northern Ireland Assembly and the Irish Parliament in particular, we've been to see their good practice. Then we tend, between us as Parliaments, to leap-frog one another. So, someone has a good idea and then we go and pinch it, build on it and make it better. So, there's that sort of learning between the Parliaments. So I think we can be confident that, within public sector organisations delivering similar services, we're stretching appropriately.

15:45

[68] **Rhun ap Iorwerth:** Ac rwy'n Rhun ap Iorwerth: I'm pleased that falch eich bod chi wedi cyfeirio at y you've referred to the benchmarking

meincnodi sy'n digwydd ar hyn o that happens at present. One bryd. Un cwestiwn technegol ynglŷn technical question in terms of the â'r ffordd yr ydych chi'n cyfrifo: a oes way in which you do your accounting: yna gorff allanol yn dilysu a chraffu is there an external body that ar y modd yr ydych chi'n cyfrifo'r validates and scrutinises the way that arbedion yr ydych yn eu gwireddu o you calculate the savings that you realise within your budget? fewn eich cyllideb?

[69] **Suzy Davies:** Oh yes, absolutely. As I mentioned earlier, the whole of the Commission runs on the basis of checks and balances, and every decision is challenged by somebody at some point in its journey. So, heads of service look at the figures, internal audit looks at the figures, external audit looks at the figures; we have independent advisers, and the audit and risk committee also looks at this. I don't know if you want to add anything to that. And, of course, the Wales Audit Office.

[70] **Mrs Clancy:** I suppose on the specific on financial management and budgetary control, our internal audit company, TIAA, did a specific study during 2015–16 and came out with the conclusion that we have strong controls and processes in place. The Wales Audit Office relies on the work that our internal audit does, in part, when they do their end-year work as well. ACARAC take a very active interest, particularly in efficiency.

[71] **Rhun ap Iorwerth:** Thank you. Diolch yn fawr.

[72] **Nick Ramsay:** If I could just come in there, are those controls operating in terms of the audit of the Commission, are those similar to those operating in Scotland with the Scottish Government, and in Northern Ireland? Is it a similar regime?

[73] **Mrs Clancy:** Very similar. Each organisation would make its own decisions on how to deliver those services. So, some contract out the internal audit completely, others might do it in-house completely. We decided to take a combined approach. So, we have our own head of internal audit, who's sitting in the gallery today, and he manages a contract with TIAA to deliver some of the audit programme, which allows us in a cost-effective way to have a wide-ranging audit programme across every year.

[74] **Nick Ramsay:** Always good to see people in the gallery. Thanks, Claire Clancy.

[75] **Suzy Davies:** Particularly when they give you a strong endorsement.

[76] **Nick Ramsay:** Mike Hedges.

[77] **Mike Hedges:** If I take you back to the last time we met on this, I raised the website. We had a roundtable discussion with some groups of people who use the Assembly's website as part of their jobs, and they found it very difficult to navigate. I think that somebody actually used the word 'impenetrable', and that they had to find ways round having to use the Assembly's website. You did say at that time you were going to make it a lot easier for people to navigate. What have you actually done since then?

[78] **Suzy Davies:** Well, I'm hoping that, as a serving Member, you will have noticed the improvements to the website. I don't think you can apply the word 'impenetrable' to it now. There's been a considerable number of enhancements made. If you look at the first page, for instance, the top level series of subjects that you have are far more pertinent to the type of things that both we as Members and people outside this Assembly would be looking at every day. There's been a development—. There's been work with the Assembly's business management system as well, and the changes—I don't know how you feel about this, Mike—to the Members' biographical pages have certainly made it more transparent what we do on behalf of the constituents that we represent.

[79] **Mike Hedges:** Yes, I think that's absolutely right. The one thing I would say, though—why don't you count users? It's quite normal for organisations—. Or do you? It's quite normal for organisations to count the number of people who access it. Do you count it? Whilst you don't have a counter appearing at the bottom of the screen, do you have one hidden away, as it were, so that we can be told how many accesses take place in any one period of time?

[80] **Mrs Clancy:** Yes, we do collect those data, and have them available for different parts of the website.

[81] **Mike Hedges:** I'm sure you don't publish it, but do you make it available to the Commissioners?

[82] **Mrs Clancy:** Yes, it's available.

[83] **Suzy Davies:** If I asked for it I'm sure I could have that, yes.

[84] **Mrs Clancy:** From time to time we do publish it. I can recall having FOI requests in the past about particular levels of access to different parts of the website.

[85] **Mike Hedges:** I don't particularly want to study it, but I'm sure it's information that the Commissioner responsible would want, to know how many are accessing it, and which bits aren't getting accessed, so you can actually work out whether people aren't accessing it because it's not interesting or they're not interested in it, or people are not accessing it because it's difficult to access.

[86] **Mrs Clancy:** It certainly is one measure. It's in the annual report and accounts: 0.25 million accesses per month.

[87] **Mrs Morgan:** On page 18, you can see that there are nearly 275,000 average monthly website page views.

[88] **Mrs Clancy:** But I think one of the other things is that we don't want to be in the position we found ourselves in the last time the committee did the scrutiny, where we were getting feedback about appearing impenetrable. So, we will be making sure we get feedback of all different sorts: it isn't just about volume, but how accessible and easy people are finding the website, so that we can continuously improve. So, we will be looking at that.

[89] If I may just say that both the Commission and the Llywydd have made it clear that a top priority for this Assembly is digital information and the provision of information about the Assembly's work through digital channels. The Llywydd has announced a taskforce to look at ways to raise our game on how we're doing that. So, it's not just the website; it's our total services around this. That taskforce will do some short, sharp work during the autumn, so I think we'll see very quickly a further raising of the bar on all of this.

[90] **Suzy Davies:** Can I just come back on that? Obviously, one of the strategic goals that we have as a Commission is for better engagement—two-way engagement, if you like, with the people that we serve, just in even small things like the 'get involved' bit that's on there. When you turn on the internet now, one of your first invitations is to get involved and it tells you how to do that. So, I think the message that we need to do more on this two-way thing has definitely got there, and the work that Claire has just

described is going to certainly make that easier and more tempting.

[91] **Mike Hedges:** That's me done.

[92] **Rhianon Passmore:** In the same vein, in terms of the taskforce that you've just referenced, I'm presuming that we have a whole scheme of works for our schools in terms of how they access and how they engage in terms of our democracy in Wales, but assumptions are never good.

[93] **Suzy Davies:** I think there's been a very long-established relationship with schools. You know, you can take a horse to water but you can't make it drink. I still think there is perhaps a small handful of schools that don't seem to be biting in the way that we would like them to. I think it's important that schools are involved. I'm sure it's the same with both of us, that we come across young people who have no idea how this place works or how it fits into a bigger constitutional picture. But, there are other groups as well and, of course, the number of groups visiting the Assembly has gone up during this year, so the actual direct chance for them to get first-hand information, I think, is something that we should welcome. This is very much a good news story for the way the Assembly is working now.

[94] **Rhianon Passmore:** So, if I may just follow that up in terms of what I've asked, do we have toolkits and resource kits for schools in terms of access, not just around the website but in terms of broader civil society, so that we've got ready-made packages for our schools, because that is very, very important in terms of a packed curriculum in Wales?

[95] **Mrs Clancy:** Yes, we do, and it's a very extensive engagement; we are the envy of the world in what we do on youth engagement. So, we worked with 571 different groups, either schools or other youth groups, during the last year, reaching nearly 21,000 young people. And as one example of the sort of thing we do, which I think gets to what you're talking about, we have a professional 'train the trainer' training, so that we equip other people then to help educate and raise awareness about the Assembly's work.

[96] **Rhianon Passmore:** Thank you.

[97] **Nick Ramsay:** I met one school pupil who thought I worked on an assembly line, but that was some time ago, and I'm sure your procedures have helped alleviate that. [*Laughter.*]

[98] **Lee Waters:** You mean you don't?

[99] **Nick Ramsay:** No, I don't actually. [*Laughter.*] Okay, the next section we want to look at is fraud and, Rhianon Passmore, I think it's you again.

[100] **Rhianon Passmore:** With regard to the previous comments about value for money, obviously in terms of past scrutiny by this committee in terms of the accounts for 2013–14, and I believe 2015–16, they referenced the fraud of around £100,000, in terms of the information that I've got in front of me. So, in terms of how we've changed and how our processes have changed, I believe we've got the fraud response plan. So, my question really will be around how the Commission's attitudes, cultures, processes and systems have been futureproofed as a result of this.

[101] **Suzy Davies:** I can say a little bit about that. Obviously, as a result of the concerns raised, some additional checks have been introduced into the system and those checks themselves have been reviewed internally and externally to ensure that they're strong and that they actually do the job. I think that the Wales Audit Office did the external checks on that, so I think they're in pretty good shape now. That was done fairly recently, wasn't it? I think it was early January.

[102] **Mrs Clancy:** It was TIAA again. Our internal audit company did a recent audit and concluded with a strong rating. We've also had training of our finance team, and then, the head of internal audit has been to team meetings across the office. So, it's really important to make sure that anybody who might need to be aware is made aware, and so Gareth Watts in particular has done so across the organisation by going to team meetings, and we have good internal communications to make sure that this is well understood, and that was verified through the internal audit work.

[103] **Rhianon Passmore:** So, outside of that engagement, I was going to ask a question around the uptake of the fraud awareness training, so that I can have a picture, in terms of where we are now, compared to where we were previously. Is it just this training? Is there anything additional to the updating of the fraud response plan?

[104] **Suzy Davies:** I think it's worth mentioning that that training has been informed by best practice from other external sources as well. So, an individual within the Commission, the head of internal audit, is a member of various other bodies, where whatever the latest is in fraud prevention is fed

through. So, you can certainly be sure that Commission staff have got the most up-to-date information on how this is dealt with.

[105] **Mrs Morgan:** And to reassure you, we've obviously strengthened our processes around our control environment. I don't want to give too much away about those changes that we've made, or we may be susceptible to future fraud, but rest assured that that's our priority.

[106] **Rhianon Passmore:** Thank you.

[107] **Nick Ramsay:** Thanks, Rhianon. Mohammad Asghar.

[108] **Mohammad Asghar:** Thank you very much, Chair. Claire, thank you very much. I've been watching your accounts for the last nine or 10 years, and you're doing a wonderful job. I'm just listening now to the advice that you should be simplifying accounts, but if you look at page 85, right in the middle, 'Employed Staff'—413.29. I will only say that it's not easy to understand that third line—413.29 staff; either it's 413 or 414. Because it's hard to understand, that is not simplifying accounts; we need to know exactly how many people are working. That's the number we need.

[109] But my question is on a different area, on the approach to financial management and target spending—to understand the transposition error shown on page 93, which is £300,000 in the 2015–16 budget. When was this error discovered, and did it have any impact on your financial planning in 2014–15? Will this have any impact in 2016–17, and have you learned any lessons on this?

[110] **Suzy Davies:** Well, I think it's fair to say that there was an impact. The error, if you like, wasn't discovered until the budget document itself, in which the actual error occurred, was being reconciled with this annual report. And that inevitably had an implication on what was available for spending in 2015–16. I suppose that will carry on into 2016–17 as well. So, there will have been activities that perhaps the investment board would have suggested to us were a good idea that we could have done in year that we weren't able to do in year, because we had to, of course, take account of the £300,000 paper overspend. So, there was £300,000 that wasn't available for us to spend in the way that we thought.

[111] **Mrs Clancy:** And just to be clear, it was a transposition error, so a figure that was taken out of—. You know, our budget is debated by the

Assembly and then gets put in as a parcel into the Welsh Government's main budget, which is when it's voted on in the Assembly. And there was a transposition error, so it was out by £300,000. And it was actually spotted when it first happened, and it was meant to be dealt with in the supplementary budget, but then it wasn't. So, the error was then in not making sure it did get dealt with in the supplementary budget, and we should have made sure of that. So, the lesson we've learned is to double check all these figures. We've simplified the way the figures are presented in the first place anyway, so the chances of a transposition error of that sort have been removed, but, also, we will definitely be double checking that in the future.

[112] And because of the way we manage our budgets, it did mean that, in February and March time, work that had been planned to be conducted within the 2015–16 financial year had to wait a little while into the 2016–17 financial year.

16:00

[113] So, the work itself, in effect, probably only got delayed by a fortnight, because it fell into the next financial year instead of the previous one.

[114] But, it is a bit of an indication of the way we manage the budgets; to have that degree of flexibility, so that we make sure that we have long-term plans, particularly for facilities, buildings, estates and ICT. Around about this point in the year, we begin to work out what can be delivered in year, and to have plans on standby, ready, so that we don't overspend in the year, but that we do spend the budgets that are available. So, by doing it that way, or by that sound management, we sort of overcome the problems that some people encounter with an end-year being a complete cut-off point. For us, it's a more even flow, because we have those plans in place and we know when things can be delivered. So, it did have an impact, but I would say not a serious one.

[115] **Suzy Davies:** And the work that was deferred wasn't something that was immediately necessary.

[116] **Mrs Clancy:** It needed to be done. So, I think one example was the lifts being refurbished and then, within weeks that happened anyway, and something on electrical testing, but again, it didn't have to wait long, because it just went over into the next financial year.

[117] **Mohammad Asghar:** When you look at the notes on the accounts on page 92—budget and outturn—there's a variation in overspend and underspend. There is a variation of between £107,000 and £1.4 million. That variation is there. So, where is the fund that is recovered—you know, has not been spent and sent back, or not? What additional investment have you made on accommodation and facilities costs? What are the main components of the £454,000 increase in 'other costs'? That is, there are other costs there. And, did you consider requesting an in-year supplementary budget, which, normally, I think you've done in the past? So, have you asked for that to be done this year?

[118] **Suzy Davies:** You're quite right to point out those figures, but it is also usual to have underspends and overspends within any given year in any budget. Traditionally—and it has been like this for some time now with the way that the Commission manages its budget—if there is a net underspend, then it has to go through a series of questions about what happens to that underspend. So, in considering options, the investment and resourcing board that I mentioned earlier will first of all look at whether there is any planned investment that can be brought forward on the basis that, you know, it actually saves, possibly, money being spent in future years; whether there are any bids for new staffing, which come out as a result of the biannual capacity workforce planning report; and, of course, as you say, whether funds should be returned. That is always considered, but if the Commission can make use of money that it has managed to find and save for the benefit of the Assembly and meeting those strategic goals, then that's a consideration that must be given full weight. You can actually see in the accounts that much of that money is going towards accommodation and facility costs, which has actually helped us with the 10-year plan for estate facilities and bringing forward certain works or carrying out works that were deferred previously. Would that be right? I mean, I've got a long list I could read through for you if you want that.

[119] **Mrs Clancy:** Some of the things are really quite tedious, but essential to the effective running of the building. So, things like replacement parts in the air conditioning—and another good example is we're relocating the CCTV control room for security reasons, following the recent increased security threats. So, they would be two examples of essential work that had to be done that caused that figure on the accommodation and facilities costs to be higher. Did you want something on what the other costs were?

[120] **Suzy Davies:** Oh, yes. You mentioned the £450,000 ‘other costs’. You perhaps wanted an indication of what those other costs might be broken down into. Well, part of that, and a significant part of that, was firearms and security equipment, which, perhaps you can understand. Well, I think we all saw that our security staff were better equipped, if I can put it like that. There were a number of other issues, some involving severance payments, I think, which I haven’t got a huge amount of detail on.

[121] **Nick Ramsay:** Why is there a need to move the CCTV block? Is it too exposed where it is?

[122] **Mrs Clancy:** It is. Do you mind if we don’t talk about too much detail on security? But it is.

[123] **Nick Ramsay:** Yes, okay. I assumed it was something like that. So, I don’t think we’re giving too much away. I think Oscar wants to come back with one question.

[124] **Mohammad Asghar:** One little point, Chair, again to Suzy. There are depreciation and amortisation charges, which are nearly £4 million in 2015. That depreciation, as I normally understand, is—*[Inaudible.]* It’s right here—the last but one in ‘revenue expenditure’, just above ‘gross revenue expenditure’.

[125] **Suzy Davies:** Do you mind if I pass over to Nia? I think that this is beyond our control.

[126] **Mohammad Asghar:** That amount is, I think—. With depreciation, you’re putting in revenue expenditure, yes, but is it really expenditure?

[127] **Mrs Morgan:** It’s a requirement that we put it within the resource accounts.

[128] **Mohammad Asghar:** How do you assess it? Because this is—*[Inaudible.]*

[129] **Mrs Morgan:** If you turn to the reconciliation that we see on page 130, in SOS 4—it’s page 130 of the accounts. You’ll see a reconciliation there from the resource outturn that we need to show the depreciation in that primary statement. We need to include non-cash items, which is depreciation, which comes back to the net cash requirement, which will be the amount of cash

that we require from the Welsh Government. So, we include it; then we take it out when we calculate the amount of cash that we require from the Welsh Government.

[130] **Mohammad Asghar:** Okay. That's apart from capital expenditure. Fair enough. Thanks.

[131] **Nick Ramsay:** Neil Hamilton.

[132] **Neil Hamilton:** Yes, I'd like to ask about the remuneration board's decisions and the way that they're accounted for and budgeted. Looking back over the last five years, for which figures have been given to us, there's usually a significant underspend on the resources that are put in the budget. Last year, that amounted to over £1 million. I know that the salaries, allowances and related costs are dependent on decisions made by the board, but what direction do you get from them in terms of the use of these underspends and the way they're reallocated? As they're expected, I suppose, to occur every year, do you have some kind of plan that is there in permanent existence for this?

[133] **Suzy Davies:** Well, obviously, we've got a duty as the Commission to make sure that we've got resources available to meet whatever the—

[134] **Neil Hamilton:** So that we get paid.

[135] **Suzy Davies:** So that you all get paid. Absolutely. Of course, we have no control either over the decisions that they make on that. In terms of direction about how we might use some money that we've saved—or that's been underspent—as a result of their determinations, I don't think we've usually heard from them, but that doesn't mean that they can't direct us. In fact, I think they are likely to be making suggestions, perhaps for next year's budget, about how we might use some of the money we save from the budget allocation—primarily on security, I suspect, because obviously part of their remit is to make sure that Assembly Members and their staff are duly cared for. I think that the security issues that are before us all at the moment have concentrated the mind, shall we say. I don't want to say too much on that.

[136] **Neil Hamilton:** No, quite. Do you know during the year when these underspends are likely to be realised? At what point does it usually come to your attention?

[137] **Suzy Davies:** I think the easiest way to say that is that it firms up during the course of the year, and it's around now, I think, that actually you get the most concrete figure that you are able to do, and therefore get a strong sense of what might be available to go into the pot, if you like, for the investment and resourcing board to consider in terms of applications that are made for money from that pot. Sometimes it can—can it be later than this? Certainly, you don't make decisions based on money that you don't know that you have at this stage of the year.

[138] **Mrs Clancy:** It links to what I was describing earlier. So, the investment and resourcing board meets fortnightly, and as soon as we get into the year, effectively, we start tracking spend against the budgets. The further you get into the year, the clearer patterns become. The remuneration board element is a demand-led budget. So, that's why we need the resources to be there, should they be called upon. When we get to this point in the year, we then start to make the decisions around how accurately we can predict where it's likely to end up. In the first and last years of any Assembly, that's much more unpredictable. To be honest, it's not very predictable at the best of times, but in the first and last year of an Assembly, it's more unpredictable. But, as Suzy said, by the autumn, we're beginning to get a picture and it's at that point that we then look at the plans that we have to deliver. As I said to PAC last year, we would always consider the question in principle: are there sufficient funds here that can't be used appropriately that we should return to the Welsh block through a supplementary budget? We would do that if there was not a proper use for them from the plans that we have in front of us.

[139] **Neil Hamilton:** So, these sums are not always reallocated and sometimes they are returned to the Welsh block, are they?

[140] **Mrs Clancy:** In respect of remuneration board funds, we've never yet returned them to the Welsh block. I think last year or the year before we did return another source of funds via a supplementary budget. What I'm saying is that we always consider it as one of the options open to us.

[141] **Mrs Morgan:** As Claire mentioned, around two or three years ago, we had a rent rebate and it was quite late in the year and we couldn't physically spend that resource and rather than it sitting there, it was returned to the Welsh Government via a supplementary budget.

[142] **Suzy Davies:** Just to reinforce the point, if money becomes available late in the day, applications have to go through this investment and resource board, and it's not easy to get suggestions through this board. So, it's one of the many checks and balances within the system. You really have to make your case for that money to be spent on something else.

[143] **Neil Hamilton:** Good.

[144] **Nick Ramsay:** Lee Waters.

[145] **Lee Waters:** Thank you. I'd like to ask about sickness absences, which have risen considerably over the last couple of years. On average, commission staff are taking just a little bit more than eight days off sick a year. This is above your target; it's above the public sector average and it's higher than last year. Now, you have set in place some policies to address that. I wonder why they aren't working.

[146] **Suzy Davies:** Yes, you're quite right to point that out, but there's a combination of factors going on here I think. Certainly, there have been some new policies put in place. There was a meeting fairly recently in June to address problems that we're still facing. Part of it, being blunt, is that when you're trying to address under-performance—and that's certainly something that the Commission has concentrated on quite a lot in later years because, of course, of capacity planning and maybe people are doing slightly different work from what they were doing before—if there is under-performance, that in itself can be a cause of stress and people go off with stress. I'm not suggesting for a second that that is the main reason for the continuing figures, but it is something that we have to bear in mind.

[147] **Mrs Clancy:** We've had a handful of, unfortunately, sad cases of individuals on long-term sickness because of, you know, horrible illnesses. So, that has been a contributory factor. But when the management board met in June, as Suzy said, we had all the data available to us on the different range of sickness absence and looked at what we could do to improve our management of the situation. So, that includes new training for line managers in managing sickness absence, a mental health and well-being programme—and we've got a week coming up in October, where some of that will come to fruition more visibly—and a review of working patterns and more systematic reviews of absence data with heads of service.

[148] It's a bit early to say, but since all that was discussed and

implemented in June, we've begun to see a bit of an improvement in the sickness absence. So, it's something that we intend to stay very focused on and until we get it back to where we want it to be, which is ahead of our target and ahead of the public sector average, we'll stay focused on it, mostly because we're an Investors in People gold employer—we're a good employer and we want to be viewed as an employer of choice, and so we want to be supportive to all our employees and that includes when they might be going through—. You know, we all have tough times in our lives and we want our employer to be supportive and there for us when that happens, so it's about making sure that we're a good employer in that respect.

16:15

[149] **Suzy Davies:** You may have noticed in the time that you've been here that there's a lot of evidence around the building—notes on notice boards and things—encouraging members of staff, and Assembly Members themselves, to be aware of the support that's offered, particularly for mental health issues. I mean, since I've been here, that's increased and got better, in terms of trying to get across the fact that a mental health issue is something that needs addressing and—

[150] **Lee Waters:** But if you're suggesting that some of the issues are performance related, and staff are taking sickness leave when they're being pursued, what are you doing to make sure those performance issues are addressed, because it's devilishly difficult to get rid of anybody on performance grounds?

[151] **Suzy Davies:** Well, as I said, I didn't want to overstate that, but I think that it was important that we were upfront about that.

[152] **Lee Waters:** You said that was a factor, so what are you doing about it?

[153] **Mrs Clancy:** One or two of the individuals where that was happening have now left the organisation.

[154] **Lee Waters:** Right.

[155] **Mrs Clancy:** So, each case is managed on an individual basis. Each case will be different, and the support that we offer will be different. So, some cases, it would be being clear and firm, and setting out requirements. We often would redeploy a member of staff into another area of the

organisation, and sometimes that can completely transform the situation. Given new responsibilities, a person can begin to flourish, and it's always wonderful to see that. So, sometimes, these cases have a positive outcome, and sometimes they don't.

[156] **Lee Waters:** But you'd anticipate that improving next year, would you?

[157] **Mrs Clancy:** The sickness data as a whole, we're putting tremendous effort into them, so I'd be disappointed if they didn't improve. Sometimes, these things are—

[158] **Lee Waters:** But the performance-related sickness, in particular, if you said you've addressed what you thought were the main issues, you'd expect that to be better next year.

[159] **Mrs Clancy:** You can only address those on an individual, case-by-case basis, so—

[160] **Lee Waters:** But if some of those persistent offenders are no longer in post, you'd expect them to get better next year.

[161] **Mrs Clancy:** Unless other people come along. [*Laughter.*] So, you're not going to tease out of me a commitment I can't really keep, because it is so much—. We're only talking about a very small number of people, and it's very much about individuals.

[162] **Lee Waters:** So, let's move on then to a commitment you gave last year, I believe, about the voluntary severance scheme. You didn't anticipate that you'd need one this year; you've had one. What changed?

[163] **Mrs Clancy:** As part of our capacity planning exercise, we looked at the anticipated needs for the fifth Assembly. So, it was in the autumn of last year that we looked at that, and decided that it would be a useful thing to do, in order to allow restructuring in some teams, and deployment of different skills in some teams, and the achievement of some efficiencies. So, it was a combination of objectives for the scheme, and we wrote to PAC at the time to tell them that we were intending to do that. As I say, the—

[164] **Lee Waters:** Excuse me, sorry—if there's redeployment within teams, why do you need to make somebody redundant?

[165] **Mrs Clancy:** It's not making somebody redundant, it's a voluntary severance scheme, and it is different.

[166] **Lee Waters:** Okay.

[167] **Mrs Clancy:** So, it's a voluntary scheme—

[168] **Lee Waters:** It still costs money, though, doesn't it?

[169] **Mrs Clancy:** I don't think I said redeployment within teams—a sort of restructuring. And for some teams, the skills mix requirement was going to be changing into this Assembly. So, on the one hand, the scheme—we are expecting to deliver efficiencies of just under £0.5 million, so there will be some efficiencies. In other areas, it's enabled us to change the skills that we've got and have in place the capacity that we need for this Assembly.

[170] **Lee Waters:** In terms of the savings, I'm not aware you've provided a payback period. Do you have one?

[171] **Mrs Clancy:** Yes, it is calculated. I don't know if I've got it here, but it is calculated for each case—we look at that. So, when each application is assessed, the financial implications of letting an individual go—again, of course, the cost per individual varies, depending on their length of service, and their salary. And so we look at what are the financial implications for each individual application, and that's part of the decision-making process.

[172] **Lee Waters:** Okay. Well, perhaps you could let us know what the payback period is for that.

[173] **Mrs Morgan:** The overall saving is expected to be around £484,000 per annum, with some replacements at the bottom of the scales—somebody leaving at the top of the scale being replaced by somebody at the bottom, and posts not being replaced, and that would decrease year on year. But the opening saving for the next financial year will be £484,000.

[174] **Lee Waters:** So, it's just over a year, then, to pay that back.

[175] **Mrs Morgan:** Just over a year, yes.

[176] **Lee Waters:** Are you anticipating—you said that some of those posts would be filled at a more junior level.

[177] **Mrs Morgan:** Within a grade—there are particular gradings within the pay structure. If somebody at a grade 7, for example, who was at the top of the grade, left, and they were replaced with a different skill set, they would be replaced generally at the bottom of the scale.

[178] **Lee Waters:** So, you're not getting rid of the post—you're just replacing them more cheaply.

[179] **Mrs Clancy:** In some cases.

[180] **Mrs Morgan:** Each case is different and is looked at on an individual basis.

[181] **Mrs Clancy:** Every case for a post to be filled, whether it's a new post or an existing post, every single one has to come to the investment and resourcing board, and there's a document we have called a recruitment authorisation document that has a lot of information about each vacancy, and that includes a comment about whether this post was in any way impacted by the voluntary severance scheme. It has to tell us, to remind us, what was anticipated in the severance scheme, so that something couldn't be claimed a few months ago and then the opposite happens.

[182] **Lee Waters:** So, these are the checks and balances Suzy's told us about several times.

[183] **Mrs Clancy:** Yes.

[184] **Lee Waters:** I note from the report that your voluntary exit scheme has four aims. You've mentioned some of them—allowing the organisation to respond to shifts; organisational change; workforce efficiency; long-term savings. I note that one member of staff was given a voluntary settlement of £104,000, which seems to me rather large. I wonder which of the aims of your voluntary exit scheme that fulfilled.

[185] **Mrs Clancy:** That post wasn't replaced.

[186] **Lee Waters:** Okay. So, the overall cost, which you regard as good value, of £0.5 million, that's defensible, is it?

[187] **Mrs Clancy:** It is.

[188] **Lee Waters:** Okay, thank you.

[189] **Nick Ramsay:** Mike Hedges.

[190] **Mike Hedges:** Performance information: what's your policy on producing it quarterly?

[191] **Mrs Clancy:** It's biannual.

[192] **Suzy Davies:** Yes, it's every six months at the moment.

[193] **Mike Hedges:** So, we'll get the next one sometime towards the end of—. If it's April to September, we'll get it sometime in October.

[194] **Suzy Davies:** It's due imminently, isn't it?

[195] **Mrs Clancy:** The Commission met today and considered the performance report to the end of March, which has been delayed because of the election and the new Commission. So, we'll be publishing that within days, and then the next report will be through until the end of September, which will be published late autumn.

[196] **Mike Hedges:** So, we met a week early, did we? [*Laughter.*]

[197] **Mrs Clancy:** Sorry?

[198] **Mike Hedges:** We met a week early on this or we would have had the six-month report. The other questions I've got are: you talk about a lot of work in preparation for transition to the fifth Assembly. What will I notice that has changed from what I had in the fourth Assembly?

[199] **Suzy Davies:** A lot of work did happen and, obviously, the budget reflected that. You've got to remember what our strategic goals are. So, what we're hoping that you will see are: the way that we provide an excellent service to Assembly Members and better engagement with the people who aren't working here. So, if you think of the kind of—. I'm struggling to actually express what I'm trying to say here; forgive me on this one.

[200] **Mrs Clancy:** Shall I just—?

[201] **Suzy Davies:** Yes, go on. Help me out on this one. [*Laughter.*] I know what I want to say, but I can't get it across, sorry.

[202] **Mrs Clancy:** I'd be a bit disappointed if Members around the table hadn't already experienced the results of some of that planning for the transition, because an awful lot about it was making sure that the fifth Assembly got off to a strong start with the welcome for returning and new Members, and materials, information, induction and the continuous professional programme. So, a lot of the effort—. And, again, this was another example of good leapfrogging. So, for the UK Parliament's elections last year, they pinched what was, previously, our pretty unique approach to CPD and induction for Members, and we then went and observed during their induction phase after the UK elections last year, and came back and improved ours still further. So, I hope that—. We certainly got a lot of praise for the way that all worked.

[203] **Nick Ramsay:** Have they been back since to nick any more ideas?

[204] **Mrs Clancy:** All the time it happens, yes. The other way will be in making sure that we have strong, integrated team support, particularly for committees. And, again, I hope you're already experiencing that with the clerking teams, research teams, translation teams, the lawyers—everybody is there. We are acutely conscious—acutely conscious—that with only 60 Members during the course of this fifth Assembly, when the burden on Assembly Members is going to be considerable, it's going to be very hard work for you. So, we want to make sure our teams are at the top of their game and are doing all they can to ease that burden. I suppose this, for me, if it works, would be the key difference: to make sure that you're getting a tailored service that helps you as individual Members and individual committees to do your jobs as well as you possibly can, despite the increasing demands being placed on you.

[205] **Suzy Davies:** I'll just pick one example, if that's all right: bilingual working. Part of the work that was in transition, as well as what's happening in the scheme that the Assembly signed off, was about how, with regard to working in this institution in two languages, you'll see that game upped considerably. I'm not just talking about Assembly Members here; it's about the Commission staff and everyone who comes into contact with members of the public as well and how their attitude to working bilingually has changed as well. So, some of this transformation, if you like, is cultural, as well as practical.

[206] **Mike Hedges:** Diolch yn fawr.

[207] **Suzy Davies:** Croeso.

**Suzy Davies:** You're welcome.

[208] **Nick Ramsay:** Thanks, Mike. Does anyone have any further questions that they would like to ask Commission staff? Rhun.

[209] **Rhun ap Iorwerth:** Just one general one on investing to save: is there a particular target on money spent in order to achieve savings in the long term, or do you only look at that issue by issue?

[210] **Suzy Davies:** Well, there has been, but because of the move away from trying to save money by losing staff, if you like, to other types of savings, which I think we discussed a bit earlier, the actual setting of a specific target seems to be a bit counter-productive, really, because part of the ingrained method through which the Commission works is looking for ways to do things more efficiently, and that in itself can create savings. What we do as a Commission then is use money that's been saved to bring forward other priorities for spending.

[211] **Mrs Clancy:** Where we have a project, particularly the significant projects, then within the project business case, we expect it to demonstrate what spending the money on that project would deliver in terms of savings or benefits for the organisation. We're trying to tighten up on the cost-benefit analyses once projects have been done. The biggest example was the ICT transition, bringing ICT in-house, which required an upfront investment, but the savings we've realised from doing that we've been able to spend on ICT investments. So, literally, it would have been roughly £0.5 million to £1 million each year extra that we would have needed if we hadn't done that original work. So, we tend to do it project by project.

[212] **Nick Ramsay:** May I thank the Commission staff—I thank Claire Clancy, Suzy Davies and Nia Morgan for being with us today?

[213] **Suzy Davies:** Would you mind me just saying one more thing? I'd just like to place on record my thanks to the previous Commissioners, because, obviously, this is a report on their final budget and none of those original Commissioners are there to give or take evidence today, either. So, I hope you don't mind me doing that.

[214] **Nick Ramsay:** No, I don't. I was about to say in fact that, yes, the baton has been handed on to you, Suzy, so Suzy Davies had to come up to speed on a lot of that over the last few months. Thanks for your co-operation with the committee. We will be sending you a transcript for you to check and let us know of any inconsistencies. Thanks for being with us today.

[215] I'd like to move us back into private session.

*Daeth rhan gyhoeddus y cyfarfod i ben am 16:28.  
The public part of the meeting ended at 16:28.*