



Ein Cyf/Our Ref: DAO (Wales) 03/19

16 September 2019

To the Accounting Officers of the Welsh Government's Arms Length Bodies and Commissioners in Wales

DAO (Wales) 03/19

Dear Accounting Officers

In March this year the Public Accounts Committee published its report "Scrutiny of Accounts 2017-18". The first recommendation of the report was:

"The Committee recommends that the Welsh Government takes the necessary measures to prevent any recurrence of officials refusing to provide information to the Public Accounts Committee (in confidence if need be) on the supposed grounds that they cannot legally do so (and in flagrant contravention of A4.12.11)."

I wrote to the Committee providing the following response to the recommendation:

As I said in my initial response, I entirely share the view of the Committee that the Welsh Government and its arms-length bodies should be as open and transparent as possible in their accounts and with the Committee itself. I am very aware of the specific responsibility upon myself as Principal Accounting Officer for the Welsh Government, and upon other appointed Accounting Officers, to assist the Committee in its work. I think that the arrangement which we arrived at in relation to details of guarantees given to companies included in the contingent liabilities note, by addressing concerns through a closed session, worked well. I hope that the Committee found it helpful and that we can continue with such arrangements in future where appropriate.

I also appreciate the concerns of the Committee about the need for as full a disclosure as possible in relation to severance payments. I will write to all the Welsh Government arms-length bodies to remind them that such agreements should not be matter of course, and all endeavours should be made for 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 that, as we did in relation to contingent liabilities, where there are obstacles to public disclosure that they can offer to the Committee a closed session to discuss such agreements, to enable the



Committee to exercise its scrutiny role properly. I will be sending this letter shortly and I will provide the Committee with a copy of the letter.

In my role as Principal Accounting Officer for the Welsh Government I am now writing to the Accounting Officers of all ALBs appointed by the Welsh Government to draw your attention to my response to the Committee and in particular to what I have said about as full a disclosure as possible of severance agreements.

Part of the responsibility which all of us share as Accounting Officers is a duty to assist the Public Accounts Committee to exercise its scrutiny role effectively. This may be in our appearances as witnesses if we are called, but also by being open and transparent in our accounts and other documents in which we report on our activities. This includes references to severance agreements, particularly where they relate to high-profile individuals or where the sums are significant. As noted in my reply to them, the Committee do appreciate that it may not always be appropriate for them to take evidence in open session and they are prepared to consider a closed session where circumstances would justify such a move.

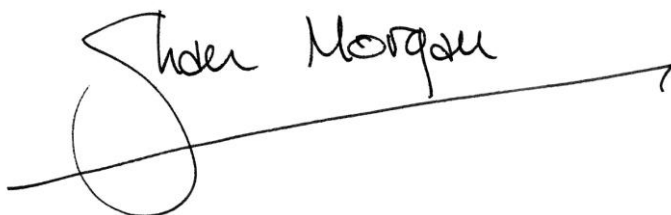
This is not a new requirement upon Accounting Officers, of course. You will find that "Managing Welsh Public Money" already covers these matters in paragraph 3.5.4 (giving evidence to PAC); paragraph 4.13 (Transparency) and A4.12.11 (dealing with Special Severance Payments, and which the PAC reference in their Report).

Please ensure that you act in accordance with this letter and with the provisions of "Managing Public Money" referred to above.

If you have queries in respect of this letter, please direct them to the Public Bodies Unit in the first instance.

I am copying this letter to the Chair of the Public Accounts Committee and to the Auditor General for Wales.

Yours,

A handwritten signature in black ink that reads "Shan Morgan". The signature is written in a cursive style and is positioned above a long, thin horizontal line that extends to the right.

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary