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Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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7 May 2015

Deur Darren,

Public Accounts Committee Report on the Scrutiny of Accounts 2013-14

I am writing in response to the Public Accounts Committee report on the Scrutiny of Accounts 2013-14. In particular, I would like to take the opportunity to let the Committee know how the Assembly Commission is taking forward your recommendations.

Recommendation 2

The National Assembly for Wales's Commission should clearly identify the savings from the investment made in information technology and translation during 2013-14 in its accounts for 2014-15.

We will clearly identify the savings that result from our investment in new technologies and ways of working, including ICT and translation, in our accounts for 2014-15. The Commission has made informed decisions to invest in services to improve the quality of services we provide to Assembly Members and other stakeholders, but also to deliver savings and efficiencies. The basis for the decision to bring ICT services in-house was that the ICT budget would not increase and that the much-needed investment in infrastructure would be funded from savings. Both these objectives have been met. Our work to improve the effectiveness of translation services has

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seen a 20% increase in efficiency, allowing us to extend and improve the bilingual services we provide to Members. We will cover these achievements in our annual report and accounts, together with the impact of other investments and value for money savings. We will demonstrate that we have already delivered savings and benefits as a direct result of key investments, and how they will produce further significant savings in the future.

Recommendation 7

The National Assembly for Wales's Commission and Welsh Government should set out in their budgets and accounts their approach to financial management – in particular their target for underspends.

We are confident that our approach to financial management enables to achieve our strategic goal to “Use resources wisely”. The Commission’s practice throughout the course of the Fourth Assembly has been to make necessary investments to ensure that the Assembly is fully equipped to operate effectively as a parliament, but at the same time making best use of tax-payers’ money in the way we deliver services and manage costs by continuously improving efficiency and value for money.

Importantly, at the outset of the Fourth Assembly the Commission set out a budget strategy for the entire duration of the Assembly. Each year we have set our annual budget within this multiple year planning and funding framework. We have a corporate financial target to achieve a year end underspend position of less than 1% of the operational budget and achieved a 0.1% underspend against this target in 2013-14 and 2014-15. Value for money (VFM) savings targets have also been a feature of our budget management every year. At the moment, we are working to raise our game still further through a business efficiency review and setting a VFM savings target based explicitly on service and contract savings.

As you know, the Commission has its budget scrutinised annually by the Finance Committee. One of the outcomes of this was the introduction of our Corporate Performance Report, which includes key performance indicators (KPIs) on service delivery, budgetary performance, governance and assurance. This report is published three times a year and reflects the Commission’s commitment to operating in an open and transparent manner.



The Commission has established strong assurance arrangements to ensure that we deliver on our obligations to stakeholders and achieve our strategic objectives, including the appropriate management of the budgets agreed for the Commission by the Assembly. Our Assurance Framework, which has been praised by the Audit and Risk Assurance Committee and by our auditors, outlines the way in which the Commission's management obtains their assurance that internal controls are working effectively. It includes a wide range of component parts, including compliance with central standards and guidance such as the Financial Reporting Manual (FReM) and International Financial Reporting Standards (IFRS). I am attaching a one page illustration of the Assurance Framework for the Committee's information.

Recommendation 9

The Committee encourages organisations funded by public money to consider how they present information to ensure that it is readily understandable for the public, and that shows the organisation's priorities and the level of resource committed to those priorities.

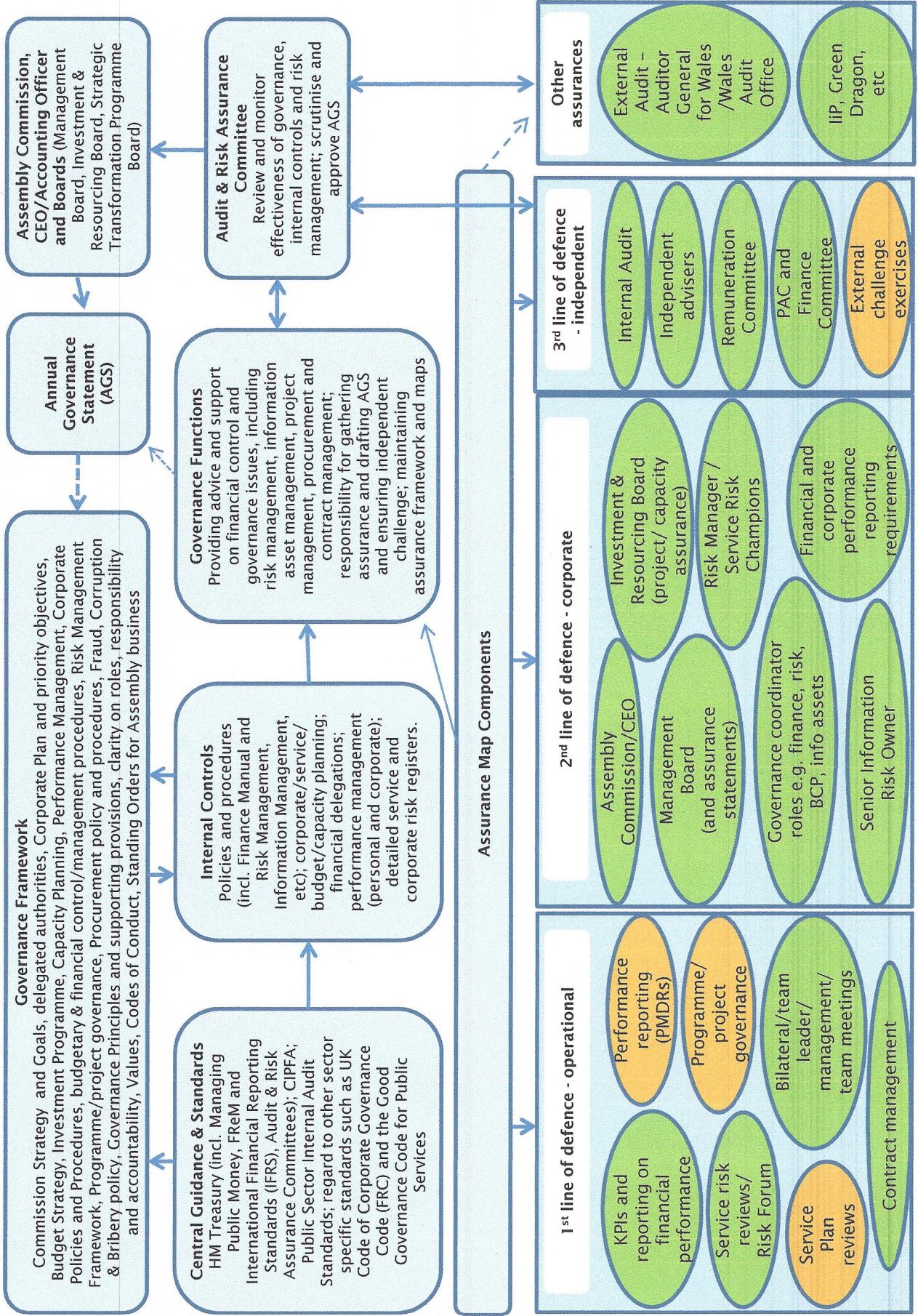
Each year our aim is to produce documents, particularly our budget, annual accounts and corporate performance report, which are clear, transparent and accessible. We regularly look at the practice in other organisations and take on board suggestions from our independent advisers, auditors and others to ensure that we continuously improve and consistently deliver best practice.

Yours sincerely

David Melding AM
Deputy Presiding Officer

cc Dame Rosemary Butler AM, Assembly Commission Chair
Peter Black AM, Assembly Commissioner
Sandy Mewies AM, Assembly Commissioner
Rhodri Glyn Thomas AM, Assembly Commissioner

Assembly Commission Assurance Framework



RED: There is currently insufficient assurance and immediate action is needed to address this.

AMBER: There are weaknesses in assurances which must be addressed.

GREEN: There is sufficient or strong assurance.