



Cyngor Celfyddydau Cymru
Arts Council of Wales

13 May 2015

Mr Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Mr Millar

Public Accounts Committee: Scrutiny of Accounts 2013/14

Thank you for your invitation to respond to the Committee's report on the *Scrutiny of Accounts 2013/14*.

We welcomed the opportunity to meet with the Committee. The Committee was, of course, robust and forensic in its scrutiny. But it was also insightful. Committee members' questioning brought a fresh perspective to topics which to us seem straightforward and familiar. It was a timely reminder that we should make no such assumptions.

One of the objectives highlighted in your Foreword to the Committee's report is to "make reporting more transparent". This is also reflected in recommendation 9. We accept the challenge and will re-double our efforts in this regard.

The other eight recommendations in your report are focused on the activities of our peers. However, I wanted to reflect on the points raised in relation to value for money for taxpayers.

It's absolutely right that public bodies should be able to provide clear and persuasive evidence of the value that they provide – as a taxpayer funded organisation we're very aware that we operate, ultimately, with the public's consent. We're therefore fully committed to ensuring that our activities are engaging, relevant and effectively managed.

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Rhif Elusen Gofrestredig/Registered Charity Number: 1034245

We spend a lot of time considering the value for money of our activities. Within the arts this raises some particular issues. We can readily provide myriad data and statistics on everything from the extent and the reach of our activities, to the financial leverage achieved through our investment, to benchmark comparisons with other similar activities. But measuring the impact (or the quality) of that activity is more challenging and contested.

For us, encouraging as many people as possible to enjoy and take part in the arts is fundamental to our work. But in persuading people to engage with the arts, it's essential that what they experience is well-crafted and of quality. Poor quality work is easily identified and self-evidently represents poor value for money. But the experience of attending or participating in a good quality event leaves people inspired, excited and invigorated.

However, how precisely might one 'measure' the value of this? This is especially the case with some of the activity we nurture and support, particularly where some of the benefits may well be seen elsewhere in the public sector. Examples would include our arts in health projects and funded work that has helped keep "at risk" young people out of the judicial system. The opportunity cost saving of initiatives such as these has a real value, but it is difficult to predict and define. But what we do know is that is that when budget cuts force reductions in this sort of activity, there's a very real risk that the result will be seen in added pressures on the public purse as a whole.

Whilst the value of such things is difficult to quantify, we're fully committed to finding convincing ways of explaining the outcomes as well as the outputs of our work. Our time with the Committee reminded us that we must have compelling arguments at our disposal, especially when budgets are reducing and comparative judgements have to be made about the allocation of scarce public funds.

One of the key chapters in the Committee's report (chapter 4) examines the Commissioners' relationship with the Welsh Government. This is very specific and particular in type. However, there are some similarities in the relationship between the Arts Council and the Welsh Government.

Constitutionally we're a complex organisation – a Royal Charter body, a registered charity, a Lottery distributor and a WGSB. As with all of the UK's Arts Councils, we operate under the protocol of the "arm's length principle". This is designed to ensure that if necessary our charitable responsibility to speak up on behalf of the arts is unimpeded.



In practice, this is an arrangement that appears to work well. Our status as an independent body needs to respect the Welsh Government's proper need to express a clear view of how it expects to see public money invested. What Council can contribute is the authenticity, knowledge and experience that an arm's length body can offer.

Chapter 4 of the report refers to the challenges of longer-term financial planning. These, again, would apply with equal relevance to the Arts Council.

The Arts Council provides revenue funding to 69 organisations, many of whom plan their programmes and contract artists some years in advance. Annual funding introduces an unhelpful note of uncertainty, as, of course, does the prospect of in-year cuts to funding. Our sponsor department at Welsh Government is understanding of the issues. Any mechanism that would allow us to be able to plan over a three-year period would be enormously helpful and widely applauded across the arts sector.

My final observation refers to the format of our Accounts and Annual Report.

We entirely accept the Committee's encouragement to make our accounts more accessible to the public. Whilst the format of these is largely prescribed given our charitable status, we're making a number of changes that we hope will go some way towards achieving that goal.

Yours sincerely
Nick Capaldi

Nick Capaldi
Chief Executive





Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
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7 May 2015

Dear 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.

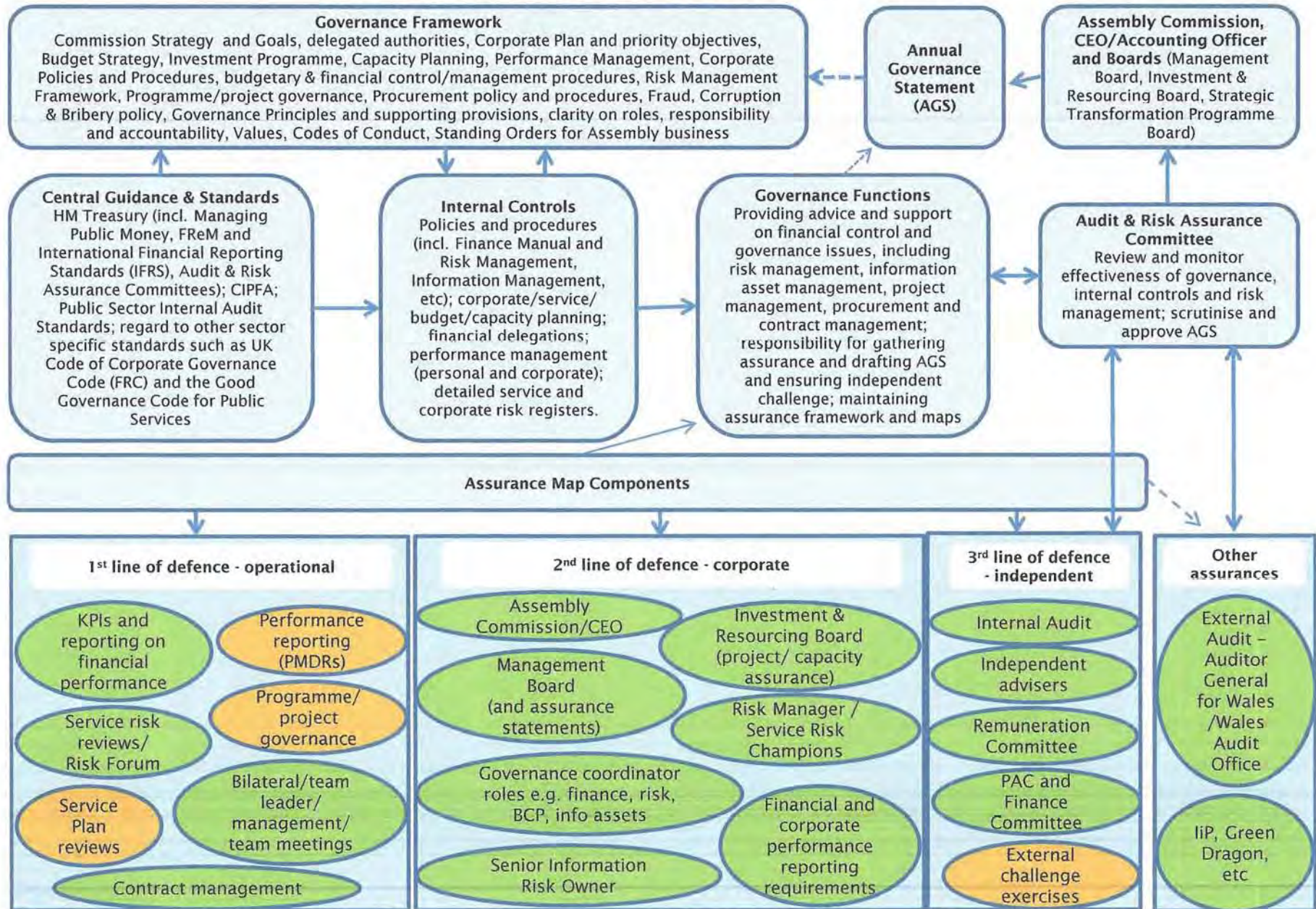
Each year our aim is to produce documents, particularly our budget, annual accounts and corporate performance report, which are clear, transparent and accessible. We regularly look at the practice in other organisations and take on board suggestions from our independent advisers, auditors and others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

David Melding AM
Deputy Presiding Officer
National Assembly for Wales
Cardiff Bay
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Public Accounts Committee Report on the Scrutiny of Accounts 2013–14

19 May 2015

Dear David,


Thank you for your letter of 7 May in which you advise how the Assembly Commission is taking forward the recommendations made by the Committee in its report.

The Committee was encouraged to note that the Commission has taken the recommendations on board and that the 2014–15 accounts will reflect this. However, regarding recommendation 7, I would be grateful if you can provide evidence as to how a target of a one per cent underspend or less against the operational budget helps to secure value for money for taxpayers.

While the policy of having such a target would not be for the Public Accounts Committee to consider, we are of the opinion that such a target may undermine the incentive to minimise spending by the Commission.

I would like to reassure you that the Public Accounts Committee would not take issue with the Commission, or any organisation, achieving an underspend if it had been able to deliver its service effectively, properly and efficiently.

Yours sincerely,



Darren Millar AM
Chair



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





Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
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1 June 2015

Dear Darren

Thank you for your letter of 19 May. The Commission met on 21 May and took the opportunity to discuss your letter. We agreed that, given the way in which we set and control our budget, we do not believe that underspending should be viewed as a positive achievement. In this letter I will explain why we consider that the Commission's approach is robust and delivers value for money.

Throughout the Fourth Assembly, the Commission has taken a strategic approach to budget planning, with a budget strategy for the full duration of the Assembly and multiple year budgets. This approach has delivered greater clarity, transparency and consistency. It has been approved year on year by the Finance Committee and by the Assembly as a whole. Underpinning the budget strategy, we have detailed plans which allow us to take a long term view of spending requirements. As a good example of this, a plan for maintenance and refurbishment was developed for us by experts who reviewed the condition of all our buildings and equipment and plant, together with forecast lifespans and timetables for refurbishment and replacement. As a result we have a schedule of required work spanning ten years that we use to inform our investment decisions for the estate.

Of course, as you know, the Commission has an annual budget and has no facility to carry over funds from one year to the next. However, having clear plans about work that we know will be required, allows us prioritise and make considered, well-judged use of our annual budgets. The alternative, if we were not sufficiently well organised to take this longer term view, would be to report and surrender underspends in one year and then ask for the funds again in subsequent years to carry out the necessary

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Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh



work; this practice would simply be deferring expenditure and provide no indication whatsoever of efficiency or value for money.

The Accounting Officer has established an Investment and Resourcing Board as the decision making body for resourcing in the Assembly, which provides challenge and review for all resource decisions ranging from staff recruitment through to project funds or additional operational expenditure. Throughout the financial year, the Board balances the availability of funds with the needs of projects and services over multiple years to ensure its investment in the Assembly is properly scrutinised, prioritised and managed.

Every letter of Delegation which the Accounting Officer issues to relevant Commission staff includes the following requirement: *"You must commit your budget in a manner which is consistent with Value for Money, i.e. every £1 spent supporting the Assembly should represent good value for money, and resources should be used in the most appropriate way to deliver effective services to the Assembly and to the people of Wales."* Expenditure on items that are not needed, and that do not help to deliver the Commission's strategic goals, is simply not tolerated.

Like the PAC, the Assembly Commission believes that securing value for money is vital. Indeed, an internal audit report from March 2015 concluded that *"the Assembly Commission has a well-developed value for money culture in place and this culture is embedded throughout the organisation"*. Throughout this Assembly one of our strategic goals has been to "use resources wisely". As I explained in my letter of 7 May, to strengthen our approach further we are shifting the focus of our value for money target from vacancy management to gains from projects in benefits realisation, Assembly services and procurement delivering successful contract negotiations that result in tangible savings. Our 1% target for spend against budget is not intended to be a VFM indicator. Rather, it is one measure of whether we are managing our business well and delivering what we say we will. The full suite of measures published in our regular Corporate Performance Reports provide comprehensive information by which we can be judged. This in turn is part of our Assurance Framework, which is independently tested in a number of ways. Together, all these elements provide assurance that the Commission uses its resources efficiently, economically and effectively, avoiding waste and extravagance, entirely in line with best practice set out in HM Treasury guidance.

Although we may disagree on some aspects of the approach, I believe that the PAC and Commission are as one on our objectives, namely to deliver the high quality services that the Assembly at best value to the public purse. In our view, the best way to achieve that is to ensure that our budget planning is expert, thorough,



transparent and subject to proper scrutiny. It is then incumbent on us to ensure that the money assigned to the Commission is well spent. We believe that our approach delivers value for the taxpayer in a way that is more open and effective than having a target to underspend.

Thank you again for challenging us to reflect on our approach. I hope that this response is helpful and received by the Committee in the positive way it is intended.

Yours sincerely

A handwritten signature in black ink, appearing to read "David".

David Melding AM
Deputy Presiding Officer

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
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Dear Darren,

20th April 2015

**PUBLIC ACCOUNTS COMMITTEE REPORT ON THE SCRUTINY OF ACCOUNTS
2013-14**

RESPONSE TO THE REPORT

Please find enclosed a copy of the response to the above report which will be laid before the Table Office.

I would like to thank you and the Committee for the careful and considered way in which you undertook the investigation and produced the report.

*Yours,
Derek*



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Response to the Report of the National Assembly for Wales Public Accounts Committee Report on the Scrutiny of Accounts 2013-14

I welcome the findings of the report and offer the following response to the three recommendations contained within it that relate to the Welsh Government Accounts for 2013-14.

Recommendation 4. If the current funding relationship continues, the Welsh Government should communicate its decision at an early stage on the funding available to the Commissioners. These budgets should then be protected from later in year departmental reductions. (Page 31)

The spirit of the recommendation is accepted. As its financial powers develop the Welsh Government is in the process of reviewing budget processes and timetable to provide an appropriate budget process for Wales. The PAC will be aware of the ongoing work with the Finance Committee in this area and that Committee's Inquiry into Best Practice Budget Processes. The Welsh Government has always respected Commissioners' need for operational independence and would therefore seek to provide as much certainty as possible for them. Responsible Ministers have the flexibility to agree budgets for any bodies which they fund, however whilst it is not the wish to reduce any budget after it has been allocated, it is not possible to provide absolute guarantees. While the situation will be avoided where possible, there may be instances where the pressures and uncertainties within the overall Budget necessitate this action.

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. (Page 42)

The recommendation is accepted. The general approach to the Welsh Government's financial position in any year is clearly set out in its budgetary documentation. These contain details of the allocations and budgetary cover the Welsh Government holds in reserve to help manage the financial position. Supplementary Budgets build on this providing details of the levels of underspend managed within, as part of the UK Government's Budget Exchange System, and reserves held at the year end. Finally, a separate report on outturn, which the Welsh Government provides the Finance Committee, describes performance against the both budgets agreed by the National Assembly and against UK Government controls. The report for 2013-14 detailed underspends of 0.1% against Fiscal Resource and 0.7% Capital budgets as approved in the Second Supplementary Budget for that year. The Welsh Government annual accounts comply in full with the Financial Reporting Manual (FReM) which prescribes the information to be published by all central government bodies within the UK.

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. (Page 47)

The recommendation is accepted. The annual accounts for central Government Departments including the Welsh Government are prepared using the UK Financial Reporting Manual (FReM). The 'simplifying and improving project' has been considering the contents of the FReM with the sole purpose of ensuring that the format and content of the accounts are made more understandable for the reader. The Welsh Government supported by the Wales Audit Office has fully engaged with this work and, in line with other central Government Departments, will introduce the recommended changes at the end of 2015-16. The Welsh Government is also leading a pilot project alongside other public sector bodies in Wales, including the Wales Audit Office, aimed at exploring how financial and non-financial information is presented together in a more coherent and accessible way. This project (Integrated Reporting or IR) is part of a wider piece of work being undertaken across organisations within the UK and is being supported by the accountancy body CIPFA. An integrated report should be able to deliver a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term. The potential changes in the way public bodies present performance information are substantial and, therefore, the pilot is not due to complete until 2017-18.



Darren Millar AC
Cadeirydd
Y Pwyllgor Cyfrifon Cyhoeddus
Cynulliad Cenedlaethol Cymru
Caerdydd
CF99 1NA

23/03/2015

Annwyl *Darren*,

Craffu ar Gyfrifon ar gyfer 2013-14

Diolch am eich llythyr dyddiedig 20/03/2015 ynghyd a'ch gwahoddiad i ymateb i'r argymhellion yn yr adroddiad sy'n berthnasol i Gomisiynydd y Gymraeg. Derbyniwyd yr adroddiad dan embargo, y diwrnod cyn ei gyhoeddi, ar 06/03/2015.

Yn gyntaf hoffwn godi eich sylw ar gamgymeriad ffeithiol yn yr adroddiad ar dudalen 9 paragraff 10; lle nodir bod gan Gomisiynydd y Gymraeg gyllideb o £4.3m. Yn y paragraff cyntaf o'r cyfrifon "Crynodeb ariannol, cymdeithasol ac amgylcheddol 2013-14" datgelir mai £4.1m oedd y cyllid a ddyrannwyd gan Weinidogion Cymru ar gyfer y flwyddyn ariannol 2013-14. Roedd y gwariant ar gyfer y flwyddyn hon yn £4.3m fel y nodir yn y Datganiad Gwariant Net Cynhwysfawr.

Er mwyn osgoi camgymeriadau tebyg yn y dyfodol a fyddai'n bosib dosbarthu fersiwn drafft o'r adroddiad er mwyn gwirio a chywiro unrhyw faterion ffeithiol, cyn cyhoeddi'r adroddiad?

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I ymateb i'r argymhellion yn yr adroddiad, mae pedwar ohonynt yn berthnasol i Gomisiynydd y Gymraeg.

Argymhelliad 3: gweithio'n effeithlon a chydweithredu

Cynhelir cyfarfodydd rheolaidd rhwng y Comisiynwyr i drafod materion perthnasol. Hefyd mae fy swyddogion yn mynychu cyfarfodydd chwarterol o grŵp y "Cyfarwyddwyr Cyllid ac Adnoddau CNLC", a'r is-grwpiau Cyllid, Adnoddau Dynol a Thechnoleg Gwybodaeth. Mae'r fforymau hyn yn ddefnyddiol rannu gwybodaeth, arfer da a chydweithredu. Yn ogystal â chyfarfodydd ffurfiol mae'r swyddogion yn defnyddio cysylltiadau yn y rhwydweithiau hyn i hwyluso cydweithredu a rhannu gwybodaeth a syniadau.

Argymhelliad 5: cyfrifoldebau sydd wedi eu dirprwyo

Yn unol ag adrannau 12 a 13 Mesur y Gymraeg (Cymru) 2011, penodwyd dirprwy Gomisiynydd. Mae'r dirprwy Gomisiynydd yn gweithredu swyddogaethau'r Comisiynydd yn ystod cyfnod gwyliau, salwch neu unrhyw adeg arall ar gais y Comisiynydd, fel y nodir yn natganiad llywodraethiant Adroddiad Blynyddol 2013-14.

Hefyd nodir yn yr Adroddiad Blynyddol bod y Tîm Rheoli, sy'n "cael ei gadeirio gan y Comisiynydd ac yn cynnwys yr holl gyfarwyddwyr, yn rheoli holl swyddogaethau a gweithgareddau'r Comisiynydd. Y Tîm Rheoli sy'n gyfrifol am arwain, cytuno a chyflawni gweledigaeth strategol y Comisiynydd, polisïau a gwasanaethau i'r cyhoedd a rhanddeiliaid eraill. Mae cylch gorchwyl y Tîm Rheoli wedi ei gyhoeddi ar wefan y Comisiynydd."

Argymhelliad 8: lefel a defnydd y gronfa wrth gefn

Cafod datganiad ynglŷn â lefel y gronfa wrth gefn, defnydd o'r gronfa a sut y daethpwyd i'r casgliad hwn ei nodi yn Adroddiad Blynyddol 2013-14 ac yn yr Amcangyfrif ar gyfer 2015-16. Rwyf wedi derbyn a gweithredu'r argymhelliad yn barod, a bydd y drefn yma yn parhau.



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

Argymhelliad 9: cyflwyno gwybodaeth sy'n hawdd i'w ddeall

Rwyf yn ymwybodol o adroddiad Prif Ysgrifennydd y Trysorlys "*Simplifying and streamlining statutory annual report and accounts*" a gyhoeddwyd ym mis Gorffennaf 2014, i'w fabwysiadu ar gyfer adroddiadau blynyddol a chyfrifon 2015-16. Fel y nodir yng nghrynodeb gweithredol yr adroddiad y nod yw "cwrdd ag anghenion y defnyddwyr yn well" drwy "integreiddio'r tair elfen o berfformiad, atebolrwydd a'r datganiadau ariannol".

Mae fy swyddogion wedi bod yn ystyried goblygiadau'r adroddiad, wedi cynnal cyfarfodydd gyda'r tîm o Swyddfa Archwilio Cymru, rhannu syniadau gyda Chomisiynwyr eraill, gan ddod i gasgliadau ynglŷn â sut bydd yr Adroddiad Blynyddol yn cael ei newid a'i ddiwygio i ymateb i ofynion yr adroddiad. Y bwriad yw mabwysiadu'r argymhellion ar gyfer y flwyddyn ariannol 2014-15, sef blwyddyn yn gynnar, a datblygu hyn yn bellach ar gyfer 2015-16.

Yr eiddoch yn gywir,

Meri Huws
Comisiynydd y Gymraeg

Copi:

Michael Kay
Clerc

Darren Millar AC
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff
CF99 1NA
23/03/2015

Dear Darren

Scrutiny of accounts for 2013–14

Thank you for your letter dated 20/03/2015, along with your invitation to respond to the recommendations in the report that relate to the Welsh Language Commissioner. The report was received under embargo, the day before its publication, on 06/03/2015.

First, I would like to draw your attention to a factual error in paragraph 10 on page 9 of the report, which states that the Welsh Language Commissioner has a budget of £4.3 million. The first paragraph of the accounts—the financial, social and environmental summary for 2013–14—reveals that the funding allocated by Welsh Ministers for the 2013–14 financial year was £4.1 million. Expenditure for this year stands at £4.3 million, as is noted in the Statement of Comprehensive Net Expenditure.

To avoid similar errors in the future, would it be possible to distribute a draft version of the report that can be checked and corrected in respect of any factual issues before publication?

In terms of responding to the recommendations in the report, four of these are relevant to the Welsh Language Commissioner.

Recommendation 3: working efficiently and collaboration

The Commissioners hold regular meetings to discuss relevant issues. In addition, my officials also attend quarterly meetings of the WGSB Directors of Finance and

Resources group, and meetings of the Finance, Resources and Information Technology sub-groups. These forums are useful for sharing information and good practice, and for collaboration. In addition to formal meetings, officials use the contacts forged in these networks to facilitate collaboration and to share information and ideas.

Recommendation 5: delegated responsibilities

In accordance with sections 12 and 13 of the Welsh Language (Wales) Measure 2011, a deputy Commissioner has been appointed. The deputy Commissioner carries out the functions of the Commissioner during periods of leave or sickness, or during other periods requested by the Commissioner, as set out in the governance statement of the 2013–14 Annual Report. The Annual Report also notes that the Management Team, “chaired by the Commissioner, and comprising all directors, exercises management of the Commissioner’s functions and activities. The Management Team is responsible for leading, agreeing and delivering the Commissioner’s strategic vision, policies and services to the public and other stakeholders. The Management Team’s terms of reference is published on the Commissioner’s website.”

Recommendation 8: level and use of reserves

A statement regarding the level of reserves, the use of reserves and how this conclusion was reached was included in the 2013–14 Annual Report and in the Estimate for 2015–16. I have already accepted and implemented this recommendation, and this system will remain in place.

Recommendation 9: presenting information that is readily understandable

I am aware of the report by the Chief Secretary to the Treasury, "Simplifying and streamlining statutory annual report and accounts", which was published in July 2014, to be adopted for the annual reports and accounts for 2015–16. As is stated in the report's executive summary, the aim is to better meet the needs of users by integrating the three reporting element: performance, accountability and financial statements. My officials have been considering the implications of the report. The have held meetings with the Wales Audit Office team and shared ideas with with

other Commissioners, and they have formed conclusions regarding how the Annual Report will be amended in response to the requirements of the report. The aim is to adopt the recommendations for the 2014–15 financial year, which is a year early, and to develop things further for 2015–16.

Yours sincerely,

Meri Huws

Welsh Language Commissioner

Copy:

Michael Kay

Clerk

Darren Millar AM
Chair Public Accounts Committee
National Assembly for Wales
Cardiff Bay

28 April 2015

Dear Chair

We are writing in response to the report of the National Assembly's Public Accounts Committee, published in March 2015.

We welcome the report and will be making reference to it within the Governance Statements that appear as part of our individual Annual Accounts for 2014-15, highlighting that we will take on board the relevant recommendations and that joint action is already in hand to work further towards meeting them during 2015-16.

We have already identified the following potential areas of potential collaboration for 2015-16:

- Review and update the existing Memorandum(s) of Understanding between the organisations and put in place one joint agreement.
- Accounting Officers will continue to meet regularly to share planned work programmes, identify opportunities for joint working and sharing of knowledge, skills and experience.
- To consolidate our staff learning and development programmes to achieve better value for money in securing externally delivered training and in sharing knowledge, skills and experience across the organisations for internally delivered training.
- To work together on the required review of our existing Strategic Equality plans as we all work towards revision and the requirement to have new plans ready for publication by April 2016.
- To explore the potential for the procurement of a common internal audit service provider to maximise potential for benchmarking across similar type organisations within Wales.

As the report acknowledged there is little to be saved financially from sharing 'back office' functions. Our finance, ICT and HR staff who enable the delivery of our objectives, do already work collaboratively, when appropriate, through a shared network with Welsh Government Sponsored Bodies and will continue to do so alongside Wales Audit Office, National Procurement Service and others. We will however look to identify opportunities to work towards any pooled arrangement for sharing knowledge, skills and experience, and there may be other smaller public bodies who would be interested in joining with us.

Independence is a defining feature of any rights based organisation and is viewed by others as a source of legitimacy and authority. It is therefore welcomed that the Committee noted the strong governance argument in favour of a more consistent approach to funding Commissioners that in our view could only strengthen existing accountability arrangements.

We are aware that Meri Huws has already provided you with a written response to the report but the Welsh Language Commissioner will be working with us on the joint action noted above. We trust that this initial response meets with your expectations and we will provide you with an update on progress during 2015-16.

Yours sincerely



Older People's Commissioner for Wales



Public Services Ombudsman for Wales



Children's Commissioner for Wales

cc Welsh Language Commissioner for Wales