

Dr Andrew Goodall
Permanent Secretary
Welsh Government Cathays Park
Cardiff
CF10 3NQ

11 November 2022

Dear Andrew,

Welsh Government Annual Report and Accounts 2020-21

Thank you for your attendance at the Public Accounts and Public Administration Committee on Wednesday 19 October 2022. There are several issues arising from the meeting that the Committee would like further information and clarity on, as well as responses to questions Members did not have time to ask. These are detailed below.

COVID-19 Support for business:

– Post Completion Monitoring (PCM)

- Can you provide an update about the progress and results of PCM for Phases 1 and 2? We would like to see the current position compared with the position in July as set out in the Auditor General's Memorandum.¹ If this has not been completed, do you have a deadline by which you expect it to be done.
- Can you provide details on the revised time frames for PCM for schemes from Phase 3 onwards including planned start and finish times?

– Evaluation

¹ [COVID-19 business support in 2020-21: Auditor General for Wales Memorandum for the Public Accounts and Public Administration Committee](#)

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.

- How have you determined the evaluation arrangements for your COVID-19 support for business, including what have you taken from existing approaches for evaluating business support, and what have you had to develop?
- Economic Intelligence Wales has published two evaluation reports to date (in December 2020 and April 2022). How are you implementing any recommendations it has made for future research and could any publication of future evaluation reports be drawn to the attention of the Committee when published?
- What broader lessons have you learnt from the evaluation undertaken to date to inform the Welsh Government's approach to financial support for business in the future?

Other COVID-19 Expenditure

- How are you obtaining assurance over, and evaluating the impact of, the COVID-19 grants to organisations other than local authorities, including those COVID-19 grants administered by other organisations, such as the Arts Council of Wales and the Third Sector such as the WCVA?
- How has the Welsh Government worked with the Third Sector to address the 'future issues' noted in the COVID-19 evaluation report, including reviewing the general funding approach post pandemic?

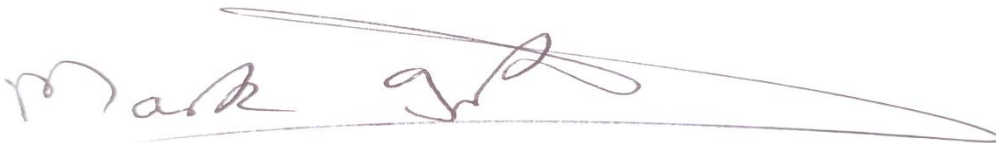
During the meeting you also committed to providing the further information to the Committee on a number of matters and there are also a number of additional points the Committee wishes to seek clarity on. These are detailed below:

- A copy of the terms and conditions framework that has been agreed between the Cabinet Office and Welsh Government regarding your employment as Permanent Secretary.
- The timeline for the Welsh Government's request to carry forward at 31 March 2021 a sum in excess of the limit on the Wales Reserve and the response from HM Treasury, which rejected it.
- Confirmation that the £155.5 million that was lost to Wales as result, which was either not drawn down or paid back to HM Treasury, equates to around two-thirds of 1p on income tax.
- Information about the Welsh Government's estimate of the risk of fraud and error relating to its COVID-19 support for business, as reported in the Governance Statement in the Consolidated Accounts 2020-21, by scheme. This said the estimated incidence of fraud and error was between 0.08% to 4.17%, which the Welsh Government quantified to range from £0.7m to £37.2m. This information should include details of how these figures were calculated. We referred to the approach taken by the UK Government Department for

Business, Energy and Industrial Strategy (BEIS), in providing these details in relation to UK Government COVID-19 Grants in its Annual Report and Accounts 2020-21, which appeared to be more detailed. The Welsh Government may wish to replicate this approach.

- A breakdown of the risk of fraud and error to distinguish cases relating to eligibility from incidences of detected fraud in respect of Welsh Government administered schemes and, when available, for NDR related (Local Authority administered schemes).
- Confirmation of the funds recovered by Welsh Government following its Post Completion Monitoring and whether, having identified sums to be clawed back, any businesses in receipt of those funds have not yet returned the funding. We request this information be broken down by scheme and details provided on the corresponding figures for the schemes administered by local authorities.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Mark Isherwood', is written over a long, thin horizontal line that tapers to a point on the right side.

Mark Isherwood MS
Committee Chair