

Agenda – Y Pwyllgor Cyllid

Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Fideo gynadledda drwy Zoom	Bethan Davies
Dyddiad: Dydd Llun, 16 Tachwedd	Clerc y Pwyllgor
2020	0300 200 6372
Amser: 14.30	SeneddCyllid@senedd.cymru

Yn unol â Rheol Sefydlog 34.19, mae'r Cadeirydd wedi penderfynu gwahardd y cyhoedd o gyfarfod y Pwyllgor er mwyn amddiffyn iechyd y cyhoedd. Bydd y cyfarfod hwn yn cael ei ddarlledu'n fyw ar www.senedd.tv

1 Cyflwyniadau, ymddiheuriadau, dirprwyon a datgan buddiannau

2 Papur(au) i'w nodi

(14:30)

(Tudalennau 1 – 3)

Cofnodion y cyfarfod a gynhaliwyd ar 9 Tachwedd 2020

2.1 PTN 1 – Llythyr oddi wrth y Gweinidog Tai a Llywodraeth Leol: y Bil Llywodraeth Leol ac Etholiadau (Cymru) – Asesiad Effaith Rheoleiddiol diwygiedig – 5 Tachwedd 2020

(Tudalennau 4 – 6)

3 Ymchwiliad i weithredu Deddf Cymru 2014 a'r Fframwaith

Cyllidol: Sesiwn dystiolaeth 7

(14:30 – 15:30)

(Tudalennau 7 – 22)

David Phillips, Cyfarwyddwr Cyswllt, y Sefydliad Astudiaethau Cyllid

Papurau ategol:

Papur briffio



EGWYL (15.30 – 15.40)

4 Ymchwiliad i weithredu Deddf Cymru 2014 a'r Fframwaith

Cyllidol: Sesiwn dystiolaeth 8

(15:40 – 16:25)

(Tudalennau 23 – 33)

Dyfed Alsop, Prif Weithredwr, Awdurdod Cyllid Cymru

Rebecca Godfrey, Prif Swyddog Strategaeth, Awdurdod Cyllid Cymru

Sam Cairns, Prif Swyddog Strategaeth, Awdurdod Cyllid Cymru

Papur ategol:

Papur briffio

5 Cynnig i wahardd cyhoedd o weddill y cyfarfod hwn; y cyfarfod ar 23 Tachwedd 2020; ac eitem 1 o'r cyfarfod ar 30 Tachwedd

(16:25)

6 Ymchwiliad i weithredu Deddf Cymru 2014 a'r Fframwaith

Cyllidol: Trafod y dystiolaeth

(16:25–16:35)

7 Gwaith craffu blynyddol ar Swyddfa Archwilio Cymru ac

Archwilydd Cyffredinol Cymru: Trafod yr adroddiad drafft

(16:35 – 16:50)

(Tudalennau 34 – 103)

Papurau ategol:

FIN(5)–22–20 P1 – Addroddiad drafft

FIN(5)–22–20 P2 – Llythyr oddi wrth Archwilio Cymru – Amcangyfrif Archwilio Cymru 2021–22 – Eglurhad – 11 Tachwedd 2020

FIN(5)–22–20 P3 – Llythyr gan RSM UK Audit LLP ac adroddiad – Swyddfa

Archwilio Cymru: Adroddiad ar ganfyddiadau'r archwiliad ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2020 – 9 Tachwedd 2020

8 Bil Cwricwlwm ac Asesu (Cymru): Trafod yr adroddiad drafft

(16:50 – 17:10)

(Tudalennau 104 – 142)

Papurau ategol:

FIN(5)-22-20 P4 – Adroddiad drafft

FIN(5)-22-20 P5 – Y Pwyllgor Plant, Pobl Ifanc ac Addysg – Ymgynghoriad ar y Bil Cwricwlwm ac Asesu (Cymru): Ymateb gan Archwilio Cymru

9 Bil y Farchnad Fewnol: Trafod yr adroddiad drafft

(17:10 – 17:25)

(Tudalennau 143 – 161)

Dogfennau ategol:

FIN(5)-22-20 P6 Adroddiad drafft

Cofnodion cryno – Y Pwyllgor Cyllid

Lleoliad: Gellir gwyllo'r cyfarfod ar [Senedd TV](http://senedd.tv) yn:
 Fideo gynadledda drwy Zoom <http://senedd.tv/cy/6558>
 Dyddiad: Dydd Llun, 9 Tachwedd 2020
 Amser: 14.31 – 17.35

Yn bresennol

Categori	Enwau
Aelodau'r Cynulliad:	Llyr Gruffydd AS (Cadeirydd) Alun Davies AS Siân Gwenllian AS Mike Hedges AS Rhianon Passmore AS Nick Ramsay AS
Tystion:	Gerald Holtham, Prifysgol Metropolitan Caerdydd Ruth Stanier, Cyllid a Thollau Ei Mawrhydi Jackie McGeehan, HMRC Gareth Davies, Swyddfa Archwilio Genedlaethol Darren Stewart, Swyddfa Archwilio Genedlaethol Ben Rodin, Swyddfa Archwilio Genedlaethol Lee Summerfield, Swyddfa Archwilio Genedlaethol
Staff y Pwyllgor:	Bethan Davies (Clerc) Leanne Hatcher (Ail Clerc) Georgina Owen (Ail Clerc)



1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau.

1.1 Croesawodd y Cadeirydd yr Aelodau i gyfarfod rhithwir y Pwyllgor Cyllid.

1.2 Croesawodd y Cadeirydd Mark Reckless AS, a etholwyd yn aelod o'r Pwyllgor Cyllid.

1.3 Cafwyd ymddiheuriadau gan Mark Reckless AS.

2 Papur(au) i'w nodi

2.1 Cafodd y papurau eu nodi.

2.1 PTN 1 – Llythyr gan y Gweinidog Cyllid a'r Trefnydd: Diweddariad ar amserlen y gyllideb ar gyfer cyllideb Llywodraeth Cymru 2021–22 – 29 Hydref 2020

2.2 PTN 2 – Ymateb y Comisiwn i adroddiad y Pwyllgor Cyllid ar Gyllideb Ddrafft Comisiwn y Senedd 2021–22 – 4 Tachwedd 2020

3 Ymchwiliad i weithredu Deddf Cymru 2014 a gweithredu'r Fframwaith Cyllidol – Sesiwn dystiolaeth 4

3.1 Clywodd y Pwyllgor dystiolaeth gan yr Athro Gerry Holtham, Athro Economi Ranbarthol Hodge, Prifysgol Fetropolitan Caerdydd ar ei ymchwiliad i weithredu Deddf Cymru 2014 a gweithredu'r Fframwaith Cyllidol.

4 Ymchwiliad i weithredu Deddf Cymru 2014 a gweithredu'r Fframwaith Cyllidol – Sesiwn dystiolaeth 5

4.1 Clywodd y Pwyllgor dystiolaeth gan Ruth Stanier, Cyfarwyddwr Cyffredinol, Strategaeth Cwsmeriaid a Dylunio Trethi, Cyllid a Thollau EM; a Jackie McGeehan, Dirprwy Gyfarwyddwr Polisi Treth Incwm, Cyllid a Thollau EM ar ei ymchwiliad i weithredu Deddf Cymru 2014 a gweithredu'r Fframwaith Cyllidol.

5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd ar gyfer eitemau 6, 7, 8 a 10.

5.1 Derbyniwyd y cynnig.

6 Ymchwiliad i weithredu Deddf Cymru 2014 a gweithredu'r Fframwaith Cyllidol: Trafod y dystiolaeth

6.1 Trafododd y Pwyllgor y dystiolaeth a ddaeth i law.

7 Ail Gyllideb Atodol 2020–21: Trafod yr adroddiad drafft

7.1 Cytunodd y Pwyllgor ar yr adroddiad drafft yn amodol ar fân newidiadau.

8 Ombwdsmon Gwasanaethau Cyhoeddus Cymru: Amcangyfrif 2021–2022 Trafod yr adroddiad drafft

8.1 Cytunodd y Pwyllgor ar yr adroddiad drafft.

9 Ymchwiliad i weithredu Deddf Cymru 2014 a gweithredu'r Fframwaith Cyllidol – Sesiwn dystiolaeth 6

9.1 Clywodd y Pwyllgor dystiolaeth gan Gareth Davies, Rheolwr ac Archwilydd Cyffredinol, y Swyddfa Archwilio Genedlaethol; Darren Stewart, Cyfarwyddwr, y Swyddfa Archwilio Genedlaethol; Lee Summerfield, Cyfarwyddwr, y Swyddfa Archwilio Genedlaethol; a Ben Rodin, Rheolwr Archwilio, y Swyddfa Archwilio Genedlaethol.

10 Ymchwiliad i weithredu Deddf Cymru 2014 a gweithredu'r Fframwaith Cyllidol: Trafod y dystiolaeth

10.1 Trafododd y Pwyllgor y dystiolaeth a ddaeth i law.



Llywodraeth Cymru
Welsh Government

Llŷr Gruffydd AS
Cadeirydd
Y Pwyllgor Cyllid
Senedd Cymru
Tŷ Hywel
Bae Caerdydd
CF99 1NA

05 Tachwedd 2020

Annwyl Llŷr

Bil Llywodraeth Leol ac Etholiadau (Cymru) – Asesiad Effaith Rheoleiddiol Diwygiedig

Ar ôl cwblhau trafodion Cyfnod 2 mewn perthynas â Bil Llywodraeth Leol ac Etholiadau (Cymru), ac yn unol â Rheol Sefydlog 26.28, mae Memorandwm Esboniadol diwygiedig wedi'i osod a hoffwn ddwyn sylw'r Pwyllgor at y newidiadau a wnaed i'r Asesiad Effaith Rheoleiddiol.

Gan ystyried bod yr amserlen ar gyfer craffu ar y Bil wedi'i hystyngi, mae'r Asesiad Effaith Rheoleiddiol diwygiedig wedi'i osod mewn blwyddyn ariannol wahanol i'r gwreiddiol. O ganlyniad, mae'r costau cyflog blynyddol a ddefnyddir fel sail i gyfrifo costau staff mewn perthynas â Llywodraeth Cymru a llywodraeth leol wedi'u diweddarau i adlewyrchu graddfeydd cyflog ym mis Ebrill 2020.

Er gwaethaf yr oedi cyn dyddiad arfaethedig y Cydsyniad Brenhinol, bydd gweithgareddau gweithredu yn dal i ddechrau yn 2020-21, felly mae cyfnod cyfeirio'r Asesiad Effaith Rheoleiddiol yn parhau i fod rhwng 2020-21 a 2029-30.

Mae'r gost amcangyfrifedig gyffredinol wedi gostwng o £17.17m i £16.09m, o fewn hyn mae'r costau amcangyfrifedig i Lywodraeth Cymru wedi cynyddu £306,000 (40%), tra bod y costau amcangyfrifedig i lywodraeth leol wedi gostwng £1.32m (7.6%).

Mae'r costau trosiannol rhagolygol a ysgwyddir gan y Comisiwn Etholiadol hefyd wedi gostwng, a nodir sail y costau diwygiedig hyn yn nhabl 3 o'r Asesiad Effaith Rheoleiddiol a'r naratif cysylltiedig.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

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Gohebiaeth.Julie.James@llyw.cymru
Correspondence.Julie.James@gov.Wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Tudalen y pecyn 4
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Costau i Lywodraeth Cymru

Mae gwaith wedi parhau i fireinio'r cynlluniau gweithredu er mwyn sicrhau bod y trefniadau, y canllawiau a'r is-ddeddfwriaeth angenrheidiol ar waith i gefnogi'r gwaith o weithredu'r Bil, ar yr amod ei fod yn cael ei basio gan y Senedd. Mae'r rhan fwyaf o'r costau wedi aros, yn sylfaenol, heb eu newid, ond bu newidiadau i'r costau mewn perthynas â Rhan 1 – etholiadau, a Rhan 2 – pŵer cymhwysedd cyffredinol.

O ran Rhan 1, wrth i'r cynlluniau gweithredu ddatblygu, daeth yn amlwg bod angen mwy o adnoddau staff nag a ragwelwyd yn wreiddiol er mwyn sicrhau bod yr holl weithgareddau angenrheidiol yn cael eu cwblhau gan gynnal ymgysylltiad parhaus â'r gymuned etholiadol. Mae'r rhagolwg diwygiedig o ofynion adnoddau yn golygu bod y costau cyfle i Lywodraeth Cymru wedi cynyddu £272,000 dros y blynyddoedd ariannol 2020-21 a 2021-22 gan wneud cyfanswm cost o £872,000. Mae hyn yn gynydd o 45% (er bod y cynnydd hwn hefyd yn adlewyrchu'r graddfeydd cyflog diwygiedig a chynyddol).

Mae'r costau amcangyfrifedig i Lywodraeth Cymru mewn perthynas â Rhan 2 wedi cynyddu £23,000 i £42,000 dros y blynyddoedd ariannol 2020-21 a 2021-22. Mae'r cynnydd yn deillio o welliant Cyfnod 2 mewn perthynas â chanllawiau ar arfer y pŵer cyffredinol at ddiben masnachol. Mae amcangyfrif o'r costau o wneud Rheoliadau i ragnodi'r cymhwyster y mae'n rhaid i glerc cyngor cymuned ei ddal i fodloni'r ail amod cymhwystra sy'n ymwneud â'r pŵer cyffredinol hefyd wedi'i ychwanegu at yr Asesiad Effaith Rheoleiddiol.

Costau i lywodraeth leol

Mae'r costau trosiannol a rheolaidd i lywodraeth leol wedi gostwng fel a ganlyn:

- Mae'r costau trosiannol a ragwelir wedi gostwng £535,000 i £2,415,000 ac mae'r rhagolwg hwn bellach dros dair blynedd ariannol o 2021-22 yn hytrach na 2020-21.
- Mae'r costau rheolaidd a ragwelir wedi gostwng £782,000 i £12,567,000.

Er nad yw'r cyfnod cyfeirio wedi newid, bu newid ym mhroffil y costau dros y cyfnod o 10 mlynedd. Y rheswm pennaf am hyn yw'r penderfyniad i ohirio cychwyn nifer o ddarpariaethau hyd at fis Mai 2022, a bydd hyn yn galluogi'r darpariaethau hyn i gael eu gweithredu gan y cynghorau newydd yn dilyn yr etholiadau llywodraeth leol yn hytrach na gosod y gofynion newydd ar y cynghorau o fewn y 12 mis cyn yr etholiadau. Mae hyn wedi cyfrannu at y gostyngiad mewn costau rheolaidd i lywodraeth leol.

Bu gostyngiad hefyd yn y costau a ragwelir, yn drosiannol ac yn rheolaidd, mewn perthynas â Rhan 1 o'r Bil, o ganlyniad i Ddeddf Senedd ac Etholiadau (Cymru) 2020 ('Deddf y Senedd'). Pan gyflwynais y Bil hwn, roedd Deddf y Senedd yn dal i fynd drwy'r Senedd, a gyda'r Ddeddf honno bellach mewn grym, mae nifer o gostau a fydd bellach yn gysylltiedig, yn llawn neu'n rhannol, â'r Ddeddf honno yn hytrach na'r Bil hwn. Mae'r rhain yn ymwneud yn bennaf â chodi ymwybyddiaeth, cofrestru etholwyr newydd yn flynyddol ac ail-ddylunio'r ffurflenni safonol sy'n rhoi gwahoddiad i gofrestru.

Argymhellion y Pwyllgor

Yn fy llythyr dyddiedig 23 Mawrth, ar ôl cyhoeddi adroddiad Cyfnod 1 y Pwyllgor, amlinellais fy ymateb cychwynnol i argymhellion y Pwyllgor, a gallaf nawr roi rhagor o fanylion mewn perthynas â'r argymhellion hynny sydd wedi arwain at ddiwygio'r Asesiad Effaith Rheoleiddiol:

Mewn ymateb i argymhelliad 8, mae'r arbedion posibl sy'n gysylltiedig â diddymu arolygon cymunedol wedi'u hystyried yn fanylach. Nid yw wedi bod yn ymarferol gwrthbwysu'r costau sydd ynghlwm â sefydlu cynllun deisebau newydd yn erbyn yr arbedion hyn ac mae'r Asesiad Effaith Rheoleiddiol wedi'i ddiwygio ym mharagraff 11.44 i adlewyrchu hyn.

O dan argymhelliad 9 argymhellodd y Pwyllgor y dylid diwygio'r Asesiad Effaith Rheoleiddiol i gynnwys dadansoddiad sensitifrwydd o'r effaith y gallai nifer y deisebau ei chael ar amser staff a'r gost o fonitro ac adolygu'r deisebau a dderbynnir. Ceir rhagor o fanylion ym mharagraffau 11.39 – 11.40.

Nid yw'r costau a nodir yn yr Asesiad Effaith Rheoleiddiol mewn perthynas â darlledu cyfarfodydd prif gyngor yn electronig wedi'u diwygio ar hyn o bryd (argymhelliad 10), er y gwnaed newidiadau i'r naratif fel y'u nodir ym mharagraffau 11.76 i 11.78. Ar ôl ystyried ymhellach y materion a godwyd gan y Pwyllgorau a rhanddeiliaid yng Nghyfnod 1, rwyf wedi cyflwyno gwelliannau i'r darpariaethau hyn sy'n dileu'r gofyniad i ddarlledu pob cyfarfod yn fyw, gyda phrif gynghorau yn hytrach yn gorfod gwneud trefniadau ar gyfer darlledu cyfarfodydd y cyngor llawn yn unig wrth i'r cyfarfod gael ei gynnal.

Bydd y diwygiadau yn galluogi Gweinidogion Cymru, drwy wneud Rheoliadau, i ychwanegu cyfarfodydd eraill at y rhestr o'r rhai y mae'n ofynnol eu darlledu. Gellir gwneud rheoliadau hefyd sy'n pennu amodau ar gyfer darlledu, a allai gynnwys materion fel pennu pa gyfarfodydd y mae'n rhaid eu darlledu'n fyw, a pha rai y gellir eu recordio'n fyw a'u darlledu'n ddiweddarach. Mae'r rhain yn ddarostyngedig i weithdrefn gadarnhaol y Senedd.

Rwy'n bwriadu cyhoeddi Asesiad Effaith Rheoleiddiol diwygiedig yn dilyn Cyfnod 3 a byddaf, lle bo hynny'n berthnasol ac yn angenrheidiol, yn diwygio'r costau mewn perthynas â'r darpariaethau darlledu electronig, ynghyd ag unrhyw ddarpariaethau eraill a allai fod yn destun gwelliant yng Nghyfnod 3.

Yn olaf mewn perthynas ag argymhellion 19 a'r costau a allai ddod i ran Llywodraeth Cymru o ganlyniad i'n strategaeth adolygu ar ôl gweithredu, byddaf yn ystyried y mater hwn wrth ddiwygio'r Asesiad Effaith Rheoleiddiol ar ôl Cyfnod 3 ac yn cynnwys manylion y costau cyfle hyn yn yr Asesiad Effaith Rheoleiddiol diwygiedig lle y bo'n briodol. Byddwn yn rhagweld cyhoeddi'r Asesiad Effaith Rheoleiddiol diwygiedig yn fuan ar ôl i'r Bil gael Cydsyniad Brenhinol.

Hoffwn fanteisio ar y cyfle eto i ddiolch i'r Pwyllgor Cyllid am graffu ar y Bil.

Rwyf wedi anfon copi o'r llythyr hwn at Gadeirydd y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol.

Yn gywir



Julie James AS/MS

Y Gweinidog Tai a Llywodraeth Leol

Minister for Housing and Local Government

Mae cyfyngiadau ar y ddogfen hon

Mae cyfyngiadau ar y ddogfen hon

Eitem 7

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

Llŷr Gruffydd AS
Cadeirydd y Pwyllgor Cyllid
Senedd Cymru

Drwy'r e-bost

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Cyfeirnod: LF20001/AC/220/caf
Dyddiad cyhoeddi: 11 Tachwedd 2020

Annwyl Llŷr

Amcangyfrif Archwilio Cymru 2021-22 - Eglurhad

Yn dilyn sesiwn dystiolaeth yr wythnos ddiwethaf gyda'r Pwyllgor, fe wnaethom addo rhoi peth eglurhad ychwanegol ynglŷn ag un o'r eitemau a godwyd.

Mynediad o bell at systemau cleientiaid

Fel yr esboniwyd i'r Pwyllgor, rydym eisoes wedi llwyddo i drefnu bod ein harchwilwyr yn cael mynediad o bell at systemau ariannol y GIG, sy'n ei gwneud yn bosibl cwblhau gwaith archwilio o bell er gwaethaf pandemig COVID-19. Bu hyn yn bosibl oherwydd bod holl gyrff GIG Cymru yn defnyddio system gyllid gyffredin ac, unwaith y cafwyd mynediad o bell, roedd modd defnyddio hyn ar gyfer holl gyrff y GIG.

Ar gyfer cyrff Llywodraeth Leol, cymysg fu'r cynnydd o ran trefnu mynediad o bell i archwilwyr at systemau cyllid llywodraeth leol; a chafwyd mynediad at rai, ond nid pob un, o'r cyrff hyn.

Mae sicrhau mynediad o bell at systemau llywodraeth leol wedi bod yn fwy heriol oherwydd bod y gwahanol awdurdodau'n defnyddio nifer o systemau gwahanol ac felly bydd pob awdurdod wedi datblygu ffyrdd gwahanol o sicrhau mynediad o bell ar gyfer ei staff ei hun a'n harchwilwyr ninnau. Mae darparu'r mynediad hwn yn ddiogel yn medru bod yn gostus ac yn heriol a bydd yn haws i rai awdurdodau ei gyflawni nag eraill. Rydym yn parhau i weithio gyda'n holl gyrff archwiliedig i gynorthwyo i gyflawni hyn.

ASCII

Gofynnodd y pwyllgor a oedd modd i God Safonol America ar gyfer Cyfnewid Gwybodaeth (ASCII) fod o gymorth wrth sefydlu mynediad o bell at systemau cyllid mwy o awdurdodau.

Safon yw ASCII, a sefydlwyd yn y 1960au, ar gyfer cynrychioli llythrennau'r wyddor a rhifau y tu mewn i gyfrifiadur ar ffurf ddigidol. Mae safonau fel hyn yn sylfaenol i'r ffordd y mae cyfrifiaduron modern yn gweithredu. Mae systemau heddiw yn fwy tebygol o gynrychioli testun gan ddefnyddio safonau diweddarach, mwy cymhleth fel Unicode. Mae'r rhain yn adeiladu ar syniad ASCII ond yn ei ymestyn i nodau arbennig ar gyfer ieithoedd ar wahân i Saesneg, rhagor o symbolau ac yn y blaen. Er hynny, mae ASCII ei hun yn dal i gael ei defnyddio mewn rhai sefyllfaoedd, yn enwedig ar systemau "etifeddol".

Yn gyffredinol, mae'r ffordd y caiff testun crai neu ddata rhifol ei gynrychioli y tu mewn i gyfrifiaduron gwahanol wedi'i safoni'n dda erbyn hyn. Anaml y mae rhyngweithio rhwng peiriannau ar y lefel sylfaenol hon yn broblem.

Problemau diogelwch

Mae mynediad o bell yn golygu cysylltu â'r system darged ar draws y Rhyngwrld. Yr her allweddol sydd ymhlyg mewn sefydlu trefniadau mynediad o bell heddiw yw gwneud hynny mewn ffordd nad yw'n cyflwyno risgiau seiber h.y. peryglu diogelwch.

Hanfod mynediad diogel o bell yw gwneud mynediad yn bosibl i'r rheiny sydd wedi'u hawdurdodi. Fel arfer, staff yr awdurdod ei hun fyddai'r rhain a phartneriaid fel ein harchwilwyr.

Fodd bynnag, rhaid i ddatrysiad mynediad o bell hefyd gadw allan hacwyr a throeddwy, a allai fod yn unrhyw le yn y byd, gyda chymhelliant mawr i dorri i mewn. Mae troeddwy seiber yn aml yn fedrus iawn yn dechnegol, yn barod i fanteisio ar fân ddiffygion, sydd newydd gael eu darganfod mewn systemau, er mwyn cael mynediad.

Mae sefydlu mynediad diogel o bell, felly, yn her beirianyddol sylweddol. Mae gan y Ganolfan Diogelwch Seiber Genedlaethol (NCSC) ganllawiau manwl ar sut y dylid gwneud hyn gan ddefnyddio cynhyrchion pwrpasol, "wedi'u caledu ar gyfer diogelwch", fel rhwydweithiau preifat rhithwir (VPNs) o Cisco, Microsoft, F5, Fortinet neu Palo Alto, neu gynhyrchion tenau cleient fel Citrix. Mae'r cynhyrchion hyn yn gymhleth, gallant fod yn gostus ac mae angen sgiliau technegol dwfn i'w gosod yn eu lle a'u cynnal.

Gall y canlyniadau i sefydliadau, sy'n cymryd llwybr byr gyda datrysiadau mynediad o bell, fod yn ddifrifol. Credir bod achosion aflonyddgar iawn o dorri data yn Travelex yn gynnar yn 2020, ac mewn rhai Prifysgolion yn y DU drwy gydol 2020, wedi cychwyn gyda throeddwy yn manteisio ar ddatrysiadau mynediad o bell, oedd heb gael eu gosod yn eu lle neu eu cynnal yn gywir neu a oedd yn defnyddio technoleg anaddas.

Peidiwch ag oedi rhag cysylltu â ni os oes yna unrhyw eglurder pellach, y gallwn ei ddarparu, fyddai o fudd.

Yn gywir



LINDSAY FOYSTER
Cadeirydd, Swyddfa Archwilio Cymru



ADRIAN CROMPTON
Archwilydd Cyffredinol Cymru



9 November 2020

Llyr Gruffydd, MS
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Dear Mr.Gruffydd,

Enclosed is our final Audit Findings Report. We can confirm that there are two revisions since the draft version of our Report presented on 1 June 2020:

1. The word "draft" has been removed from the header
2. Our executive summary has been updated to confirm that "our audit work is complete and we have issued an unmodified opinion on the financial statements".
3. Our terms and conditions on page 16 have been updated to refer to both the Wales Audit Office and the National Assembly for Wales Commission.

There are no other revisions from the original Findings Report.

Yours sincerely,

RSM UK AUDIT LLP

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Wales Audit Office

Audit findings report year ended 31st March 2020

1 June 2020

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Executive Summary

This report summarises our key findings in connection with the audit of the financial statements of Wales Audit Office in respect of the year ended 31st March 2020.

The scope of our work was communicated to you via our Audit Plan document. We believe that the audit approach adopted will provide the Audit and Risk Assurance Committee with the required confidence that a thorough and robust audit has been carried out.

Our audit work is complete and we have issued an unmodified audit opinion on the financial statements in line with the agreed timetable.

Materiality

Materiality was determined based on an effective rate of 2.1% of expenditure for the year. This benchmark and percentage are consistent with the calculations detailed in the Audit Plan.

Unadjusted audit differences

We have not identified any nontrivial audit adjustments, which is confirmed within the Appendix. We have not identified any material disclosure omissions that have not been updated in the draft statutory accounts.

Risks and approach

We have carried out testing as planned on the risks identified during planning and draw your attention to the following key points for discussion:

- Revenue and WIP recognition
- Management override of internal controls
- Reputational risk
- Brexit financial reporting considerations

We have also identified additional risks during the course of our audit which are discussed below:

- COVID-19 financial reporting considerations

Risks identified at the planning stage

Risk	Description	Response	Findings
Management override of internal controls	In any organisation there will be an extent to which management can bypass internal controls. By definition, there can be no controls over this risk and this is specifically stated in International Standards on Auditing: 240. Such override, if exercised, could give rise to material fraud or misstatement in the financial statements.	<p>We will discuss and consider segregation of duties within the established control environment.</p> <p>We will review controls over journal entries and, using data analytics and based on our risk assessment, test a sample of journals to ensure that they are valid and appropriately supported.</p> <p>We will obtain an understanding of the business rationale of significant transactions that we become aware of during the audit process that appear to be outside the normal course of business or that appear to be unusual, given our understanding of the entity's operating environment.</p> <p>We will consider estimates and judgements made by management in the preparation of the statutory accounts and conclude on their appropriateness.</p>	<p>The testing was completed as planned with no significant issues identified to report to management.</p> <p>We have tested a sample of the journal entries posted during the year, and this did not highlight any erroneous entries, or items indicative of undue management bias.</p> <p>We have reviewed the significant estimates adopted in the preparation of the financial statements, and we have not identified any areas where there appears to be indication of management bias. Our review of the estimates made in respect of the dilapidations provision and the bad debt provision indicated that these appear to have been derived on an appropriate and consistent basis.</p>
Reputational risk	Given the public interest in the financial statements, there is a risk that accounting judgements may be influenced by the desire to demonstrate good financial management and remain within the Estimate.	<p>We will undertake internal specialist technical reviews of both the accounts, and also our audit work, given the increased reputational risk associated with the audit.</p> <p>We will review the judgemental aspects of year-end balances, particularly focusing on any round sum provisions, estimates, recoverability of debtors, disclosure of remuneration and related party transactions.</p>	<p>During the course of the audit, we have not identified any areas from the WAO's operations that suggests there are any matters whereby the reputation could appear to be significantly damaged.</p> <p>As discussed previously, our review of judgemental areas has not noted any areas of inappropriate activity, or areas where the Office has been acting inappropriately.</p> <p>We are satisfied that there appears to be appropriate disclosure of the remuneration of directors and senior management.</p> <p>Our conclusions on our regularity reporting are discussed later in this report.</p>

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Risk	Description	Response	Findings
Revenue recognition – WIP and deferred income	The recognition of income, WIP and deferred income is considered to be a significant risk due to the level of judgement applied to the stage of completion of an audit assignment and any provisions required.	<p>We will select a sample of projects that have commenced throughout the year and test the revenue recognised with reference to the stage of completion of the assignment in order to determine that the revenue recognition is appropriate and consequently whether the WIP and deferred income are appropriately stated.</p> <p>We will review correspondence with audit managers to establish the estimated costs to complete and any required provisions at the year end, considering the impact of any time spent after the year end on these estimations.</p> <p>We will also review time postings after the year end for any time posted by employees relating to work done before the year end that may not have been factored into the above calculations.</p>	<p>Our work indicated that the organisation has appropriate systems for assessing the stage of completion of its ongoing contracts, and hence for determining the amount of revenue that should be reported at the year end.</p> <p>Our review of the actual outturn on prior year contracts indicated that the estimates made at the prior year end proved materially accurate.</p> <p>We have selected a sample of contracts as planned. Based on our analysis of the cost to complete estimates, discussions with project managers, and post year end performance, we have not identified any misstatements with regards to revenue recognition. We have tested the reliability of the underlying time recording system and not noted any inaccurate or incomplete data.</p> <p>In the prior year, we noted that where onerous contracts were identified, the full loss was not initially recognised as a provision in the financial statements (instead being apportioned based on the stage of completion). While this was recorded as an audit adjustment in the prior year, no such adjustment is required in 2020 as the full loss provision has been recognised as expected.</p> <p>Where refunds are due because audits have been completed at a lower cost than budgeted, the balance of refunds were originally classified within deferred income. This would normally be reclassified to accruals however the reclassification would be a trivial adjustment at approximately £3,000 and has therefore not been made.</p> <p>We have noted that all cost to complete assessments made by project managers have had an additional 5% added to them by the finance team. This is to estimate the additional cost expected to be incurred resulting from COVID-19. While there are no detailed calculations to support this percentage, it represents managements best estimate of the additional cost – however management acknowledge there is a high level of estimation within this percentage. The total impact of adding 5% to costs to complete is approximately £55,000 on 2020 revenue and not considered a material amount, or necessarily an error.</p>

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Risk	Description	Response	Findings
Brexit financial reporting considerations	<p>The longer-term effects of the UK's potential exit from the European Union remain unclear.</p> <p>Businesses face a period of political and economic uncertainty which may expose them to new opportunities and/or risks, or change the scale and likelihood of existing ones, that affect their business model and strategies.</p> <p>Identifying the significant effects, or possible significant effects, of Brexit and assessing their impact may prove challenging in the current political and economic environment. However, we expect management to provide us with their analysis of the potential Brexit effects they have identified, together with supporting evidence in relation to key assumptions and related disclosures.</p>	<p>As part of our audit we will consider management's analysis of the potential Brexit effects on the entity's operations and strategies (e.g. specific audits, staff costs, and reputational focus), and the forward-looking assumptions used by management in their assessment relating to future activity and decision making.</p> <p>We shall consider the appropriateness of the disclosures in the Annual Report in respect of Brexit related principal risks and uncertainties and future plans.</p> <p>We may seek written representations from management about their plans for mitigating potentially adverse effects of Brexit.</p>	<p>Our review of the Annual Report indicates there appears to be appropriate disclosure of the risks associated with the UK's potential departure from the European Union.</p>

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Risks identified during the audit

Risk	Description	Response	Findings
COVID-19 financial reporting implications	Since our Audit Plan was issued on 26 February, COVID-19 has been declared a global pandemic by the World Health Organisation and has had a major impact on the world economy. All businesses are expected to be impacted by COVID-19 and we therefore consider the impact of COVID-19 on all of our audits.	We have discussed the impact of COVID-19 with management. Given COVID-19 was declared a global pandemic on 11 March, this was pre year end and therefore an adjusting event for the purposes of considering carrying values of assets and liabilities. We asked management to prepare a paper for us to assess the impact COVID-19 has on the financial statements, and also on the going concern assumption adopted in the financial statements.	<p>We have reviewed the paper prepared by management. We agree with the conclusion that there is no material impact on the carrying value of assets or liabilities from COVID-19.</p> <p>We have also considered the impact of COVID-19 on going concern.</p> <p>As laid out in the Public Audit (Wales) Act 2013, there is a requirement for the Wales Audit Office to be funded to continue to provide its services. We have reviewed recent estimates prepared by management which have identified substantial cost savings in the event of reduced fee income. We have noted the Chair and Auditor General have advised the Senedd's Finance Committee of the need for supplementary funding in 2020-21 which will allow the entity to continue its operations for the full financial year.</p> <p>In the event that the Committee does not approve additional resources in the autumn, immediate steps will be taken to contain expenditure within existing approved limits, which management believe can be done to ensure Wales Audit Office remains a going concern.</p> <p>Our audit report contains no modification in respect of this conclusion and the financial statements have appropriate disclosure relating to this matter.</p>

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Regularity issues identified during the audit

Issue	Response
<p>Since the Wales Audit Office Board came fully into effect in 2014, expenses incurred by and on behalf of the Chair of the Board have been funded through the WAO's Estimate from the Welsh Consolidated Fund.</p> <p>From April 2019, HMRC required that the tax liability on the Chair's expenses to be directly recovered through the payroll. The WAO does not administer the Chair's salary through payroll, the Commission itself does.</p>	<p>An agreement has been reached with the Assembly Commission to amend the payment process. The Chair's expenses are now directly charged on the Welsh Consolidated Fund, rather than being indirectly recovered through the Estimate. It has been agreed with the Assembly that the 2021 estimate will be reduced by the value of the Chair's expenses, approximately £5,000, as part of the year end outturn. No adjusting corrections are needed in respect of previous years because there is no consequential misstatement in any accounts.</p>
<p>An internal audit report on financial controls identified that one item within the sample of 25 purchase orders was not correctly authorised by the budget holder. We have considered the impact of this on our regularity audit.</p>	<p>The purchase order system providers to Wales Audit Office were able to match all purchase orders to identify a total of 6 purchase orders totalling approximately £36,000 which were not sent to the budget holder for their approval. Retrospective approval was sought and obtained for all of these items. We do not believe this incident to have any impact on our regularity opinion, on the basis that the issue arose from unforeseen network performance issues with the server which have since been rectified, and these items were followed up when identified and subsequently approved. Managements have resolved that going forward, reports are ran on a monthly basis to match purchase orders to their subsequent approval to confirm no items remain unapproved.</p>
<p>We have noted that a lift maintenance contract was entered into during the period. However, on inspection of the retained procurement documentation, we have noted that two quotes were not sought for this contract in line with the procurement policy. When a purchase invoice was received for the service, it has been matched to an existing PO and subsequently approved.</p>	<p>This is not in line with the procurement policy. The amount is not considered material (at approximately £3,000) and all other items in our sample had sought the appropriate number of quotes. We have included a control deficiency in respect of this item below.</p>

Recommendations on controls

We have set out below recommendations on internal controls which came to our attention during the course of our audit work. This does not constitute a comprehensive statement of all internal control matters or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed. An audit is not designed to identify all matters that may be relevant to you and accordingly the audit does not ordinarily identify all such matters.

Assessment	Issue and risk	Recommendations
Tudalen y pecyn 96	<ul style="list-style-type: none"> ● Review of payroll 	<p>Recommendations</p> <ul style="list-style-type: none"> ● We have noted that variance analysis is prepared on monthly payroll costs, however this analysis does not contain a set variance that would require investigation and is instead up to the preparer to determine what constitutes a difference worth investigating. Additionally, while the ultimate payment of the payroll is subject to a review, there is no line by line documented review of the payroll, other than this variance analysis. <p>Management Response</p> <ul style="list-style-type: none"> ● Changes to payroll are processed and checked by the HR team prior to being sent to our external payroll providers for processing. The resulting payroll is subject to a check by the Finance team prior to being approved for payment. Any unexpected month on month variances are checked back to source documents to ensure appropriate approvals are in place. Going forward we will formalise this to ensure that all variances of more than 2% are checked and documented.
	<ul style="list-style-type: none"> ● Procurement 	<p>Recommendations</p> <ul style="list-style-type: none"> ● As part of our regularity work, we have noted that one item in our procurement sample did not obtain the required number of quotes. We understand that there had been a change in the staff responsible for obtaining these quotes and managing the process. We would recommend that staff training in this area is revisited, and that there is a periodic review of the contracts schedule to ensure the correct number of quotes were sought, with supporting evidenced retained. <p>Management Response</p> <ul style="list-style-type: none"> ● Further training is planned for the team in relation to purchase orders and contracts. We will be further developing our contract management arrangements to automate review of the schedule for timely reminders and procurement. Work will also include periodic review of arrangements for compliance.

Assessment

- Significant control recommendation
- Other control recommendations

Going concern

We have reviewed the budget prepared. Based on our analysis we believe the company is a going concern and the financial statements have been prepared on this basis.

Significant difficulties encountered during the audit

No significant difficulties have been encountered during the audit. We would like to thank Steven O'Donoghue, Nicola Evans and the rest of the finance team for their hard work and cooperation during the audit.

Representations Requested

In addition to those representation which we request on all audit assignments (<http://www.rsmuk.com/standard-representations>) we will be seeking no specific representations from the Board.

Accounting estimates

As part of our audit, we review the significant accounting estimates contained within the financial statements of the WAO. We note the following:

Costs to complete/work in progress

Our work indicates that the historical estimates of costs to complete are materially accurate, and that estimates made by the Resource Managers are an appropriate basis to determine percentage completion.

Dilapidations provision

These continue to be derived using latest available third-party surveyor reports, and there is no evidence that these are not an appropriate source of evidence to derive such provisions. Previous surveyor reports provided have not identified any significant issues that would necessitate a material increase in the value of the reported provision.

Management judgements and accounting estimates

The following areas are considered to be the principal areas of management judgement or accounting estimates. The graphic below visually represents the impact (lower or higher) on the financial statements of a change in management's estimate. In overview, a reasonably possible change in estimate that has a low impact means that such a change will have limited impact on the financial statements. Conversely a reasonably possible change that has a higher impact, means that such a change can have a significant impact.

Judgments and estimates

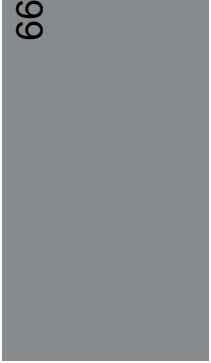
	Low impact		High impact
Provision for bad debts	●		
Revenue recognition – stage of completion			●
Dilapidations provision		●	
Senior team restructuring	●		

Update on matters communicated at the planning stage

Matter communicated	Update
Fees	We confirm that the fees charged during the year in respect of services performed are consistent with those contained within our Audit Plan submitted to you
Independence	In accordance with International Standard on Auditing (UK) 260 “Communication with those charged with governance”, there are no changes to the details of relationships between RSM UK Audit LLP and its related entities and Wales Audit Office and its related entities and directors that may reasonably be thought to bear on RSM UK Audit LLP’s independence and the objectivity of the audit principal, Jonathan Da Costa and the audit staff and the related safeguards from those disclosed in the Audit Plan

This report has been prepared for the sole use of Wales Audit Office and must not be disclosed to any third party, or quoted or referred to, without our written consent. No responsibility is assumed to any other person in respect of this report.

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Adjusted and unadjusted statements and disclosures

Accounting misstatements

A summary of the unadjusted/adjusted errors identified during the course of our work is set out below, analysed between errors of fact and differences in judgement. Our level of triviality was set at £23,000.

Adjustment	Type of adjustment	Financial statements area	Value £'000	Description
1 Tudalen y pecyn 100	Adjusted	Accrued income	21	Adjustment to correct prior year charge out rates used in costs to complete assessments
	Adjusted	Audit fee income	(21)	Adjustment to correct prior year charge out rates used in costs to complete assessments
	Unadjusted - judgemental	Accrued income	26	Being judgemental element added to costs to complete assessments for COVID-19 impact
	Unadjusted - judgemental	Deferred income	29	Being judgemental element added to costs to complete assessments for COVID-19 impact
	Unadjusted - judgemental	Audit fee income	(55)	Being judgemental element added to costs to complete assessments for COVID-19 impact

We have identified no unadjusted disclosure misstatements.

Communication of audit matters to those charged with governance

Our communication plan

	Audit plan	Audit findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing, materiality and expected general content of communications including significant risks and key audit matters	●	
Confirmation of independence and objectivity	●	●
Significant matters in relation to going concern (if any)		●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issues arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit (if any)		●
Unadjusted misstatements and material disclosure omissions		●
Expected modifications to the auditor's report, or emphasis of matter		●

ISA (UK) 260, as well as other ISAs (UK), prescribes matters which we are required to communicate with those charged with governance, and which we set out in the table here.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while the Audit Findings presents key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Financial reporting updates

Important updates

A full list of financial reporting updates can be found by clicking the link below:



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Tudalen y pecyn 103

Our Report is prepared solely for the confidential use of Wales Audit Office and the National Assembly for Wales Commission and solely for the purpose of explaining the scope of the audit, our proposed audit approach, and to highlight the key risks that we will be focusing our audit work upon, forming part of the ongoing communications we are required to make under International Standard on Auditing (UK and Ireland) 260 – Communication of audit matters with those charged with governance. Therefore, the report may not, without our express written permission, be relied upon by Wales Audit Office or the National Assembly for Wales Commission for any other purpose whatsoever, be referred to in whole or in part in any other external document or made available (in whole or in part) or communicated to any other party. RSM UK Audit LLP neither owes nor accepts any duty to any other party who may receive our Report and specifically disclaims any liability for any loss, damage or expense of whatsoever nature, which is caused by their reliance on our Report.

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Eitem 8

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

CAW205 Audit Wales

Consultation on the Curriculum and Assessment (Wales) Bill

Evidence submitted to the [Children, Young People and Education Committee](#) for Stage 1 scrutiny of the Curriculum and Assessment (Wales) Bill.

About you

Organisation: Audit Wales

1. The Bill's general principles

1.1 Do you support the principles of the [Curriculum and Assessment \(Wales\) Bill](#)?

Don't have a view

1.2 Please outline your reasons for your answer to question 1.1

(we would be grateful if you could keep your answer to around 1500 words)

We consider that it is currently difficult to assess the need for, or the value for money of, the Bill because the Explanatory Memorandum does not consider whether the Government's aims could be met by any other route or reform. The explanatory note considers two options: do nothing and continue with the current arrangements or implement the Government's proposals in the Bill. Without consideration of any other option for achieving all or some of the Government's stated aims for education reform, we cannot assess whether the proposals are likely to provide value for money.

We believe that understanding the financial implications of the Bill requires a fuller understanding of the cost of curriculum and assessment reform (including opportunity costs) than can be gained from the Explanatory Memorandum.

1.3 Do you think there is a need for legislation to deliver what this Bill is trying to achieve?

(we would be grateful if you could keep your answer to around 500 words)

-

2. The Bill's implementation

2.1 Do you have any comments about any potential barriers to implementing the Bill? If no, go to question 3.1

(we would be grateful if you could keep your answer to around 500 words)

Yes. Based on our reading of the Bill and Explanatory Memorandum and drawing on other audit work, early scoping work for auditing curriculum reform and some wider analysis, we have identified several potential barriers to implementing the Bill:

Availability of primary and secondary Welsh language teachers:

WG proposes to make significant changes to the teaching of Welsh with the aim that all learners will have a level of proficiency by the end of compulsory education. This will help to deliver its goals for its Cymraeg 2050 strategy. WG accepts that achieving these goals requires a lasting increase in the number of teachers able to teach Welsh and teachers able to teach other areas of the curriculum through the medium of Welsh.

The Cymraeg 2050 2017-21 work programme included targets to increase the number of people secondary and primary teachers for the Welsh medium sector. The Welsh Government has introduced incentives to train in Welsh-medium and a sabbatical scheme for teachers to improve their Welsh language skills. However, to date the number of applicants for both types of training has not increased sufficiently.

Availability of staff to cover teachers' absence for professional learning:

For 2020-21, the Explanatory Memorandum estimates that schools will incur direct costs of £10.76 million. This is the cost for supply teachers so that substantive staff can be released to do training and preparatory work related to the new curriculum. We estimate that this equates to 63,294 days of supply teachers or 325 full-time equivalent (FTE) supply teachers. This considerable requirement is in addition other demands for temporary staff in 2020-21:

- a. The 'Recruit, Recover, Raise standards' initiative to provide support for years 6, 7 11 and 13 whose education has been most disrupted by the coronavirus pandemic. WG believes that headteachers are best placed to decide how to provide staffing support but envisages that they will be drawn from the existing cohort of supply teachers, supply learning support workers as well as unemployed newly qualified teachers and youth workers;
- b. Cover required because staff are unable to work because of coronavirus or because they are self-isolating or shielding; and
- c. Schools' 'normal' requirements for supply teachers to cover sickness or other absence.

It is not clear to us whether there are enough supply teachers or learning supply workers available to meet the demand for cover related to the curriculum on top of other demands.

Pressure on budgets could restrict schools' ability to deliver the Welsh Government's ambitions for the curriculum:

Currently a sizeable proportion of head teachers and governors are reporting pressures on school budgets. In 2018-19 - the last year for which figures are currently available – 39% of secondary schools and 12% of primary schools had negative reserves. We note that innovation schools did not envisage savings from the new arrangements.

We therefore see a risk that schools already facing budget pressures may not be able to deliver arrangements that meet some of the requirements of the Bill without additional funding, especially as the cost of new requirements such as teaching skills development in modern foreign languages, computation and careers education in primary schools is unknown. The Committee considered this in its July 2019 report on school funding. The Welsh Government commissioned a review of school funding, led by Luke Sibieta, which is due to report later in 2020.

Staffing shortages in the Welsh Government:

The Committee has already questioned staffing gaps in within WG in relation to the curriculum reform programme. In January 2020, WG assured the Committee that key posts had been filled. Since then the WG's workforce has had to respond to significant

challenges from COVID-19. Key posts have been vacant for at least some of this period. Continued staffing shortages would risk the success of the programme.

2.2 Do you think the Bill takes account of these potential barriers?

(we would be grateful if you could keep your answer to around 500 words)

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3. Unintended consequences

3.1 Do you think there are there any unintended consequences arising from the Bill? If no, go to question 4.1

(we would be grateful if you could keep your answer to around 500 words)

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4. Financial implications

4.1 Do you have any comments on the financial implications of the Bill (as set out in Part 2 of the [Explanatory Memorandum](#))? If no, go to question 5.1

(we would be grateful if you could keep your answer to around 500 words)

More information is required to understand the full costs associated with the Bill

The Explanatory Memorandum acknowledges that it 'does not represent the costs and benefits of all the work being undertaken to support the new curriculum and assessment arrangements, or indeed the wider educational reforms, but only those that will arise from legislative requirements.' (It does, however, also identify sunk costs.)

In practice, it is not straightforward to separate costs and benefits that arise just from legislative requirements, as opposed to other aspects of the broader policy. For example, the WG excludes costs associated with changes to the teaching of Welsh as it considers these to be associated with Cymraeg 2050, the Government's Welsh language strategy.

In addition, other areas of likely cost attributable to the Bill are not identified because difficulty of estimation leads to large degrees of uncertainty. We believe that the summary tables in the Memorandum should show some amount for all reasonably likely

attributable costs (other than de minimis items) for transparency, even if the amount is only an indication of the expected order of magnitude. Where costs really cannot be estimated at all, we think that they should be explicitly identified within the summary tables as 'unknown'.

It is right that the Memorandum acknowledges the limitations and uncertainties of estimates, but not including any attempt at an estimate tends to distort the overall picture.

There is no allowance made for costs currently unknown:

In addition to costs it attributes to other policies, WG has not included costs for the period 2021-22 to 2030-31. In part we accept that it is difficult to know how individual schools will need to spend on new resources or training for example. But we believe that these omissions should be clearly recognised in the document so that reasonable allowance can be made for them.

A full reading of Explanatory Memorandum shows some areas where costs are currently unknown, for example:

- a. Resources to support the curriculum/assessment and Areas of Learning and Experience – Innovation schools stated that schools would need new materials and resources to support learners across the Areas of Learning and Experience. This is not known because it will depend on the choices of individual schools in designing their curriculum and their current position.
- b. Costs associated with new expectations for Welsh language - Experience from pioneer and innovation schools suggests there is additional work to accommodate the new expectations for teaching Welsh language. The cost is unknown, partly because it depends on each school's current Welsh language teaching and the language skills of existing staff. The Welsh Government has not included this cost because it believes this change is not directly attributable to curriculum reform (Para 8.292). We consider this should be included because the Bill is the legislative means of enabling this change and it is not included elsewhere.

Estimates of direct costs to schools seem likely to be under-estimated:

Estimates of direct costs to schools vary significantly. The Memorandum explains that they are based on data collected retrospectively from a small number of innovation schools, but it appears to us that the costs are likely to be underestimated because:

- a. Costs for schools that were not innovation or pioneer schools may be higher than for innovation schools because they have more work to do to reach the same state of readiness. Also, innovation schools had received additional funding over several years and so may have been more able to absorb costs than non-pioneer schools.
- b. Estimates of direct costs for schools do not allow for real-terms increases in the cost of supply teachers.

The Memorandum includes an assessment of opportunity costs. For schools, opportunity costs are based on estimates from innovation schools of the time spent by staff preparing for curriculum reform that the schools absorbed without external cover. In 2020-21 opportunity costs for schools are estimated at between £40.68 million and £122.04 million. We think that it is important to understand what this means in practice for schools in terms of the time they may need to absorb.

It appears to us that estimated opportunity costs mean that schools will be required to absorb almost 480,000 days of staff time in 2020-21 (estimates range from 239,294 to 717,882). There is a question of whether schools can absorb this amount of time without affecting the progress of current learners and/or staff, particularly in the light of the additional work that is planned to mitigate the impact of COVID-19 disruption on learners and the on-going additional learning needs transformation programme.

5. Powers to make subordinate legislation

5.1 Do you have any comments on the appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the [Explanatory Memorandum](#)). If no, go to question 6.1.

(we would be grateful if you could keep your answer to around 500 words)

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6. Other considerations

6.1 Do you have any other points you wish to raise about this Bill?

(we would be grateful if you could keep your answer to around 1000 words)

We provide more detail of our financial analysis of the bill in our email submission.

Mae cyfyngiadau ar y ddogfen hon