



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Cyfrifon Cyhoeddus **The Public Accounts Committee**

Dydd Mawrth, 21 Mai 2013
Tuesday, 21 May 2013

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir
trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are recorded in the language in which they were spoken in the committee. In
addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mohammad Asghar	Ceidwadwyr Cymreig Welsh Conservatives
Jocelyn Davies	Plaid Cymru The Party of Wales
Mike Hedges	Llafur Labour
Sandy Mewies	Llafur Labour
Darren Millar	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Julie Morgan	Llafur Labour
Jenny Rathbone	Llafur Labour

Eraill yn bresennol
Others in attendance

Huw Vaughan Thomas	Archwilydd Cyffredinol Cymru, Swyddfa Archwilio Cymru Auditor General for Wales, Wales Audit Office
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Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Dan Collier	Dirprwy Glerc Deputy Clerk
Joanest Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Tom Jackson	Clerc Clerk

Dechreuodd y cyfarfod am 9.00 a.m.
The meeting began at 9.00 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Darren Millar:** Good morning, everyone, and welcome to today's meeting of the Public Accounts Committee. I wish to remind everyone that, in the event of an emergency, we should follow the instructions of the ushers. The National Assembly for Wales is a bilingual institution, and people should feel free to contribute to this meeting in English or Welsh. Translation facilities are available, and the headsets can also be used for amplification purposes. I encourage everyone to switch off their mobile phones, BlackBerrys and pagers, as they can interfere with the broadcasting and sound equipment. We have not received any apologies this morning.

9.00 a.m.

Cyngor gan Archwilydd Cyffredinol Cymru ar Ymatebion Llywodraeth Cymru i Adroddiadau'r Pwyllgor Cyfrifon Cyhoeddus, 'Cyllid Iechyd' a 'Gwasanaethau Mamolaeth yng Nghymru'

Advice from the Auditor General for Wales on Welsh Government Responses to the Public Accounts Committee's Reports, 'Health Finances' and 'Maternity Services in Wales'

[2] **Darren Millar:** Members will have had an opportunity to look at the two responses that we have received, as well as the Auditor General for Wales's correspondence on these issues. The auditor general has noted that the Welsh Government's response to the health report has been largely positive. He recommends that we await an update from the Welsh Government in June before deciding whether to conduct any further work on this. Do you wish to add anything to the contents of your letter, auditor general, or do you wish to bring anything else to our attention?

[3] **Mr Thomas:** As you say, Chair, I suggest that we wait until June, which coincides with the end-of-year report that we will be publishing.

[4] **Darren Millar:** Therefore, if Members are happy, shall we wait for a further update in June, before progressing with this?

[5] **Jenny Rathbone:** Why does it take until 2015-16 to get a new formula for health finance?

[6] **Darren Millar:** When you say 'to get a new formula', what do you mean exactly?

[7] **Jenny Rathbone:** In its response to recommendation 1, the Welsh Government says that it will take until 2015-16 at the earliest. I am at a loss to understand why it will take until then.

[8] **Darren Millar:** I assume that it is because there will be winners and losers, and that it will want to smooth any transition. However, we can ask for information on that after June. The point that the auditor general makes in his letter is that the year-end processes will not have been completed until June, in terms of the external auditing on the accounts.

[9] **Jenny Rathbone:** Okay. That is something that we can explore further then.

[10] **Darren Millar:** Yes, we can explore that with the Government when it comes in for an oral evidence session. Therefore, if we are all content, we will wait until June before undertaking any further work on that.

[11] On the maternity services report, we have had, again, quite a positive response from the Welsh Government. However, the auditor general picked up on a few issues that he thought we might want to consider. He has suggested that we undertake an oral scrutiny session in the autumn term, to follow up those issues. Are there any other points that you wish to make, auditor general?

[12] **Mr Thomas:** As I note, there is also a cross-reference to the NHS consultant contract, which you are currently considering. Therefore, there are issues here that need further scrutiny, and I believe that the autumn would be right for doing that.

[13] **Darren Millar:** We will be mindful of the cross-reference when we look at the consultancy contract work that we are doing. However, if Members are content, we will ask the clerking team to arrange an oral evidence session in the autumn, as per the auditor

general's advice. I see that Members are agreed.

9.04 a.m.

Papurau i'w Nodi Papers to Note

[14] **Darren Millar:** Paper 5 is the response from the Welsh Government to an action point from the Public Accounts Committee on 18 April, on the management of consultancy services. We will take a look at that in some detail as we are progressing with that report. Do you wish to comment on this, auditor general?

[15] **Mr Thomas:** I wish to make one comment. On page 25 of your documents, there is an update on savings that have been made by the Managing for Less programme. It states that the savings achieved over three years amount to £25.8 million. We are still trying to pursue with the Welsh Government exactly how it arrived at that figure.

[16] **Darren Millar:** I thought that it was quite interesting that, in bullet point 6, the Government refers to the use of the self-assessment toolkit that you recommended in your report, but, essentially, it gives the impression that it is not minded to use it because it has already saved £7 million in the previous financial year, although that was based on a completely different set of figures. You have used £42 million-worth as a base for expenditure.

[17] **Mr Thomas:** That is right.

[18] **Darren Millar:** If you look at the difference between those two years, you will see that the Government has used £5.8 million from one year to the next, starting with a higher base of around £11 million in 2009-10, which seems slightly strange. Is there a reason? Is it only counting certain bits of expenditure?

[19] **Mr Thomas:** That is what we are trying to pursue in order to actually square up some of the figures. I think that it would be better, in that sense, if I tried to arrive at that position to advise you.

[20] **Darren Millar:** Yes. It is extraordinary.

[21] **Sandy Mewies:** May I ask who will be—*[Inaudible.]*—and will we have clarification of that as soon as it is available, so that we have a broad picture?

[22] **Darren Millar:** Yes. You will be able to drop us a note on that, auditor general.

[23] **Mr Thomas:** Yes.

[24] **Darren Millar:** If Members are content, we will therefore note those papers and move to the next item on the agenda.

9.06 a.m.

**Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod**
**Motion under Standing Order No. 17.42 to Resolve to Exclude the Public
from the Meeting**

[25] **Darren Millar:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42(vi).

[26] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 9.06 a.m.
The public part of the meeting ended at 9.06 a.m.*