

PWYLLGOR ARCHWILIO AC-07-00 (p.7)

Dyddiad: 19 Hydref 2000

Amser: 2.00pm

Lleoliad: Ystafell Bwyllgora 1, Adeilad y Cynylliad Cenedlaethol

Teitl: CABINET RESPONSE TO AUDIT COMMITTEE REPORT 00-05 - GENERAL REPORT OF THE AUDITOR GENERAL FOR WALES: FINANCIAL AUDIT OF 1998-99 ACCOUNTS

Dim copiau Cymraeg ar gael.

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General Report of the Auditor General for Wales: Financial Audit of 1998-99 Accounts

The Cabinet of the National Assembly's response to the recommendations of the Audit Committee, following the presentation of their report on 22 August 2000.

The Cabinet of the National Assembly is grateful for the report. We welcome the findings and offer the following response to the six recommendations in the Report.

Recommendation i.

We expect Assembly staff to take the necessary corrective action to ensure that the Welsh health authorities are consolidated successfully into the Assembly's 2000-2001 accounts.

In preparation for producing Assembly consolidated accounts for 2000-2001 the Assembly's officials are undertaking a consolidation exercise of Welsh health authority accounts for 1999-2000 which includes the 3 key issues of removal of inter authority transactions, adjusting asset values as necessary, and introduction of revised capital charges. We are working closely with the National Audit Office in this exercise.

Recommendation ii

We look to the Assembly's Finance staff to ensure that the Permanent Secretary's confidence in the robustness of the 1999-2000 resource accounts is not misplaced.

The Assembly is working with the National Audit Office to complete the 1999-2000 accounts. The production of the accounts has been delayed due to the one-off need to produce an account for the 3 month period to June 1999 for the transfer of assets and liabilities to the Assembly. Additional resources are being added to the accounts preparation team for the production of the 2000-2001 Assembly accounts.

Recommendation iii

We expect the Assembly to be a role model for its sponsored bodies in the adoption of best practice in information systems procurement.

Recommendation iv

We look to the project team tasked with implementing the new accounting system to provide accurate timely progress reports to senior management so that appropriate corrective action can be taken at the earliest opportunity if needed.

The Assembly utilises the PRINCE project management system for all significant IT procurements. This includes among many other requirements, that there is a project board chaired by a senior manager who is responsible to top management for both oversight and progress of the project. As well as formal project board meetings at specified project stages, regular "highlight" reports, either monthly or bi-monthly are produced by the Project Manager.

Additionally the recommendations of the Cabinet Office Report on Handling Major Government IT Projects, produced in response to the criticisms of both the NAO and PAC about a number of major project failures, have been formulated into a set of standard project control requirements which must be included in all project initiation documents for Assembly IT projects.

In the case of new accounting system project, the chair of the project board is the Principal Finance Officer, Mr David Richards; bi-monthly highlight reports are produced by the Project Manager and circulated to, among others, the National Audit Office because of their direct interest in the project; and a report on the project's progress is made to the Permanent Secretary at each Corporate Governance Committee meeting. It is a requirement for all significant Assembly information system procurements that the Central Computer and Telecommunications Agency, (now part of the Office of Government Commerce) to be

involved in providing advice and support.

Recommendation v

We urge all parties in the ongoing prescription pricing negotiations to rapidly reach a settlement that is regular, fair and equitable both to pharmacists and the taxpayer; and

Assembly officials are engaged in complex negotiations with the pharmaceutical profession with the aim of reaching an outcome which meets these requirements.

Recommendation vi

We recommend that issues of corporate governance are given due prominence in the Assembly's Annual Report, and urge the Permanent Secretary to provide Assembly Members with an annual summary of the work of his Corporate Governance Committee.

Corporate Governance is covered in the Assembly's Annual Report. For the future an annual summary of the work of the Corporate Governance Committee will be published on the Assembly's intranet.