



Darren Millar  
Chair of Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
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26 September 2014

Dear Darren

Following our appearance at your Committee on 23 September, I am writing with the additional information we discussed. The information is set out in the attached annexes.

As I mentioned at Tuesday's session, the Commission's approach is always to try to operate with openness, transparency and clarity. So if there is anything else that we can provide you with to help your Committee, please do not hesitate to let me know.

Yours sincerely

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**Prif Weithredwr a Chlerc/Chief Executive and Clerk**  
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cc Peter Black, Nicola Callow

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

## **Assembly Commission: Additional information following 23 September 2014 appearance at Public Accounts Committee**

### **1. Provide an outline of the action taken following the fraud incident**

Our actions were determined by the need to provide assurance on three points, that:

1. we responded appropriately to the incident;
2. the incident was an isolated one for the Commission; and
3. we changed processes to further mitigate the risk of such incidents in the future.

At the June and July 2014 meetings of the Commission's Audit and Risk Assurance Committee, our approach and evidence in support of the additional assurance work undertaken were confirmed by Committee members and the Wales Audit Office to be satisfactory.

In responding to the incident, we followed our fraud response plan, ensuring that key individuals were immediately alerted to the situation. This included Claire Clancy as Accounting Officer and Chief Executive for the Assembly, the Head of Internal Audit, Director of Finance, Head of Security and South Wales Police. In the days immediately following the incident coming to light, we also contacted the bank, filed the Action Fraud report, provided statements to the Police and informed the Wales Audit Office.

To provide appropriate assurance that this incident was an isolated occurrence within the Commission, we sought third party confirmation for all changes where this type of fraud could have occurred. This involved 2800 active records and 546 actual changes needing verification. Through this verification, we covered 96% of the value of all payments made during the year. WAO reviewed this work and confirmed their view that this was an isolated incident at the July 2014 Audit Committee meeting.

Additional checks have been put into place which provide third party evidence to support changes to standing data and the whole process has been reviewed with additional controls identified and implemented. We have balanced our approach with the need to deliver a timely payment service so we are implementing a tiered approach depending on the type of standing data being changed and the level of payments anticipated over a 12 month period. We also shared information with other bodies – principally WAO and WG to help ensure others do not become victims of the fraud; we alerted our

staff through intranet messages; we changed documents and handling processes; and we updated the fraud response plan to make it easier to use.

## 2. Provide further details of the HR Payroll project slippage

The HR payroll project is split into 2 phases. Phase 1 replaced the functionality provided by the two existing separate systems for payroll and HR. Phase 1 had two key delivery milestones - August 2013 and March 2014. The first milestone was delivered in November 2013 following a 3 month delay arising from protracted legal negotiations and other issues relating to data migration, project management concerns and the impact of connectivity and licensing issues. The second milestone, albeit with some back office workarounds and excluding bilingual functionality, was delivered by 31 March 2014.

Due to the issues raised during Phase 1, Phase 2 will not progress until the Investment and Resourcing Board is satisfied that the Phase 1 issues have been satisfactorily addressed. As I mentioned at the Committee, I have met with the Directors of Northgate, the contractor supplying the new system, and I am satisfied that they have acknowledged of the issues, and accepted that responsibility lies with them as the contractor. They understand that the release of the bilingual capability in future system patches and upgrades is of paramount importance to us. Our latest project plan reflects these negotiations and we are now expecting bilingual capabilities to be available next summer.

During this whole period, the Investment Resourcing Board and the project's own board have been kept regularly appraised of project progress. In addition, the Commission's Audit and Assurance Committee has also had updates at the majority of its meetings from November 2012 to the most recent meeting in July 2014. Additional external assurance has also been obtained to: ensure all the issues have been identified; validate the actions in place to resolve these issues; and to ensure lessons learned are explicitly stated, transparent and shared across the organisation.

3. Agreed to send an extract depicting the gender balance by grade from the Annual Equality Report 2013-14

The 2013- 14 Annual Equality Report can be found at:

[http://www.assemblywales.org/en/abthome/about\\_us-commission\\_assembly\\_administration/equalities/Pages/equalities.aspx](http://www.assemblywales.org/en/abthome/about_us-commission_assembly_administration/equalities/Pages/equalities.aspx)

The following extract gives the data on gender balance:

**Table 10: Sex Profile of Workforce Disclosure Rate; 100%**

| Grade       | Total staff | Women  |      | Men    |      | % Split 2013-14 | % Split 2012-2013 |
|-------------|-------------|--------|------|--------|------|-----------------|-------------------|
|             | number      | number | %    | number | %    | women / men     | women / men       |
| Apprentices | 6           | 4      | 66.7 | 2      | 33.3 | 67/33           | ---               |
| TS          | 127         | 47     | 37.0 | 80     | 63.0 | 37/63           | 32/68             |
| M3          | 68          | 35     | 51.5 | 33     | 48.5 | 52/48           | 46/54             |
| M2          | 96          | 70     | 72.9 | 26     | 27.1 | 73/27           | 68/32             |
| M1          | 50          | 27     | 54.0 | 23     | 46.0 | 54/46           | 67/33             |
| E2          | 44          | 21     | 47.7 | 23     | 52.3 | 48/52           | 47/53             |
| E1          | 12          | 7      | 58.3 | 5      | 41.7 | 58/42           | 64/36             |
| Senior      | 4           | 2      | 50.0 | 2      | 50.0 | 50/50           | 50/50             |
| Total       | 407         | 213    | 52.3 | 194    | 47.7 | 52/48           | 51/49             |

Source: HR/Payroll IT System

Note: comparative data for 2012-2013 did not include Apprentices

The Assembly Commission has always been committed to being an employer of choice and offering a range of supportive staff policies. We strive to be a top employer for women through the benefits and opportunities that we offer our staff. We are proud to have been recognised by Working Families as one the Top Employers for Working Families in the UK and we have been listed in The Times Top 50 Employers for Women.

Where we have identified a gender imbalance, such as the lower number of women in the Security Team, we have explicitly stated in job adverts that we welcome and invite applications from women. The advert stated “We encourage applications from all sections of the community, in particular women as women are currently under represented within the existing Security team.” From this we have three new female security officers starting shortly. Although we have increased the number of women in the Security

Team, progress is gradual. I have attached more information in Annex A, outlining the range of support we offer to all employees.

4. Provide detailed information on ICT costs for 2013-14 including normal running costs and expenditure incurred with the project to bring ICT provision in-house

In December 2012, the Commission took the decision to exit from the shared arrangements with Welsh Government, which had seen Atos delivering ICT services to both organisations.

The transition project started in the last quarter 2012-13 with an 18 month time period and £1.9m budget to deliver an improved ICT service under the direct control of the Commission and a service designed around the needs of the Assembly. The commitment to deliver a flexible and prompt response to new or changing requirements for the same operational budget has been achieved. The transition has also released circa 10% of the costs for an ICT development and investment fund ensuring the future ICT strategy has vital funds available.

Specifically the transition project delivered 3 months early, utilised 58% of its budget and is successfully delivering the Commission's ICT service. The project involved significant legal and commercial issues, contract negotiations, addressed TUPE transfer arrangements and established a new in-house ICT team. Of particular note is the role of project management throughout the project which enabled the close monitoring of the budget and released funds in stages back to the Commission for reallocation as early as possible.

From the 2013-14 total operational costs of £4.2m, (split between staff £590k and operational costs £3.6m), a new staff structure has been established with 5 distinct teams looking after Infrastructure; Applications Development; Service Management; Projects and Broadcasting. This has changed the cost structure of the service.

Whilst our staff numbers have increased by 41 with a corresponding increase in staff costs of £900k to deliver the ICT expertise, the operational costs have significantly reduced by £1.3m (36%) not only to meet this staff cost but also to release sufficient funding from previously fixed contract costs to invest in the future service.

Licence and maintenance costs increased in 2013-14 as we took ownership from Atos and put new arrangements in place to fill gaps and renew lapses we discovered in handover. This also includes new field engineer support which was previously contracted out to Atos.

The majority of the revenue and consumable costs in 2013-14 are associated with additional improvements to the infrastructure we inherited from Atos and includes expenditure on repairs and replacement for IT kit such as

monitors, laptops, desktops, network cabling, printers, mobile devices and associated accessories. This essentially accelerated some of the development plans we had for 2014-15 and enabled us to deliver ahead of the schedule.

The move to bring ICT service in-house is a good example of how the Commission uses its resources wisely. As a result, 2014-15 will see over 10% of the operational budget (£440k) available for investment in the ICT strategy with a further increase in investment expected in 2015-16.

| £000s                          | 2012-13<br>Operating | 2013-14<br>Operating | 2014-15<br>Operating |
|--------------------------------|----------------------|----------------------|----------------------|
| ICT contracted out services    | 2,191                | 2,225                | 550                  |
| Broadcasting                   | 475                  | 450                  | 536                  |
| Telephony                      | 385                  | 265                  | 300                  |
| Licenses and maintenance costs | 360                  | 520                  | 680                  |
| Website                        | 122                  | 100                  | 88                   |
| Revenue and Consumables        | 90                   | 40                   | 146                  |
| <b>Total</b>                   | <b>3,623</b>         | <b>3,600</b>         | <b>2,300</b>         |
| Staff                          | 570                  | 590                  | 1,450                |
| <b>Grand total</b>             | <b>4,193</b>         | <b>4,190</b>         | <b>3,720</b>         |
| % change from previous year    |                      | 0%                   | 11%                  |
| ICT Investment fund            |                      |                      | 440*                 |
| ICT Transition Project         | 100                  | 753                  | 230                  |
|                                |                      |                      |                      |

\*Funded from 11% savings in operational costs. This is expected to increase by a further £350k in 2015-16.

5. Provide an outline of the energy efficiency ratings of Ty Hywel and the Senedd

Energy ratings tell you how efficiently energy has been used in the building. The numbers represent comparative energy efficiency. The ratings range from A to G with G being the least efficient. Our building ratings will be measured again in December 2014. The last rating information is:

- a) Ty Hywel – E or 117 (100 would be typical for the building)
- b) Senedd – C or 56 (100 would be typical for the building)

In response to the other queries raised by Jenny Rathbone AM, we have previously investigated the feasibility of linking Ty Hywel to the Senedd's rainwater collection systems. With the need for extensive pipework and the

need to pump any harvested rainwater to 5<sup>th</sup> floor plant room, this is currently not feasible. We will obviously keep this under review.

The varying levels of usage of woodchip fuel for the biomass boiler in 2013-14 compared with 2012 -13 is explained by the recent milder winter. We would also be very happy to share the available data for efficiency of the biomass boilers as well as the ground source heat pumps with academics in these fields. We will provide contact information to facilitate this.

### Gender profile of our workforce

#### Flexible working options

One of our greatest successes and continuing priorities is the range of flexible working options that we provide to our staff to enable them to balance work-life commitments. We always strive for best practice and consider our policies to be an exemplar to other organisations. We have increased opportunities for women to work flexibly (including working from home) through an investment in IT support. Options available:

- flexible working hours
- term-time working
- part-time working
- annualised hours
- compressed hours
- reduced hours and
- working from home

We have an incredibly family-friendly working culture with 18.8% of our female staff formally working part-time and many more working reduced hours, working from home on occasion and taking advantage of our flexible working arrangements.

#### Family / carer policies

We also provide excellent support for women who have parent and carer responsibilities, including:

- generous maternity leave (26 weeks full pay, plus 13 weeks statutory) we offer paid Keep in Touch days for women on maternity leave;
- co-parental / paternity leave (3 weeks full pay including paid leave to attend ante-natal classes);
- paid special leave for domestic or caring emergencies;
- childcare vouchers;
- reserved spaces at local nurseries; and
- parental leave.



## **Staff networks**

We have active staff networks (including a women's network and parent and carer network) to provide additional pastoral support to staff, to promote equality and an inclusive working environment and to influence the strategic and operational direction of the organisation.

## **Learning and Development**

- we offer and promote a Women into Leadership course to staff;
- all staff have access to our Management Development Programme;
- a well-resourced secondment strategy is in place for all staff to facilitate internal and external secondment opportunities. Many women have undertaken secondments as part of their personal development;
- we have a coaching strategy which supports women looking for career development. New members of management board have had the advantage of external coaches to support their development; and
- in addition, we have a number of senior managers who act as mentors and role-models for women in the organisation.