Background

In March 2015 the Public Accounts Committee published its report following its Scrutiny of Accounts 2013-14. The following recommendations related to the Public Services Ombudsman for Wales.

Recommendation 3. The Committee recommends that efforts to achieve efficiencies and greater productivity through collaboration, including integration of back-office functions, continue between the Commissioners and the Ombudsman, and that this be reported on in their 2014-15 annual reports and accounts. (Page 26 of the report)

Recommendation 5. The Commissioners and Ombudsman should publish clear information on the responsibilities they have delegated to their staff. (Page 34 of the report)

Recommendation 6. The Finance Committee should consider the relationship between the Public Services Ombudsman for Wales's Audit and Risk Committee, his advisory panel, and the National Assembly for Wales and whether arrangements should be formalised. (Page 38 of the report)

Recommendation 9. The Committee encourages organisations funded by public money to consider how they present information to ensure that it is readily understandable for the public, and that shows the organisation’s priorities and the level of resource committed to those priorities. (Page 47 of the report)

An update is provided below on work done with regards to each recommendation.

Recommendation 3. The Committee recommends that efforts to achieve efficiencies and greater productivity through collaboration, including integration of back-office functions, continue between the Commissioners and the Ombudsman, and that this be reported on in their 2014-15 annual reports and accounts.
In response, the Ombudsman, Children’s Commissioner and Older People’s Commissioner wrote to the Chair of the Public Accounts Committee on 28 April 2015. A copy of that letter is attached as Appendix A. The letter identified a number of areas in which the Commissioners and Ombudsman would work together. An update on each area is included below:

**Develop a single Memorandum of Understanding (MOU) between the organisations**

A single MOU was agreed and signed by the Ombudsman, Older People’s Commissioner, Children’s Commissioner, Welsh Language Commissioner and Future Generations Commissioner in 2016. This is in use and is to be reviewed later this year.

The MOU facilitates discussion of matters relevant to more than one of the signatories.

**Share knowledge, skills and experience between Accounting Officers and meet regularly to discuss work programmes and identify opportunities for joint working**

There are periodic meetings of the Ombudsman and Commissioner office holders and Directors. This allows knowledge and skills to be shared and the scope for joint working to be discussed.

The MOU formalises the arrangements for sharing work programmes and considering the scope for joint working.

The Ombudsman’s Financial Accountant and the Chair of the Audit & Risk Assurance Committee attend the regular update briefings for public bodies in Wales.

**Consolidate staff learning and development programmes**

Appropriate staff from each organisation met to discuss training and development plans, and agreed to share information on externally provided training, helping each to find appropriate external training providers and offering to share internally hosted training where appropriate.

The Wales Audit Office has also offered to include the Ombudsman’s trainee accountant in some of their training and development opportunities for graduate trainees.

A joint update workshop involving Deloitte LLP, the Ombudsman, Future Generations Commissioner, Older People’s Commissioner and Children’s Commissioner was held in 2017 to share knowledge and learning on topical issues of cyber security, GDPR and risk assurance. A further joint sector update workshop is being planned for autumn 2018.

**Work together to review existing Strategic Equality Plans and develop the approach to new equality plans and associated actions**
Staff from the various organisations met to consider the best approach to ensuring continuing progress on equality objectives. It was agreed that equality objectives should be incorporated into normal business planning. The Ombudsman and Commissioners shared information on their respective equality objectives. It was also agreed in principle that sharing of anonymised data, relevant to equality issues, between the organisations would be helpful.

Explore the potential for the procurement of a common internal audit service provider.

The Older People’s Commissioner, Children’s Commissioner and Ombudsman completed a collaborative procurement process and a single internal audit provider has been identified as preferred supplier. The new supplier commenced provision of services under the new contract from April 2016. Details of this arrangement were subsequently shared with the new Future Generations Commissioner who appointed the same internal auditors.

Other areas of collaboration

To support the establishment of the office of the Future Generations Commissioner and benefit from economies of scale, the Ombudsman’s staff provide payroll services to the Future Generations Commissioner on a collaborative basis.

Recommendation 5. The Commissioners and Ombudsman should publish clear information on the responsibilities they have delegated to their staff.

The Ombudsman remains Accounting Officer and has not delegated this responsibility (except to cover, where necessary, during his absence).

The Ombudsman’s staff have delegated authority to make casework decisions. Financial/administrative activities are covered by documented delegations to staff at levels appropriate to the activity. These are included within the Ombudsman’s Financial Policies which are reviewed by the Audit & Risk Assurance Committee and published (in edited form).

Recommendation 6. The Finance Committee should consider the relationship between the Public Services Ombudsman for Wales’s Audit and Risk Committee,
his advisory panel, and the National Assembly for Wales and whether arrangements should be formalised.

The Terms of Reference for the Advisory Panel and the Audit & Risk Assurance Committee, and the relationship between them, have been reviewed. The Audit & Risk Assurance Committee Terms of Reference reflect the advice and examples provided in HM Treasury Audit & Risk Assurance Committee Handbook. The Committee undertakes an annual review using the National Audit Office checklist. Governance arrangements, including Audit & Risk Assurance arrangements, are included in the scope of the annual external audit.

Whilst the Ombudsman continues to attend meetings of the Advisory Panel and the Audit & Risk Assurance Committee, he no longer chairs the Panel and is no longer a member of the Committee. This makes clear the independence of both as sources of scrutiny, challenge and advice to the Ombudsman.

Membership of the Advisory Panel and the Audit & Risk Assurance Committee has also been strengthened and, although each retains its separate purpose and terms of reference, the membership of both is identical. Both are chaired by an (external) member of the Committee / Panel. The current Chair of both is Jonathan Morgan, former Chair of the National Assembly for Wales Public Accounts Committee.

Recommendation 9. The Committee encourages organisations funded by public money to consider how they present information to ensure that it is readily understandable for the public, and that shows the organisation’s priorities and the level of resource committed to those priorities.

The Ombudsman developed and published a single combined Annual Report & Accounts document for the first time for the 2016/17 year. The same approach has been adopted for 2017/18. The Report includes graphics to promote easy assimilation of the information. An Executive Summary document was also produced for 2016/17, again including graphics and informative high-level data. (The Executive Summary for 2017/18 is currently being finalised.)

The Annual Report and Accounts include analysis of operating costs by strategic aims, showing the amount of money, and the proportion of the budget, applied to each of the Ombudsman’s four strategic aims.
Appendix A

Darren Millar AM
Chair Public Accounts Committee
National Assembly for Wales
Cardiff Bay

28 April 2015

Dear Chair

We are writing in response to the report of the National Assembly’s Public Accounts Committee, published in March 2015.

We welcome the report and will be making reference to it within the Governance Statements that appear as part of our individual Annual Accounts for 2014-15, highlighting that we will take on board the relevant recommendations and that joint action is already in hand to work further towards meeting them during 2015-16.

We have already identified the following potential areas of potential collaboration for 2015-16:

- Review and update the existing Memorandum(s) of Understanding between the organisations and put in place one joint agreement.

- Accounting Officers will continue to meet regularly to share planned work programmes, identify opportunities for joint working and sharing of knowledge, skills and experience.

- To consolidate our staff learning and development programmes to achieve better value for money in securing externally delivered training and in sharing knowledge, skills and experience across the organisations for internally delivered training.

- To work together on the required review of our existing Strategic Equality plans as we all work towards revision and the requirement to have new plans ready for publication by April 2016.

- To explore the potential for the procurement of a common internal audit service provider to maximise potential for benchmarking across similar type organisations within Wales.

As the report acknowledged there is little to be saved financially from sharing ‘back office’ functions. Our finance, ICT and HR staff who enable the delivery of our objectives, do already work collaboratively, when appropriate, through a shared network with Welsh Government Sponsored Bodies and will continue to do so alongside Wales Audit Office, National Procurement Service and others. We will however look to identify opportunities to work towards any pooled arrangement for sharing knowledge, skills and experience, and there may be other smaller public bodies who would be interested in joining with us.
Independence is a defining feature of any rights based organisation and is viewed by others as a source of legitimacy and authority. It is therefore welcomed that the Committee noted the strong governance argument in favour of a more consistent approach to funding Commissioners that in our view could only strengthen existing accountability arrangements.

We are aware that Meri Huws has already provided you with a written response to the report but the Welsh Language Commissioner will be working with us on the joint action noted above. We trust that this initial response meets with your expectations and we will provide you with an update on progress during 2015-16.

Yours sincerely,

Older People’s Commissioner for Wales

Public Services Ombudsman for Wales

Children’s Commissioner for Wales

cc Welsh Language Commissioner for Wales