

Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad:

Ystafell Bwyllgora 4 – Ty Hywel

Dyddiad:

Dydd Mawrth, 18 Mawrth 2014

Amser:

09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



I gael rhagor o wybodaeth, cysylltwch â:

Fay Buckle

Clerc y Pwyllgor

029 2089 8041

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Agenda

1 Cyflwyniadau, ymddiheuriadau a dirprwyon (09:00)

2 Papurau i'w nodi (09:00) (Tudalennau 1 – 4)

Trefniadau Cyflenwi ar gyfer Absenoldeb Athrawon: Llythyr gan Owen Evans (28 Chwefror 2014) (Tudalennau 5 – 7)

Cyflog Uwch Reolwyr: Llythyr gan Archwilydd Cyffredinol Cymru (5 Mawrth 2014)
(Tudalennau 8 – 10)

Rheoli Grantiau yng Nghymru: Llythyr gan yr Ysgrifennydd Parhaol, Llywodraeth Cymru (3 Mawrth 2014) (Tudalennau 11 – 22)

3 Sesiwn ymadawol: Cyfarwyddwr Cyffredinol, Iechyd, Gwasanaethau

Cymdeithasol a Phlant, Llywodraeth Cymru (09:00–10:15) (Tudalennau 23 – 38)

David Sissling – Cyfarwyddwr Cyffredinol, Iechyd a Gwasanaethau Cymdeithasol/Prif Weithredwr, GIG Cymru

Briff ymchwil

4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y canlynol: (10:15)

Eitem 5

5 Gofal heb ei drefnu: Trafod yr adroddiad drafft (10:45–11:00)

(Tudalennau 39 – 88)

PAC(4)-08-14 Papur 1

Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad: Ystafell Bwyllgora 4 – Ty Hywel

Dyddiad: Dydd Iau, 6 Mawrth 2014

Amser: 09.30 – 13.00

Gellir gwyllo'r cyfarfod ar Senedd TV yn:

http://www.senedd.tv/archiveplayer.jsf?v=en_500000_06_03_2014&t=0&l=en

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Cofnodion Cryno:

Aelodau'r Cynulliad:

Darren Millar (Cadeirydd)
Mike Hedges
Alun Ffred Jones
Julie Morgan
Gwyn R Price
Jenny Rathbone
Aled Roberts

Tystion:

Huw Vaughan Thomas, Archwilydd Cyffredinol Cymru,
Swyddfa Archwilio Cymru
Robert Oxley, Cynghrair y Trethdalwyr

Staff y Pwyllgor:

Fay Buckle (Clerc)
Meriel Singleton (Ail Clerc)
Claire Griffiths (Dirprwy Clerc)
Matthew Richards (Cynghorydd Cyfreithiol)

TRAWSGRIFIAD

Gweld [trawsgrifiad o'r cyfarfod](#).

- 1.1 Croesawodd y Cadeirydd yr Aelodau i'r Pwyllgor.
- 1.2 Cafwyd ymddiheuriadau gan Sandy Mewies. Roedd Gwyn Price yn dirprwyo ar ei rhan.

2 Papurau i'w nodi

2.1 Nodwyd y papurau.

2.1 Cyflog Uwch-reolwyr: Gwybodaeth ychwanegol gan Gymdeithas Llywodraeth Leol Cymru

2.2 Cyflog Uwch-reolwyr: Llythyr gan yr Ysgrifennydd Parhaol, Llywodraeth Cymru (21 Chwefror 2014)

2.3 Cyflog Uwch-reolwyr: Llythyr gan David Sissling (26 Chwefror 2014)

2.4 Gofal heb ei drefnu: Llythyr gan Ymddiriedolaeth GIG Gwasanaethau Ambiwllans Cymru (12 Chwefror 2014)

2.5 Arlwyo a Maeth Cleifion mewn Ysbytai: Llythyr gan yr Athro Jean White (19 Chwefror 2014)

3 Fframwaith Cenedlaethol ar gyfer Gofal Iechyd Parhaus y GIG: Trafod yr ymateb gan Lywodraeth Cymru

3.1 Trafododd y Pwyllgor ymateb Llywodraeth Cymru i adroddiad y Pwyllgor ar Weithredu'r Fframwaith Cenedlaethol ar gyfer Gofal Iechyd Parhaus y GIG a'i nodi.

3.2 Cytunodd y Pwyllgor y dylai'r Cadeirydd ysgrifennu at y Gweinidog Iechyd a Gwasanaethau Cymdeithasol i ofyn am eglurhad ar nifer o faterion.

3.3 Nododd y Pwyllgor fod Swyddfa Archwilio Cymru wedi cynnig paratoi memorandwm ar y cynnydd a wnaed o ran lleihau'r diffyg ariannol ar gyfer hawliadau ac ar lansiad y fframwaith diwygiedig yn yr hydref. Wedyn, bydd yn ystyried cynnal diweddariad i'r ymchwiliad ai peidio.

4 Trefniadau Llywodraethu Bwrdd Iechyd Prifysgol Betsi Cadwaladr: Trafod yr ymateb gan Lywodraeth Cymru

4.1 Trafododd y Pwyllgor ymateb Llywodraeth Cymru i adroddiad y Pwyllgor ar Drefniadau Llywodraethu Bwrdd Iechyd Prifysgol Betsi Cadwaladr a'i nodi.

4.2 Roedd y Pwyllgor yn cytuno bod angen mwy o eglurhad ynghylch rhai o ymatebion y Llywodraeth a chytunodd i'w codi gyda'r Cyfarwyddwr Cyffredinol ar gyfer Iechyd, Gwasanaethau Cymdeithasol a Phlant.

4.3 Gofynnodd y Pwyllgor am bapur briffio ar drefniadau llywodraethu o fewn GIG Cymru a hefyd ar wasanaethau iechyd arbenigol. Cytunodd Swyddfa Archwilio Cymru i'w darparu.

5 Cyflog Uwch–reolwyr: Sesiwn dystiolaeth 4

5.1 Bu'r Pwyllgor yn holi Robert Oxley o Gynghrair y Trethdalwyr ar Gyflog Uwch–Reolwyr.

5.2 Cytunodd Robert Oxley i ddarparu copi o adroddiad y Sefydliad Astudiaethau Cyllid ar y premiymau o ran cyflog yn y sector cyhoeddus a hefyd yr erthygl o'r Local Government Chronicle y cyfeiriodd ati.

5.3 Yn dilyn y sesiwn, gofynnodd y Pwyllgor iddo am gyfeiriad at y sail ar gyfer ei honiadau ynghylch cyfran y bobl sy'n ennill rhwng £100,000 a £150,000 a mwy na £150,000 yng Nghymru.

6 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y canlynol:

6.1 Cytunwyd ar y cynnig.

7 Cyflog Uwch–reolwyr: Trafod y dystiolaeth

7.1 Ystyriodd y Pwyllgor y dystiolaeth a gafwyd a nodi y byddai'n dychwelyd at y mater ar 3 Ebrill.

7.2 Gofynnodd y Pwyllgor i'r Clercod gysylltu â Grŵp Hay i gael manylion ynghylch pryd cafodd tâl is ei awgrymu ar gyfer uwch swydd ac unrhyw enghreifftiau o arfer da o ran cyflog sy'n gysylltiedig â pherfformiad.

8 Trafod rhaglen astudiaethau gwerth am arian Swyddfa Archwilio Cymru

8.1 Cafwyd cyflwyniad gan Archwilydd Cyffredinol Cymru ar y gwaith presennol a'r gwaith i ddod yn rhaglen Swyddfa Archwilio Cymru.

8.2 Trafododd y Pwyllgor y rhaglen awgrymedig a gwneud nifer o awgrymiadau a fydd wedi'u cynnwys yn y papur terfynol.

9 Gofal heb ei drefnu: Trafod yr adroddiad drafft

9.1 Oherwydd cyfyngiadau amser, trafododd yr Aelodau ran o'r adroddiad drafft; bydd yn dychwelyd at yr eitem hon mewn cyfarfod yn y dyfodol.

Owen Evans
Cyfarwyddwr Cyffredinol • Director General

Yr Adran Addysg a Sgiliau
Department for Education and Skills



Llywodraeth Cymru
Welsh Government

Mr Darren Millar AC
Cadeirydd
Y Pwyllgor Cyfrifon Cyhoeddus
Cynulliad Cenedlaethol Cymru

28 Chwefror 2014

Annwyl Darren

Trefniadau Llanw yn Absenoldeb Athrawon

Diolch am eich llythyr dyddiedig 19 Chwefror a oedd yn gofyn am wybodaeth bellach am y dadansoddiad anffurfiol o'r Radd Meistr mewn Ymarfer Addysgol (MEP) a'r cylch gorchwyl ar gyfer y gwerthusiad allanol o'r rhaglen.

Mae'r tîm Gwasanaethau Gwybodaeth a Dadansoddi yn ymgymryd â gwaith cwmpasu ar gyfer y gwerthusiad allanol ar hyn o bryd. Rhagwelir y bydd cylch gorchwyl ar gael yn fuan ar gyfer y gwerthusiad a byddaf yn sicrhau bod copi yn cael ei anfon i'r pwyllgor, fel y gofynnwyd amdano.

O ran y dadansoddiad anffurfiol o MEP, ers lansio'r rhaglen ym mis Medi 2012, mae'r Is-adran Safonau Ymarferwyr a Datblygu Proffesiynol wedi ymgymryd â dadansoddiad anffurfiol parhaus o sut y mae'r Gynghrair¹ yn rhoi'r contract ar waith er mwyn sicrhau bod y rhaglen yn cael ei chyflwyno i'r safon uchaf ac i sicrhau gwerth am arian. Fel y soniais yn fy llythyr ar 7 Chwefror, mae hyn wedi cynnwys canolbwyntio'n benodol ar ddefnyddio mentoriaid allanol, sef un o'r materion yr oedd y Pwyllgor eisiau mwy o wybodaeth amdano.

Seiliwyd ein dadansoddiad anffurfiol ar wybodaeth a gasglwyd ynghyd gan swyddogion o amrywiaeth o ffynonellau gan gynnwys:

- Bod yn bresennol ym mhob digwyddiad hyfforddi i fentoriaid allanol a ddarperir gan y Gynghrair ac ymgysylltu â mentoriaid i gasglu adborth ar eu rôl

¹Caiff contract MEP ei gyflenwi gan gynghrair o Sefydliadau Addysg Uwch - Prifysgolion Caerdydd, Bangor ac Aberystwyth mewn partneriaeth â Sefydliad Addysg Llundain.



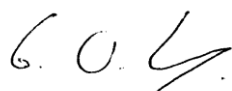
- Bod yn bresennol ym mhob digwyddiad dysgu modiwl a ddarperir gan y Gynghrair ac ymgysylltu ag athrawon i gasglu adborth ar eu profiad o raglen MEP
- Cadeirio'r Grŵp Rheoli Mentoriaid, sy'n cynnwys cynrychiolwyr o'r Gynghrair, Llywodraeth Cymru a mentoriaid allanol. Y grŵp hwn sy'n cytuno ar yr holl faterion gweithredol sy'n berthnasol i hyfforddi a defnyddio mentoriaid allanol. Mae'r Is-grŵp Sicrhau Ansawdd, sy'n cynnwys yr un cynrychiolwyr yn ogystal â chynrychiolwyr o'r Awdurdodau Lleol, hefyd yn monitro ansawdd y ddarpariaeth
- Bod yn bresennol ym mhob cyfarfod o Fwrdd Gweithredol y Gynghrair i drafod yr holl faterion sy'n berthnasol i ddarparu MEP. (Mae'r Bwrdd Gweithredol hefyd yn gwasanaethu fel Bwrdd Prosiect y Gynghrair)
- Cynnal cyfarfodydd contract misol rhwng Rheolwr Prosiect y Gynghrair a Rheolwr Prosiect MEP Llywodraeth Cymru i sicrhau bod y contract yn cael ei gyflenwi yn unol â gofynion Llywodraeth Cymru ac yn unol ag egwyddorion rheoli contract effeithiol
- Lleoli Cydlynwyr Rhaglen Proffesiynol ym mhob consortiwm i weithio'n uniongyrchol ag athrawon, ysgolion ac awdurdodau lleol/consortia sy'n cymryd rhan. Mae'r Cydlynwyr hyn o'r consortia ar secondiad i Lywodraeth Cymru i ddarparu cefnogaeth yn y maes ac i gasglu gwybodaeth am agweddau gweithredol ar ddarparu MEP a rhaglenni eraill Llywodraeth Cymru, megis ymsefydlu statudol.

Gyda'i gilydd, mae'r ffynonellau hyn wedi darparu gwybodaeth yn rheolaidd i'r Is-adran Safonau Ymarferwyr a Datblygu Proffesiynol am ddarpariaeth MEP, yn enwedig o ran profiad athrawon sy'n cymryd rhan a defnyddio mentoriaid allanol. Mae'r Is-adran yn fodlon bod defnyddio ymarferwyr profiadol o ysgolion fel mentoriaid allanol wedi darparu gwerth am arian, hyd yma, o ran y gefnogaeth a ddarperir i athrawon ac ysgolion, ac rydym yn disgwyl i hyn barhau. Byddwn, felly, yn parhau i fonitro'r agwedd hon ar y ddarpariaeth yn agos.

Fodd bynnag, rydym yn cydnabod bod angen dulliau gwerthuso mwy ffurfiol i gadarnhau dadansoddiad anffurfiol o'r fath, a bydd gofyn i'r gwerthusiad allanol, sy'n cael ei gynllunio ar hyn o bryd, eu darparu.

Gobeithiaf fod yr wybodaeth ychwanegol hon yn mynd i'r afael â'r materion a godwyd gennych ond mae croeso ichi gysylltu â mi os ydych angen rhagor o fanylion eto.

Yn gywir,



Owen Evans

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Mr Darren Millar AC
Cadeirydd y Pwyllgor Cyfrifon Cyhoeddus
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
Caerdydd CF99 1NA

Dyddiad: 5 Mawrth 2014
Ein cyf: HVT/2096/capt
Tudalen: 1 o 3

Annwyl Darren

Ymchwiliad i Gyflog Uwch Reolwyr - Gwybodaeth ychwanegol gan Gymdeithas Llywodraeth Leol Cymru

Rwyf wedi adolygu'r papurau gwybodaeth ychwanegol a baratowyd gan Gymdeithas Llywodraeth Leol Cymru (CLILC) i'r Pwyllgor Cyfrifon Cyhoeddus eu hystyried ar 6 Mawrth 2014.

Nid wyf wedi ymchwilio i fanylion y wybodaeth yn Atodiad 1 na'r graffiau yn Atodiad 3. Fodd bynnag, byddwn yn nodi bod Atodiad 1 yn cyfeirio at flynyddoedd archwilio 2009/10 a 2010/11. Hefyd, nid yw'n glir pa flwyddyn (blynyddoedd) y mae'r graffiau cymharol yn Atodiad 3 yn cyfeirio ati (atynt) ac nid yw'r papur ategol yn egluro hynny chwaith.

Gan fod Atodiad 2 yn cynnwys cipluniau o ddatganiadau ariannol Cynghorau Cymru, a chan eu bod yn deillio o ddatganiadau ariannol y cyngor, dylai'r wybodaeth hon fod yr un peth â'r wybodaeth a ddefnyddiwyd yn fy memorandwm a gyflwynwyd i'r Pwyllgor Cyfrifon Cyhoeddus ar 6 Chwefror. Fodd bynnag, rwyf wedi cymharu cyflogau'r Prif Weithredwyr ar gyfer 2012/13 fel y'u nodwyd gan CLILC â'r rhai sydd wedi'u cynnwys o dan Ffigur 8 yn fy memorandwm, a hoffwn wneud y sylwadau canlynol:

<p>Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr</p> <p>Tudalen 3</p>	<p>Y cyflog a nodwyd o dan Ffigur 8 yn fy memorandwm yw cyfanswm cyflog y ddau ddeiliad swydd a ddatgelir yng nghiplun CLILC.</p>
<p>Cyngor Bwrdeistref Sirol Caerffili Tudalen 4</p>	<p>Dim ond ffigurau 2011/12 y mae'r ciplun CLILC yn eu dangos, nid y ffigurau ar gyfer 2012/13 fel yr awgrymir gan deitl Atodiad 2.</p>
<p>Cyngor Sir Caerdydd</p> <p>Tudalen 4</p>	<p>Mae ciplun CLILC yn dangos Cyflog, ffioedd a lwfansau sy'n dod i gyfanswm o £191,664. Mae fy memorandwm yn nodi mai £183,726 yw'r cyflog gan fod fy nhîm archwilio lleol wedi cadarnhau bod gwerth £7,938 o lwfansau ychwanegol wedi'u cynnwys yn y datgeliad o'r datganiadau ariannol.</p>
<p>Cyngor Dinas Casnewydd</p> <p>Tudalen 15</p>	<p>Mae ciplun CLILC yn dangos cyflog o £33,659 gyda nodyn yn dweud i'r Prif Weithredwr ddechrau yn ei swydd ar 1 Ionawr 2013. Er mwyn gallu cymharu, addasodd fy memorandwm y ffigur hwn i roi cyflog blynyddol.</p>
<p>Abertawe (Dinas a Sir)</p> <p>Tudalen 19</p>	<p>Nid yw ciplun CLILC yn dangos rhan o'r datganiadau ariannol sy'n cynnwys cyflog y Prif Weithredwr.</p>
<p>Bro Morgannwg</p> <p>Tudalen 21</p>	<p>Y swm o £133,565 a nodir yn fy memorandwm yw cyfanswm cyflog y Prif Weithredwr o £48,810 (tan 31/7/2012) a chyflog y Rheolwr Gyfarwyddwr o £84,755 o 1 Awst, 2012.</p>
<p>Cydnabyddiaeth y swyddog canlyniadau</p>	<p>Tra bod y datganiadau ariannol (fel y gwelir yng nghipluniau CLILC) yn nodi tâl cydnabyddiaeth y swyddog canlyniadau ac yn nodi ei fod wedi'i gynnwys yng nghyflog y Prif Weithredwr, roedd fy memorandwm wedi'i hepgor er mwyn rhoi gwell ffigurau cymharol. Mae hyn yn berthnasol i:</p> <ul style="list-style-type: none"> • Sir y Fflint; • Sir Fynwy; • Torfaen.

Gobeithio y bydd hyn yn ddefnyddiol i'r Pwyllgor wrth iddo ystyried tystiolaeth CLILC.

Yn gywir



HUW VAUGHAN THOMAS
ARCHWILYDD CYFFREDINOL CYMRU

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

3rd March 2014

Dear Darren,

2013 Welsh Government Annual Report on Grants Management

Many thanks for your letter of 19th February 2014. I am grateful for the Committee's continued interest in improving grants management across the public sector in Wales. With your help, the Welsh Government has focussed on the detail of our grants improvement programme and been able to further develop our relationship with stakeholders and delivery partners.

The information requested in your letter is given below:

1. Information on the revised Code of Practice for Funding the Third Sector in Wales, how it differs from the previous Code and how compliance with the Code is to be monitored - See Annex A.
2. Details of the performance indicators being used by the Welsh Government to monitor the quality of its grants management processes - See Annex B.
3. Data on the volume and value of the local authority grants which have been qualified and how this compares with previous years - See Annex C.

I look forward to giving evidence to the Committee after Easter.

*Yours,
Derek*



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Annex A

Revised Code of Practice for Funding the Third Sector

Legislative framework

Section 74 of the Government of Wales Act 2006 (GOWA) requires Welsh Ministers to make a Scheme (“the voluntary sector scheme”). Sections 4a and 4b require that the Scheme must specify:

“4(a) how the Welsh Ministers propose to provide assistance to relevant voluntary organisations (whether by grants, loans, guarantees or any other means),

4(b) how the Welsh Ministers propose to monitor the use made of any assistance provided by them to relevant voluntary organisations...”

The Code of Practice for Funding the Third Sector (the Code) is the mechanism by which Welsh Ministers enact Section 74, 4(a) and 4(b) of the GOWA as required above.

The Code was previously revised in 2009 and, historically, published as a separate document in its own right. Changes over the last few years meant that the content of the Code had become inaccurate in places or lost relevance so that the document as a whole needed to be updated and improved.

Following consultation and dialogue with the Third Sector which is detailed below, a revised Code was published on 31 January 2014. The Code is now an integral part of the Third Sector Scheme, and formally annexed as such.

Process

The revised Code of Practice for Funding the Third Sector was developed in partnership with the Third Sector through the Third Sector Partnership Council's (TSPC) Funding and Compliance Sub-Committee over a period of six months. The revised document represents a substantial amount of partnership work with the Committee made up of Third Sector representatives and Welsh Government officials, including the Grants Centre of Excellence. It also takes into consideration responses to the Welsh Government's *Continuity and Change* consultation, which asked specific questions on broad proposals for inclusion in the Code.

This detailed work has also been contributed to by a range of Welsh Government departments, including the Grants Centre of Excellence, Value Wales and the Welsh European Funding Office (WEFO), as well as the Wales Audit Office.

Key changes

The Code has been revised and updated, with substantial new material. The principal changes are listed below:

- The new approach to the Code sets out the Welsh Government's intentions as well as expectations of the Third Sector; it is significantly more reciprocal than previously.
- The format of the Code has been overhauled. The previous Q&A format was not particularly useful and offered too much detail in some areas and not enough on more important areas.
- The Code is now written in two parts; part one sets out seventeen detailed principles and part two focuses on Funding and Commissioning in greater detail.
- The 17 principles are set out and explained in substantially greater detail than previously so that this key part of the Code is very largely new, although many of the principles themselves have been retained. They are listed below, with asterisks to denote those that were not included in the old Code at all:
 - I. Delivery of Strategic Policy Objectives
 - II. Respect for the Sector's Independence
 - III. Early and Constructive Dialogue
 - IV. Timely Decisions
 - V. Security of Funding
 - VI. Fair Funding Levels
 - VII. Value for Money*
 - VIII. Full Cost Recovery
 - IX. Commissioning Principles*
 - X. Payments
 - XI. Fair and Reasonable Treatment
 - XII. Joint Approach to Monitoring, Evaluation and Audit
 - XIII. Identifying Expertise and Developing Capability to Deliver*
 - XIV. Diversity*
 - XV. Innovation*
 - XVI. Good governance and due diligence*
 - XVII. Monitoring of the Code*
- Principle IV is of particular importance to the Sector as it relates to the notice period for changes to funding arrangements. The Welsh Government's commitment in this regard has been clarified and strengthened.
- Principle XVII establishes the basis on which compliance with the Code itself will be monitored, with reference to the roles of the Grants Sector of Excellence, the Third Sector Unit, the TSPC and its Funding and Compliance Sub-Committee.
- A new section on the Grants Centre of Excellence and grants management as well as Value Wales and procurement is included.
- There is clearer guidance on grants (definitions of core funding and project funding, hypothecated and un-hypothecated grants) and contracts and

procurement, as well as when these different funding mechanisms might be used.

- A new outcomes-based commissioning model is included to be used when Welsh Government departments are designing and developing services. This will be an enabler for co-design and co-delivery of public services in the future.
- Inclusion of the WEFO is a new addition.
- *Appendix 3: Compliance with the Code of Practice* has been clarified and strengthened. In this section, the Welsh Government advocates that other bodies funding the Third Sector should adopt the principles in the Code as best practice.
- A significant and new addition to this section is that when the Welsh Government provides hypothecated funding (for example to local authorities) or through a framework agreement (WGSBs), then compliance with the Code will be required through Terms and Conditions of funding.
- There is a stronger commitment (set out in Principle XVII) to address non-compliance with the Code and a requirement for explanation of the circumstances if non-compliance occurs. Previously, non compliance with the Code was reported via a designated Sub-Committee who then investigated and took action if appropriate. Anecdotal evidence suggested that this formal route was rarely taken by Third Sector organisations. The new Code enables more proactive monitoring of the Code, especially with regards to *Timely Decisions*, for example through spot checks.
- There are links to other useful documents such as minimum standards for managing grants, detailed guidance on Full Cost Recovery and new guidance on joint bidding.

Monitoring

The TSPC Funding and Compliance Sub-Committee is the key mechanism for monitoring the implementation of the Code.

In practice, the Welsh Government's Third Sector Unit and Grants Centre of Excellence will work closely to raise awareness of and monitor the Code through a number of ways:

- Delivery of joint training for Welsh Government grant managers to embed understanding of the principles of the Code and increase knowledge of the Third Sector more generally;
- Compliance included within minimum standards for grant management;
- Grants Centre of Excellence 'spot checks' to ensure that all funding is provided appropriately and compliantly, (for example monitoring Terms and Conditions);

- Annual exercise to determine whether Third Sector grant recipients have been provided with sufficient notice of funding arrangements;
- Annual Report on the wider Third Sector Scheme laid before the National Assembly for Wales (which from 2014 includes the Code of Practice for Funding the Third Sector);
- Reports of non-compliance to the TSPC Funding and Compliance Sub-Committee.

Annex B

Monitoring Performance and Quality Assurance

Minimum Standards for Grant Funding and Spot Checks

The Minimum Standards for Grant Funding (the Standards) were developed by the Grants Centre of Excellence in early 2011; they were initially used as an assessment tool during the peer review exercise undertaken in 2011-2012. Since then, the Standards have been developed and are now used by Internal Audit to assess grant funding programmes and are an accountability tool available to external stakeholders via the internet which can be viewed at:

<http://wales.gov.uk/funding/grants/contact-us/?lang=en>

They are also used as a performance monitoring tool to check business compliance with the Standards.

A rolling programme of spot check reviews was introduced in December 2012 to assess relevant processes and procedures of 10 grant funding programmes per month. This figure incrementally increased to 20 per month during the period to January 2014. The purpose of the checks is to consider grants processes and procedures and ascertain their compliance with the Standards. Grants Officials are asked to provide evidence of compliance with the Standards for a specific stage in the grant funding cycle and, in appropriate cases, whether they comply with the Third Sector Code of Practice also. Some examples are given below.

Grant Funding Stage	Example of evidence
▪ Intervention rationale	Ministerial submission/approval
▪ Planning Funding	Copy of the application form and supporting guidance
▪ Appraisal	Appraisal criteria and prioritisation method
▪ Approval	Formal recommendation based on the outcome of an appraisal
▪ Legal Documentation	Copy of the latest award letter to ascertain whether it is in the correct form, up to date, correctly drafted and recorded on the payment system Payment in advance template to ascertain whether a need for payment in advance has been demonstrated appropriately Third sector grants; when the organisation was informed of the funding

- **Monitoring and Payment** Evidence of monitoring of funding activities
Sample claim form
- **e-Grants Payment System** Was a new grant funding programme placed on
the system in a timely manner?
- **Third sector grants** Were external bodies notified within the required
time scale of the award of funding, change in
funding level or withdrawal of funding?

Quality Assuring Access to the Grants Payment System

To promote the correct and accurate use of the grants payment system, e-Grants, the Grants Centre of Excellence reviews documentation submitted for new funding programmes and for revisions to existing ones. If the request is for a new programme, or one that the Grants Centre of Excellence is not familiar with, a meeting is held with the relevant Branch and the processes and procedures assessed against the Standards. This process also ensures that officials involved in managing the grant funding programme concerned have completed all requisite training before system access is given.

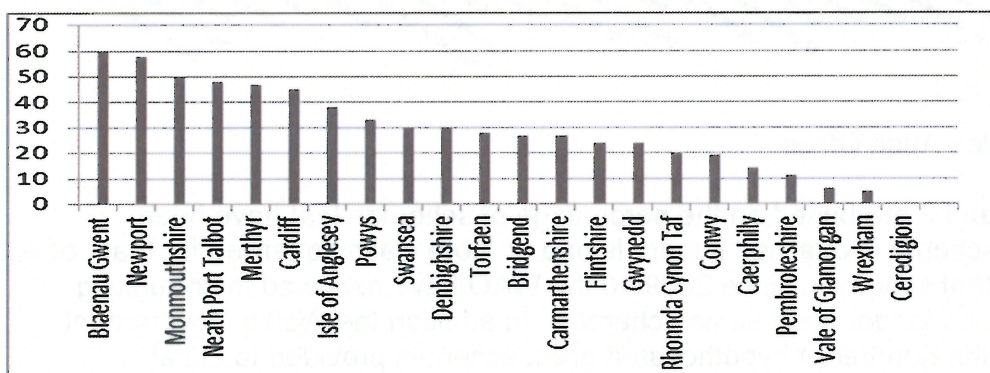
Annex C

Qualified Local Authority Grants

Whilst the programme to improve Local Authorities' grants management is on-going, the Welsh Government has continued to track the incidence of qualified or adjusted grant claims. The Welsh Government will also aim to satisfied that appropriate corrective action is being taken. This includes consideration of suspension or recovery of grants where the Welsh Government does not consider that the responses of individual Local Authorities are adequate.

The WAO report of November 2011 provided a breakdown of qualification by Authority. The graph of the findings provided in the WAO report is given in Fig 1.

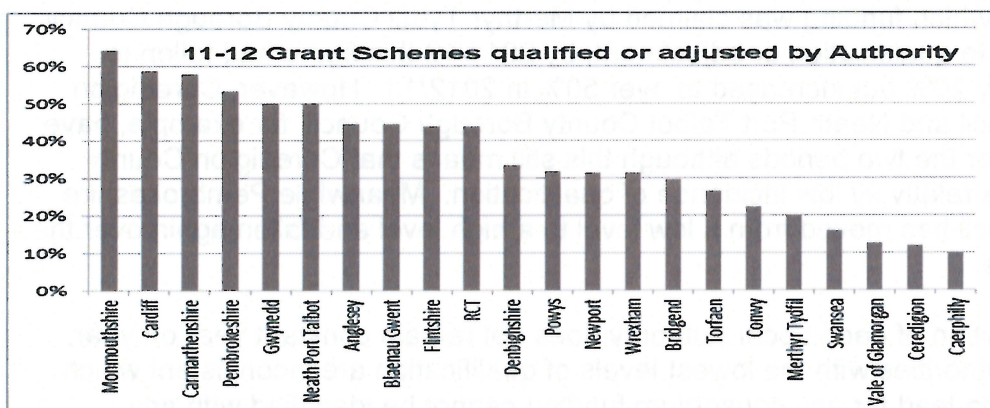
Figure 1. Wales Audit Office Graph of Adjustments and/or Qualifications by percentage of Schemes per Local Authority in Financial Year 2009/10



Source: Wales Audit Office Report - Grants management In Wales November 2011

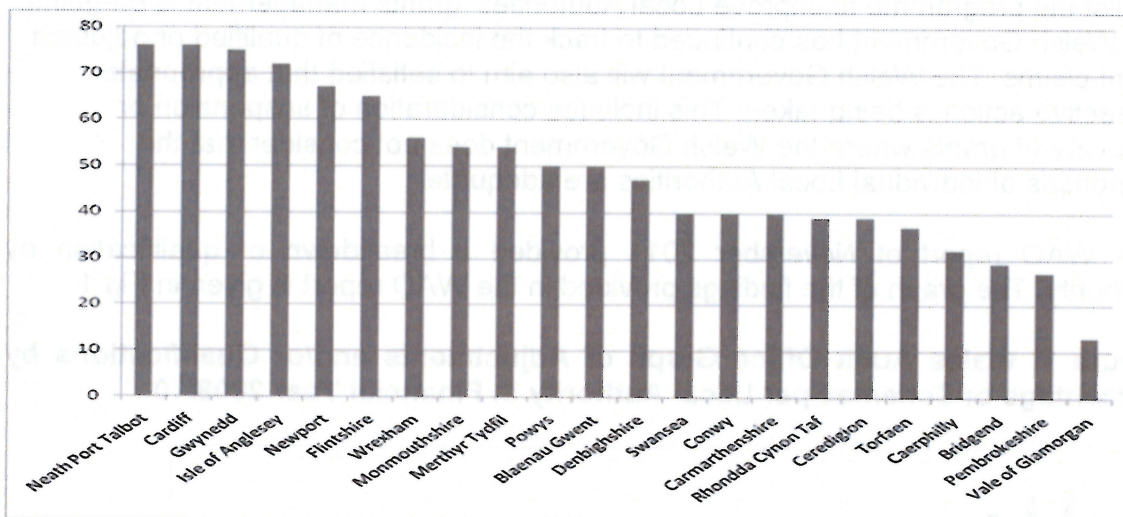
The WAO analysis of schemes qualified or adjusted by Local Authority for 2011/12 and 2012/13 are provided in Figures 2 and 3, respectively.

Figure 2. Wales Audit Office Graph of Adjustments and/or Qualifications by percentage of Schemes per Local Authority in Financial Year 2011/12



Source – Wales Audit Office

Figure 3. Wales Audit Office Graph of Adjustments and/or Qualifications by percentage of Schemes per Local Authority in Financial Year 2012/13



Source – Wales Audit Office

Figures 1, 2 and 3 are based on the percentage of schemes that have been qualified. A scheme is qualified if there is one or more claims qualified for that Local Authority for that scheme. Since 2009/10 the WAO have reviewed their auditing practices and no longer audit some schemes. In addition the Welsh Government has reduced the number of hypothecated grant schemes provided to Local Authorities. Therefore there has been a reduction in schemes audited by WAO from 35 in 2009/10 to 30 in 2012/13. These changes, and the fact that not all Local Authorities are awarded grant under every Welsh Government scheme, have had an impact on the percentage of qualified schemes reported. This in part accounts for the increase in percentages observed for 2012/13.

Analysis of audit certificates for the two periods 2011/12 and 2012/13 indicates that the percentage of qualifications has increased and the individual Local Authorities' positions varied significantly. For example, whilst in 2009/10, over 45% of the schemes for which funding was claimed by Merthyr Tydfil County Borough Council were subject to qualification or adjustment, by 2011/12 this figure had fallen to approximately 20% but increased to over 50% in 2012/13. However, Ceredigion County Council and Neath Port Talbot County Borough Council, for example, have increased over the two periods although this still means that Ceredigion County Council has a relatively low incidence of qualification. Meanwhile Pembrokeshire County Council has moved from a low level to a high level and fallen again over the same periods.

The rank position of each Local Authority does not remain constant year on year. The Local Authorities with the lowest levels of qualification are inconsistent which means that the lead for any consortium funding cannot be identified with any confidence.

For 2012/13, there were a total of 158 qualification letters issued against audit certificates which identified reductions in claims by some £13.7 million. This represents 1 claim in 4 being qualified in 2012/13 which remains consistent with the figures indicated in 2009/10. Whilst the performance of some Local Authorities has improved, this is not evident in the overall figures because others have worsened.

The training planned by the Welsh Local Government Association in conjunction with the Chartered Institute of Public Finance and Accountancy (CIPFA) during March 2014 is aimed at improving grant management standards in Local Authorities. This training, in conjunction with the training provided within the Welsh Government for grant officials, will have the effect of lowering the rates of qualification observed. However, this will take time to impact on audit certification and, consequently, it is unlikely that the impact of this training will be observed on qualification rates until the 2015/16 financial year.

In the intervening period, the Welsh Government is conducting a review of the audit certification system to ensure that it is effective and efficient and that all parties are achieving the best outcomes from the process.

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