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

Date: 24 February 2011
Our ref: HVT/1268/fgb
Page: 1 of 3

CORRESPONDENCE FROM MR COLMAN

Mr Colman’s solicitors, have forwarded me a copy of Mr Colman’s letter to you dated 18 February 2011.

I will of course provide any further information or assistance that you or the PAC may require but, for now, I thought it would be helpful if I confirmed two things. First, that the 21 January note from Mr Colman headed “The COO Post” is practically identical to what was received by my solicitors in the first instance. The 24 December correspondence is a typed version of a handwritten letter I received from Mr Colman with some minor transcription amendments.

Second, I would like to comment on the key themes that emerge from Mr Colman’s correspondence.

Mr Colman’s Experience of Public Audit

The circumstances that led the WAO’s investigation into Mr Colman’s conduct were wholly exceptional.

The Internal Audit review was initiated by the Interim Auditor General following the discovery that Mr Colman had engaged in what was thought to be criminal conduct using WAO computing equipment on both WAO and National Assembly property. It is a matter of public record that Mr Colman subsequently pleaded guilty to criminal offences and is currently serving his sentence. WAO staff acted properly in reporting their concerns to the police and in my view arrangements were rightly put in place to establish whether:

1. the WAO needed to alert the police to any other matters; and

2. there were any matters the WAO needed to investigate further lest Mr Colman had been the subject of improper pressure (whether in relation to staff, Auditor General functions or third parties).

Direct Line: 029 2032 0510
E-mail: huw.vaughan.thomas@wao.gov.uk
The WAO needed to ensure it had as full a knowledge as possible of any misconduct, and was concerned to establish whether Mr Colman's behaviour had rendered him susceptible to blackmail and further improper behaviour. Terms of reference for the review were prepared, and followed, with the benefit of legal advice. I have no reason to doubt the process by which the review was conducted and the report compiled.

**Fairness and Natural Justice**

Mr Colman asserts that the Report is “unfair, breaches the principles of natural justice, and that its conclusions are unreasonable”. I reject this assertion. Although early on in the process the WAO was constrained by the fact that Mr Colman was on bail awaiting trial, staff nevertheless took steps to consult with Mr Colman while serving his sentence and took account of his written representations where it was considered appropriate to do so. Not surprisingly, there are some points where the WAO has a different view to Mr Colman. The report addressed this by inserting wording early on in the report (page 3) describing the circumstances of publication and the nature of Mr Colman’s comments.

**Conflict of interest**

The WAO’s Compliance Partner, Simon Edge, whose role includes being Head of Internal Audit, led the review and, as you know, appeared before the PAC on 16 February. His role and experience with the WAO made him the most obvious candidate to be commissioned by the Interim Auditor General to undertake work associated with the Report. Both Gillian Body and I are satisfied that he performed the exercise in a professional manner having regard to the question the WAO sought to address and the need to maintain impartiality throughout. He also regularly took legal advice on matters raised in the course of his work.

**Conclusion**

Contrary to Mr Colman’s submissions, I believe the Report represents a sincere and diligent attempt by the WAO to establish whether there were any matters outstanding from Mr Colman’s period in office that required action.

In his concluding remarks, Mr Colman infers that the WAO’s approach has been characterised by “moral panic, mass hysteria and lynching”. I do not accept that WAO staff have been anything other than professional in their approach and find it somewhat ironic that Mr Colman seeks to level such accusations by reason only that those individuals have been involved in an exercise to establish the extent of his misconduct.
WAO staff reacted promptly when the nature of Mr Colman’s actions was first discovered, and it is through their diligence that the authorities were able to take action. The work they undertook has in turn enabled me to move quickly to maintain public confidence in the work of the WAO, and to rebuild confidence in the governance arrangements surrounding the WAO and the office of the Auditor General for Wales.


HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES