

Finance Committee

## Appointment of the non-executive Members and Chair of the Wales Audit Office Board

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July 2017



**National Assembly for Wales**  
Finance Committee

24 CATHEDRAL ROAD

OFFICE  
VILIO CYMRU

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Finance Committee

**Appointment of the non-executive  
Members and Chair of the Wales  
Audit Office Board**

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July 2017



**National Assembly for Wales**  
Finance Committee

# Finance Committee

To carry out the functions of the responsible committee set out in Standing Order 19; the functions of the responsible committee set out in Standing Orders 18.10 and 18.11; and consider any other matter relating to the Welsh Consolidated Fund.

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## Current Committee membership:



**Simon Thomas AM (Chair)**  
Plaid Cymru  
Mid and West Wales



**Neil Hamilton AM**  
UKIP Wales  
Mid and West Wales



**Mike Hedges AM**  
Welsh Labour  
Swansea East



**Steffan Lewis AM**  
Plaid Cymru  
South Wales East



**Eluned Morgan AM**  
Welsh Labour  
Mid and West Wales



**Nick Ramsay AM**  
Welsh Conservative  
Monmouth



**David Rees AM**  
Welsh Labour  
Aberavon



# Contents

<b>Recommendations.....</b>	<b>5</b>
<b>01. Background.....</b>	<b>6</b>
<b>02. Role of the Finance Committee.....</b>	<b>7</b>
<b>03. Chair of the Wales Audit Office Board .....</b>	<b>9</b>
<b>04. Non-executive Members of the Wales Audit Office Board .....</b>	<b>10</b>



# Recommendations

**Recommendation 1. The Committee recommends that the National Assembly for Wales agrees the motion to extend the contract of the Chair of the Wales Audit Office Board, Isobel Garner, for a period of three years. ....Page 9**

**Recommendation 2. The Committee recommends that Steven Burnett, Alison Gerrard and Bill Richardson be appointed as non-executive Members of the Wales Audit Office Board..... Page 10**

# 01. Background

1. On 5 March 2013 the Assembly passed the **Public Audit (Wales) Act 2013** (The Act). The Act sets out accountability and governance arrangements relating to the Auditor General for Wales and the Wales Audit Office (WAO). The Act received Royal Assent on 29 April 2013.
2. The Act notably confers several responsibilities upon the National Assembly for Wales, including the appointment of five non-executive Members to the WAO Board (including the Chair of the Board). The Assembly is also responsible for making remuneration arrangements in relation to the Chair and non-executive Members.
3. Under **Standing Order 18.10(v)** the responsible Committee is required to carry out functions relating to the appointment of the WAO Board. Oversight of the WAO is in the remit of the Finance Committee (the Committee).
4. In accordance with the Act non-executive Members of the Board can hold an appointment for no longer than four years and may not be appointed for more than twice.<sup>1</sup> Whilst the Act allows provision of the Chair of the WAO Board to have their contract extended,<sup>2</sup> this provision is not made for the other non-executive Members.
5. Following the resignation of one Board Member in November 2014 a new Board Member was appointed in March 2015 for a period of four years.

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<sup>1</sup> Public Audit (Wales) Act 2013, Schedule 1, paragraph 6

<sup>2</sup> Public Audit (Wales) Act 2013, Schedule 1, paragraph 5(3)



## 02. Role of the Finance Committee

### Wales Audit Office Board

6. Following the initial appointment of the first set of Board Members in 2013, this is the first occasion where there is the possibility that Board Members could be appointed for a second term. In considering this, the Committee noted that the Act specifically allows for non-executive Members to be appointed 'no more than twice', but the Act also states that the appointment of the non-executive Members 'must be based on the conclusions of a fair and open competition'. In relation to the appointment of the Chair, the Act makes it clear that the Chair of the Board must be selected from the non-executive Members, however it gives specific provision for an extension to the contract of the Chair.

7. Given that the Act does not allow for the appointment of non-executive Members to be extended (with the exception of the Chair),<sup>3</sup> the Committee decided to hold a full recruitment exercise.

8. The Board members who were approaching the end of their first four year term were invited to be interviewed with other shortlisted candidates.

### The Recruitment Process

9. The Committee advertised for candidates interested in applying to become WAO Members on the National Assembly for Wales's website. Additional adverts were placed in:

- Jobs Wales;
- Times online;
- Guardian online;
- Golwg 360;
- Public Finance website;
- Welsh Government Website;
- Women on Boards.

10. The advert was posted on 24 April 2017, with a closing date of 19 May 2017, 44 applications were received from 12 women and 32 men. Eight candidates were selected for interview, including the three incumbent Board members, however, one withdrew prior to the interview stage.

11. Interviews took place on 3 and 10 July 2017, at which candidates were required to give a short presentation and were questioned on the criteria set out in the job description. The panel members were:

- Simon Thomas AM, Chair of the Finance Committee;
- Sian Wilkins, Head of Chamber and Committee Services, National Assembly for Wales;
- Gareth Watts, Head of Internal Audit, National Assembly for Wales.

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<sup>3</sup> Public Audit (Wales) Act 2013, Schedule 1, paragraph 5(3)

**12.** Additionally, the Committee felt it was important that the panel should benefit from the experience and knowledge of the current Chair of the WAO Board, as such Isobel Garner was invited to sit as an observer on the panel.

### 03. Chair of the Wales Audit Office Board

13. Following the initial recruitment process Isobel Garner was appointed as Chair of the WAO Board in October 2013.

14. When looking at the composition of the Board prior to commencing the recruitment process, the Committee was advised that there was merit in considering an extension for the current Chair, particularly as the organisation of the WAO's governance arrangements under the Act is still relatively new.

15. The Committee agreed, following discussion with the Chair, consideration of the appraisal process and consultation with the First Minister<sup>4</sup>, to extend the current Chair's contract. The Committee also agreed to consult with the 'Appropriate Person'<sup>5</sup> in regards to remuneration and terms and conditions of employment<sup>6</sup>.

16. Whilst the Act allows for an extension of a further four year period, the Committee proposed an extension for a period of three years.

17. The First Minister wrote to the Committee on 12 June 2017 to confirm he was content with the proposal of a three year extension. The 'Appropriate Person', Director of Governance in the Welsh Government, also wrote to Committee to confirm he was content with the terms and conditions, and content that remuneration arrangements remain the same.

**Recommendation 1.** The Committee recommends that the National Assembly for Wales agrees the motion to extend the contract of the Chair of the Wales Audit Office Board, Isobel Garner, for a period of three years.

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<sup>4</sup> Public Audit (Wales) Act 2013, Schedule 1, Paragraph 5(2)

<sup>5</sup> The Public Audit (Wales) Act 2013, Schedule 1, Paragraph 9, requires the National Assembly for Wales to consult with an 'appropriate person with oversight of public appointments' on the remuneration arrangements and other terms of appointment for the Chair and non-executive Members. In 2013 the Public Accounts Committee (the responsible committee at the time) determined it was appropriate to consult the Public Appointments Unit within the Welsh Government following confirmation by the office of the Commissioner for Public Appointments that the appointments in question were not regulated by the Commissioner.

<sup>6</sup> Public Audit (Wales) Act 2013, Schedule 1, Paragraph 9 (1)

## 04. Non-executive Members of the Wales Audit Office Board

18. Following the fair and open recruitment process three candidates were chosen to take up the role of non-executive Member from October 2017.

19. A further two candidates were given reserve status for a period of 12 months. Reserve candidates may be offered a position in the event that a member of the Board resigns or is for any other reason no longer able to undertake their duties.

20. The 'Appropriate Person' confirmed that he was content with the terms and conditions proposed for the non-executive Members, including the proposal that remuneration arrangements remain the same for non-executive Members.

21. The following three candidates were chosen:

**Bill Richardson** – Mr Richardson has 15 years' experience operating at Board level and has experience as Board Member with the Public Services Ombudsman for Wales, in addition to previous experience within roles in central government and in consultancy roles. His past experience includes expertise within audit, finance and taxation. This is Mr Richardson's first appointment to the WAO Board and he has been offered a position until June 2021.

**Alison Gerrard** – Ms Gerrard has previous experience at director level, including experience in public sector corporate governance and financial management. Ms Gerrard has vast experience working with the NHS in Wales and is an independent member of the WAO Audit and Risk Assurance Committee. Ms Gerrard has been offered a position until June 2021.

**Steven Burnett** – Mr Burnett has previous experience at Chief Executive level and has undertaken various Non-Executive roles including at HM Treasury Government Internal Agency, the General Medical Council Liverpool Women's NHS Foundation Trust and the Homes and Communities Agency. Mr Burnett was previously appointed to the WAO Board in 2013, and has acted as a Senior Independent Director during this period. This will be Mr Burnett's second appointment to the WAO Board, and he has been offered an appointment until March 2019.

**Recommendation 2.** The Committee recommends that Steven Burnett, Alison Gerrard and Bill Richardson be appointed as non-executive Members of the Wales Audit Office Board.