

National Assembly for Wales

The Year in Review

Annual report and statement of accounts  
2008 – 2009



The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.



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Section 1—

Introductions

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## Foreword from the Llywydd

This year saw the Assembly and Wales approach the milestone of the first decade of devolution, during which we continued to develop our constitution in practice. We became more effective through our Committees and plenary meetings at calling Welsh Ministers to account, and began passing new Welsh laws, with the passage of the NHS Redress (Wales) Measure 2008, which allows patients an easier route to claim compensation when treatment provided by the NHS in Wales has been negligent.

This was the first piece of primary legislation made by the National Assembly, the first Welsh law to be passed since the middle ages – the code of laws associated with the name of Hywel Dda from the tenth century, and the first bilingual law ever to be passed in Britain. We have now evolved into a working legislature.

Our development has not gone unnoticed by the people of Wales, who have responded positively to the growing influence of their National Assembly. This was clearly reflected in the positive findings of the largest survey to gauge public understanding of the political landscape in Wales, published in October. Not only did this Assembly-commissioned survey indicate a generally robust understanding of the political landscape in Wales, it also noted that over 70% of people supported either partial or full devolution of power for Wales.



But there is still much to be done to encourage greater engagement in the democratic process, and to ensure that the Assembly represents the interests of *all* of the people in Wales. There are groups within society who feel disenfranchised from the political process for reasons that range from social disengagement to financial deprivation, and it is incumbent on us to address the apathy that this engenders.

That is why this year I undertook a series of consultations with groups who are often at a significant remove from the political process.

We began the process through visits across the electoral regions in Wales to representatives of the black and ethnic minority communities, as well as disabled people, faith communities and sexual orientation and young people's groups. The aim was simple – to see how we can make the democratic process more accessible to all.

Their views and voices are of crucial importance, because as we look towards the next ten years of devolution, we have to remember that the National Assembly is increasingly a focal point for a cohesive sense of a Welsh identity. But we need to ensure that *everyone* in Wales feels ownership of the Assembly and its work.

Our role is to represent the interests of Wales and its people, to make laws for Wales and hold the Welsh Government to account, and we are honour bound to ensure we do so with the full understanding and support of the people we represent.

This year saw us redouble our efforts to ensure people understand who we are and what we do, and more importantly, feel encouraged to become active and informed citizens. Democracy must be seen to belong to all. Devolution cannot work if it is a minority interest, and we are committed to continuing to make democracy accessible to everyone.

**The Rt Hon the Lord Elis-Thomas PC AM  
Llywydd of the National Assembly for Wales**

## Introduction from the Chief Executive and Clerk of the Assembly

The past year saw the National Assembly continue to progress and develop in its role as the parliamentary body for Wales, and I am proud to lead a team whose enthusiasm and dedication has helped deliver the achievements highlighted in this report.

Good governance and accountability remain at the core of our work, and underpin the Assembly's goals and achievements. Our emphasis has also been on an open outward-facing approach, one that places the people of Wales at the heart of all that we do.

One of the National Assembly's main objectives is to help people to become informed and active citizens, who understand the democratic process, and who actively engage in shaping the future of Wales.

For people to make an informed decision at the ballot box, we know that it is important for them to understand the democratic process, how it affects them, and more importantly, how they can play an active part in it. The year therefore saw a significant effort by the Assembly to ensure that people understand the Assembly's role and how they can influence the work that Members do. Key to this has been outlining what opportunities exist for individuals and communities to ensure their interests are properly and accurately represented.

Supported by our Commissioners, we strengthened the organisation in a number of areas, including an improved approach to risk management, business continuity planning and the introduction of a comprehensive leadership development programme. Across the organisation we have teams of committed, professional people who have delivered high quality services to Assembly Members to support them in their three roles of representing the people of Wales, making laws for Wales and holding the Welsh Government to account.

We are committed to being a leading organisation in promoting equality, valuing diversity and respecting human rights in our capacity as an employer, in providing support for Assembly Members, and in interacting with the public. Over the past year we have made significant progress in meeting our equality objectives, including the publication of an equality scheme and action plan.

In January 2009, as one result of this commitment to equality, the National Assembly was named as one of the UK's top 100 gay-friendly employers, according to Stonewall's Workplace Equality Index 2009.

This made us Wales's 'most-improved employer' in terms of being a gay-friendly place to work and the second 'most-improved' employer nationally. Looking forward, we are planning to reach out to a wider audience through greater engagement with all our communities, including using the National Assembly bus. We will also be continuing our commitment to lead by example when it comes to our corporate governance arrangements. To maintain our commitment to being an open and transparent parliamentary institution, we will also begin to proactively publish Assembly Member expenses on a monthly basis.

Working in partnership with the Welsh Local Government Association we aim to launch an exciting new all-Wales project so that those who have not traditionally engaged politically can gain experience of working with Assembly Members and their local councillors.

I would like to take this opportunity to thank everyone who works for the Assembly, and our Assembly Commissioners for their diligence and hard work in providing support and advice to Assembly Members, and for ensuring that we make the Assembly an accessible and effective parliamentary body that inspires the confidence of the people of Wales.

**Claire Clancy**  
**Chief Executive and Clerk of the Assembly**



## The National Assembly for Wales - the year in figures

<b>23,688</b>	The number of children involved in the Assembly's education workshops
<b>98</b>	The number of petitions received during the year
<b>2,500</b>	The number of people questioned as part of the Assembly's survey of people's understanding of the devolution settlement
<b>4,425</b>	The number of written research papers and documents produced by the Assembly's Members' Research Service
<b>71</b>	The number of Plenary meetings held during the year
<b>4,990</b>	The number of oral questions tabled
<b>2,242</b>	The number of written questions tabled
<b>85</b>	The number of Legislative Committee meetings held over the year
<b>5</b>	The number of new Legislation Committees established to manage the Assembly's law-making process
<b>257</b>	The number of events held in the Senedd during the year
<b>8</b>	The number of ballots held by the Presiding Officer to allow Assembly Members to propose laws for Wales
<b>2,106,100</b>	The number of written words translated by the Assembly's translation service
<b>146,528</b>	The number of visitors to the Senedd during 08/09
<b>95%</b>	The percentage of paper purchased by the Assembly that is from recycled sources or from FSC certified suppliers
<b>3,000</b>	The number of votes cast in the Assembly's Welsh Idol poll, won by Ray Gravell
<b>4,783,900</b>	The number of words published by the Record of Proceedings during the past year

## Highlights at a glance

<b>April 2008</b>	Siambwr Hywel, Europe's first dedicated youth debating chamber, is opened by Prince Charles.
<b>April 2008</b>	The Assembly introduces its online e-petitioning system, resulting in a significant increase in the number of submitted petitions.
<b>6 May 2008</b>	The Assembly passed its first law, the NHS Redress Measure – the first Welsh law passed since the 10 <sup>th</sup> century.
<b>August 2008</b>	The National Assembly appoints an independent panel to review Assembly Members' pay and allowances
<b>October 2008</b>	The results of the largest political survey in Wales, commissioned by the National Assembly, showed that 70% of people wanted either partial or full devolution for Wales.
<b>November 2008</b>	The National Assembly for Wales welcomed His Majesty King Letsie III of Lesotho to Cardiff Bay as part of an initiative to develop inter-parliamentary links between Wales and Lesotho.
<b>December 2008</b>	The Presiding Officer welcomed his counterparts from Scotland and Northern Ireland to the National Assembly for Wales. William Hay MLA, Speaker of the Northern Ireland Assembly and Alex Fergusson MSP, Presiding Officer of the Scottish Parliament, came to Cardiff Bay for this, their first visit to the Senedd.
<b>January 2009</b>	Her Royal Highness, The Countess of Wessex visited the Senedd in her capacity as patron of Mencap.
<b>January 2009</b>	The Assembly is named 'Wales's most improved employer' in Stonewall's Workplace Equality Index, and one of the top 100 gay-friendly places in which to work in the UK.

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Section 2—

The National Assembly  
for Wales

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## How the Assembly works

**The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.**

### Assembly Members

The Assembly is made up of 60 elected Assembly Members, who represent a specific area of Wales as a member of a particular party (Conservative, Labour, Liberal Democrat, Plaid Cymru) or as an independent member.

Assembly Members meet every week when the Assembly is in session, to discuss issues of importance to Wales and its people; they pose questions to Welsh Ministers, carry out debates on government policies and Committee reports and examine Welsh laws.

### The National Assembly Commission

To ensure that the Assembly carries out its role effectively and efficiently, the Assembly Commission was established in May 2007 to provide the Assembly with the property, staff and services required for its purposes.

The Commission sets the corporate body's strategic aims, objectives, standards and values, considers performance against their delivery, oversees change and encourages innovation and enterprise for the National Assembly.

The National Assembly Commission consists of the Llywydd, plus four other Assembly Members, one nominated by each of the four party groups. The five Commissioners are accountable to the National Assembly for the Commission's functions. To help with the delivery of these functions the Commissioners are responsible for cross cutting portfolios as detailed opposite.

During this year, Commissioners met formally on eight occasions, and looked at a range of issues that included the Assembly's draft budget; proposed changes to the IT system; the Assembly's Equality Scheme; our Branding Strategy; proposals for the independent panel that reviewed Members' pay and allowances and guidance for Assembly Members.

For more information, visit the [Commissioners' pages](#) on the website.



**The Rt Hon the Lord Elis-Thomas PC AM, Llywydd of the National Assembly for Wales**

The Llywydd has special responsibility for encouraging the people of Wales to engage in the democratic process, encouraging effective leadership within the Assembly, developing the future legislative powers of the Assembly and promoting effective engagement with external stakeholders.



**Chris Franks AM, Commissioner for the Improving Assembly**

Chris has responsibility for the continuous improvement of services to Assembly Members and the people of Wales, as well as for strategic planning and ensuring the Assembly delivers value for money. He also works with National Assembly staff to involve stakeholders in the democratic process.



**William Graham AM, Commissioner for Assembly Resources**

William's portfolio includes the management of National Assembly assets and staff (including employees, contractors and services provided for Assembly Members' support staff). He is also responsible for overseeing Assembly Members' salaries and allowances as well as ensuring the Assembly conforms to the principles of efficiency and good governance.



**Peter Black AM, Commissioner for the Assembly and the Citizen**

Peter is responsible for ensuring the Assembly is effective when it undertakes its core roles of holding the Welsh Government to account and making laws for Wales. In addition, he oversees effective external communication initiatives, which include educating people about the Assembly's role, the provision of effective information and communication technology for the Assembly and lawfulness.



**Lorraine Barrett AM, Commissioner for the Sustainable Assembly**

Lorraine has responsibility for ensuring the National Assembly conforms to and exceeds its policies on equality and accessibility. She also has special responsibility for ensuring the National Assembly and its buildings conform to principles of sustainability.



## Our strategic objectives

The National Assembly's **Strategy for the Third Assembly** clearly sets out what its priorities are until the next Assembly term in 2011.

The first of the goals aims at **encouraging more people to become actively involved in the democratic process**. The remainder of this report outlines how we have achieved this by ensuring greater public awareness of how the Assembly works, increasing understanding of the nature of the Assembly's relationship with the Welsh Government and the importance we place on involving the people of Wales in making laws for Wales and holding the Welsh Government to account.

The report also highlights how the Assembly is **making a bold response to its increased powers**. The establishment of new permanent legislation Committees, an enhanced role for the Subordinate Legislation Committee to scrutinise how powers conferred to Wales are shaping the landscape of Welsh constitution and the passing of the Assembly's first bilingual Measure all contributed towards the delivery of this goal.

**Good governance and probity** also form the cornerstone of the Assembly's work. This year's report details how the Commission established an **independent panel** to review financial support for Assembly Members, and for this annual report, the team from the Wales Audit Office has responded to a request from our Chief Executive and Accounting Officer to increase the planned audit of Members' allowances.

Almost uniquely for a parliamentary body, the Assembly undertakes all its work on the principles of **sustainable working**. The Senedd's build was based on using sustainable materials and processes, from lighting to recycling rainwater for use in its bathrooms, and this year we were successful in achieving Level 5 Green Dragon Environmental Management System (similar to ISO 14001) for the whole estate - the highest level that can be attained in the UK. In addition, during the course of the year, the Assembly has made other improvements to our environmental footprint, including strengthening the Sustainability team, improving our building management system which resulted in a decrease of 6% in the amount of energy used, and introducing a system that measures our carbon footprint for business travel.

Much work has been done over the past twelve months to ensure **the best service is provided in the most effective way** to our customers. Recognising the likelihood of tighter public spending, we need to work effectively and efficiently, deploying our resources and planning well to deliver our priorities while showing best value in our use of public money.

Working towards Investors In People accreditation and launching our Leadership Development programme are among the key actions undertaken during the reporting period, which will assist with the delivery of our priorities for the remainder of the third Assembly.



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Section 3—

Representing the interests  
of Wales and its people

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## Representing value for money

There is no doubt that in years to come, the past year will be seen as a time when democratic institutions across the United Kingdom were challenged to be more transparent, more accountable and more responsive to the needs and expectations of the electorate.

Since its establishment as a discrete law-making body in 2007, the National Assembly for Wales has adhered to its strategic objective of being transparent, accountable and open to the most intense public scrutiny.

As part of this commitment to the principles of transparency, in August 2008 the National Assembly appointed an independent review panel, chaired by Sir Roger Jones, to review Assembly Members' financial support. The panel's remit was to review and make recommended changes to all aspects of financial support available to Assembly Members, including pay and allowances for travel, accommodation, constituency offices and support staff.

The review gathered evidence and consulted extensively, both in private and in public. The panel gathered opinions from members of the public, and met with city, town and community councils, other public sector organisations, Assembly Members and also the Commissioner for Standards in Wales.

The panel's report was published on 6 July 2009. A copy of the report can be [found here](#).

## Representing Wales when making laws and holding the Welsh Government to account

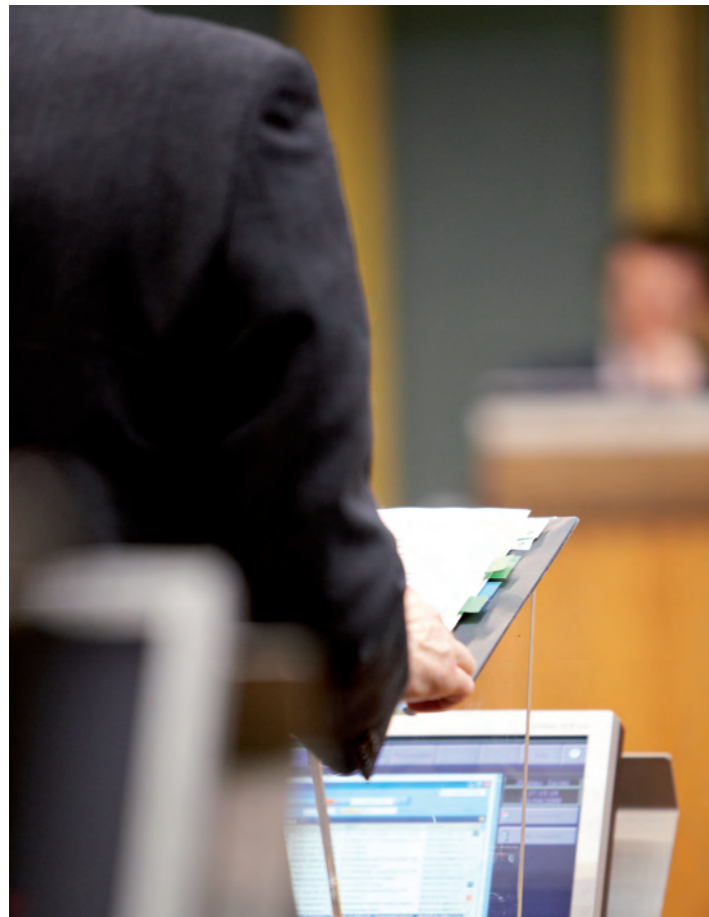
In every aspect of its work, the National Assembly is committed to ensuring that people have an opportunity to comment on and also shape the work that we do that will ultimately have an impact on their daily lives.

During summer 2008, the Health, Wellbeing and Local Government Committee undertook a public survey, which included asking 500 young people aged between 14 and 16 for their views on Presumed Consent for Organ Donation. Schoolchildren visiting Siambr Hywel also debated and voted on the issue, with the motion linked to the debate using the electronic voting system. Members of the public attending the Welsh national summer shows were also given the opportunity to leave their video comments at the Assembly's inflatable stand. The survey responses and the findings of the debates helped inform the Committee's final report on the subject which received considerable media coverage.

Similarly, when the Assembly was planning on introducing a law to ensure that school meals in Wales were nutritious and balanced, there was widespread consultation on the Proposed Healthy Eating in Schools (Wales) Measure 2008. Not only were the public and stakeholders encouraged to give their views, but every school that visited the Assembly was given the opportunity to vote on whether they thought legislation was necessary to ensure they received healthy meals.

In February 2009, the National Assembly undertook a major consultation exercise, when one of our legislation Committees asked the people of Wales whether the Assembly should have the right to legislate on the Welsh language, instead of laws on the language being passed in Westminster. This resulted in 300 responses being received which helped the Committee reach a view on the need for the legislation.





## Representing the young people of Wales

As part of the Assembly's efforts to encourage young people to understand the democratic process, the Assembly's former debating chamber in Tŷ Hywel, named after the 10th century King Hywel Dda, was transformed and renamed Siambr Hywel in April 2008. It is believed to be the world's first dedicated youth debating chamber. Siambr Hywel provides a forum and space to allow young people to debate under the same rules that govern the Assembly, with speakers requesting and being called to speak.

Consultation with young people is central to our activities in Siambr Hywel, but it has also acted as a venue for 19 events during the year; among them, CEWC Model Assembly, EU Mock Council of Ministers, the Assembly's Youth Participation Conference and a Government and Politics AS/A Level (WJEC) Conference. These events demonstrate our commitment to working in partnership with external stakeholders to help achieve better understanding of how individuals can play their part in Welsh democracy.

The Assembly also launched a new outreach education service for south Wales in September 2008, which reached 80 schools and colleges. Over 280 schools and colleges from the north Wales and mid and west Wales regions received presentations through our outreach programme. During the year the education team, collectively, delivered presentations and workshops to 683 schools and colleges, reaching an audience of 23,688 pupils.

## Representing Wales's interests through technology

The National Assembly is dedicated to ensuring that we choose the most innovative and useful ways to engage with the people of Wales. As technology changes, so do people's expectations of how they can interact with us. We are committed to using the most modern and inclusive methods available to help people, including those who may not normally take an interest in the Assembly and its work, to understand, engage and participate in Welsh democracy.

In April 2008, the National Assembly augmented its e-democracy services with the launch of our e-petitioning system, our improved webcasting service Senedd.tv, e-forums and a "quick vote" facility for online consultations for Committee inquiries.

The Assembly's media relations team also started work on ensuring that we are providing information to journalists that reflects their needs in Wales's changing media landscape. From March 2009, nearly every media release sent out was accompanied by a bilingual audio clip, allowing local radio stations to carry information to which they would not have otherwise had access.

In addition, the Assembly established a wide-ranging review of IT services and systems, concentrating on how the Assembly can use IT to improve the way we work and how we engage with the public. The review, called iChange, included a comprehensive internal consultation which gathered the opinions and views of over 40 Assembly Members, numerous support staff across all political parties represented in the Assembly, and Assembly staff. Everyone was encouraged to give their views on what was good and bad about the current systems and services, and what they would like to see in future.

The Assembly's Members' Research Service introduced new online tracking services which have been developed to help the public to better understand the work of scrutiny and legislation Committees. These can be accessed via **the progress of Scrutiny Committee inquiries** and **the progress of Legislative Competence Orders (LCOs) and Measures** web pages.

The **Assembly powers tracking notes** service also provided the Assembly and the public with the most comprehensive assessment available of the Assembly's evolving legislative competence and the legislation from which it derives.

## Representing your interests through Petitions

Another particularly striking example of technology being used to help people work collaboratively with the National Assembly is the e-Petitions system, which has the potential to reach many more people than a traditional paper petition and makes the submission of petitions far simpler.

In just over two months since its launch in April 2008, the e-Petitions system had contributed a fifth of the total of petitions for the whole year, proof that user-friendly ways of engaging with the Assembly helped people to realise that their voices and opinions were not just heard, but also acted upon. During the reporting period, the Committee received its 150<sup>th</sup> petition since the start of the Third Assembly from the Ammanford Junior Gateway Club which called for free swimming for children and young people throughout the year. The Committee received this petition from the petitioners at the National Pool in Swansea. Paralympian gold medallists David Roberts and Ellie Simmonds were on hand to support the petitioners.

The Committee also conducted, and reported on, its first inquiry during this period on a petition raised by the Welsh Canoeing Association calling for a change in the law to allow a right of access to inland water for low-impact recreational activities. As part of its inquiry, the Committee visited the River Teifi in West Wales to meet with a variety of water-users and land owners. It also held a formal meeting at the Scottish Parliament in order to gain an understanding of the situation in Scotland, where a right of access was introduced in recent years.

The Petitions Committee has conducted a variety of visits to gather evidence on different petitions and has held formal meetings in locations close to the communities in which petitions have been raised. They have held various small discussion groups, site visits and classroom activities, received evidence via DVD and produced short video clips to communicate outcomes of petitions to petitioners. These are available on the [Petitions Committee](#) webpages.

## Representing the Assembly in the community

In preparation for the Assembly's tenth anniversary in 2009, the National Assembly for Wales further demonstrated its commitment to a participative democracy through the introduction of the Outreach and Liaison team. Four Assembly staff based in the four corners of Wales have responsibility for establishing partnerships with local organisations and individuals to encourage greater participation in the Assembly's work and widen understanding of devolution.

The year also saw plans for the introduction of the Assembly's Outreach bus. Predominantly based in north Wales, it will bring the Assembly to the doorstep of communities across the region, allowing people access to give their opinion on and input into the Assembly's work.

The Llywydd also led a campaign to involve more people who have traditionally experienced barriers to participation with the Assembly, by undertaking a tour of Wales's five electoral regions to speak with representative groups to gauge their views on how we can right this wrong. The tour started in Swansea with a visit to the African Community Centre, followed by a meeting with representatives from ethnic minority groups. The Llywydd also met with children and young people's groups, disabled people, faith groups and Stonewall Cymru to better understand how the Assembly can proactively work with them to ensure easier access to democracy. This was the beginning of a commitment to work even more closely with such groups to achieve a truly representative democracy.

Work on a joint mentoring scheme for under-represented groups by the Assembly and the Welsh Local Government Association was also underway during 2008-2009. The scheme will give individuals from under-represented groups the opportunity to learn more about democracy in Wales by observing the work practices of their appointed political mentors, and learn about their role and responsibilities, thus encouraging them to become more active in community life.





## Representing Wales overseas

Over the course of the year, the National Assembly's office in Brussels has continued with its role of representing Wales's interests in Europe, and this year has been working closely with Christine Chapman AM on the Committee of the Regions' work on the future of the Lisbon Strategy.

Rosemary Butler AM, the Assembly's Deputy Llywydd, attended the CALRE (Conference of European Regional Legislative Assemblies) annual meeting in Bilbao.

Assembly Members also represent Wales on the Commonwealth Parliamentary Association. Janet Ryder AM and Nerys Evans AM represented the National Assembly for Wales at the Association's annual conference which was held in Kuala Lumpur, Malaysia, which was also attended by Alun Cairns AM as the UK's Regional Representative. The theme for this year's Plenary Conference was 'Expanding the Role of Parliament in Global Society: Environment, Development and Security'. The Conference was attended by over 600 parliamentarians from all nine regions of the Commonwealth, with 50 countries and over 160 parliaments and legislatures represented.

In the course of the year, Assembly Members also hosted a number of Commonwealth visitors to the Assembly including:

- Hon (Richard) George Richard Torbay, Speaker of the Legislative Assembly, Parliament of New South Wales together with Russell Grove, Clerk to the Parliament – April 2008
- The Hon Don Harwin, Member of the Legislative Council, Parliament of New South Wales – April 2008
- Hon Don Wing, President of the Legislative Council and Mr David Pearce, Clerk of the Legislative Council Parliament of Tasmania – May 2008
- Hon Hlomohang Morokole, Vice-President of Lesotho Senate – November 2008.

Members of the **European and External Affairs Committee** undertook a two-day programme of private informal meetings in Brussels with representatives of a number of European institutions. This provided invaluable briefing and intelligence to inform the Committee's scrutiny of critical EU issues affecting Wales, including measures being taken at EU level to tackle the economic and financial crisis, the future of cohesion policy funding and the impact of the Common Agricultural Policy.

## Looking to the future

The past year has seen the Assembly lay foundations for a number of new and innovative approaches to help people better understand the Assembly and its work, and to encourage people to participate in the process of making laws for Wales and helping to hold the Welsh Government to account.

Work has started on the refurbishment of the Pierhead, the iconic terracotta brick building adjacent to the Senedd that is the backdrop to the daily BBC Wales and ITV Wales news bulletins. The Pierhead helped Wales forge its identity "through water and fire" in the 19<sup>th</sup> century. Now a part of the Assembly's estate, work is currently underway to transform it into a space that will help inform, involve and inspire a new generation to shape the political landscape of the future.





## Making laws for Wales

As the Assembly establishes itself as a mature legislature, it is interesting to glance backwards to appreciate how the Government of Wales 2006 Act has changed the legislative landscape of Wales.

From 1945 to 1999, the UK Parliament passed only 11 Acts which applied solely to Wales – an average of one every five years. Between 1999 and 2007, a further eight 'Wales-only' Acts were passed which averages one 'Welsh' Act each year.

History was made at the National Assembly for Wales on Tuesday 6 May 2008, with the passing of the first ever Assembly Measure, the NHS Redress (Wales) Measure 2007. It was the first piece of primary legislation made by the National Assembly, the first Welsh law to be passed since the 10<sup>th</sup> century and the first bilingual law ever to be passed in Britain.

In addition, between May 2008 and March 2009:

- Four Assembly Measures were passed
- Three Legislative Competence Orders were made conferring legislative powers on the Assembly
- Another seven Orders had undergone pre-legislative scrutiny by Assembly Committees, including two proposed by backbench Members
- The first Committee-proposed Measure was introduced during 2008/09 - National Assembly for Wales Commissioner for Standards Measure developed by the Committee on Standards of Conduct proposing to give the Commissioner for Standards a statutory role.

In order to achieve this:

- Legislative Committees held 85 meetings to consider all proposed Orders and Measures, and produced seven reports
- The Subordinate Legislation Committee met on 32 occasions, reported on all the laid Statutory Instruments, proposed Measures and commenced scrutiny of UK Bills
- The Presiding Officer held eight ballots for Member-proposed legislation – four for proposals for Legislative Competence Orders and four for proposals for Assembly Measures.

Full details of the progress of Orders and Measures are compiled by the Assembly's Members' Research Service, and can be found [here on the Assembly's website](#).



When Assembly Measures are approved by Her Majesty in Council, they become subject to Crown Copyright and need to bear a suitable emblem when published. Discussions therefore took place between the Assembly and the College of Arms to develop a royal emblem which would be distinctively Welsh in character and which would be appropriate for marking the unique character of Assembly Measures as Welsh legislation.

The Royal Badge of Wales was unveiled and will appear on all Assembly Measures. It is based on the arms of the native princes of Wales, dating back to the 13<sup>th</sup> century, which are also used by the Prince of Wales on his banner for use in Wales.







## Responding to the new legislative landscape

Such a major sea-change has resulted in significant structural and procedural changes to address the rising legislative workload on Assembly Committees, and they in turn have sought innovative ways to increase public involvement in the ways the Assembly makes laws for Wales.

The Committee scrutinising the proposed Healthy Eating in Schools Measure, for example, felt it was important to consult with children and young people who would be affected by the legislation. To this end, questionnaires based on the key provisions within the proposed Measure were sent to a ten per cent sample of schools in Wales to assess the views of pupils. Over 700 responses were received which informed the development of the Committee's report.

The Assembly's response to the change in the legislative tempo was to establish five permanent legislation Committees, each with an independent, non-voting Chair. One deals primarily with Member and Committee-proposed legislation and the other four address legislation proposed by the Welsh Government. The result has been a better management of the flow of legislation through the Assembly and also a group of Members and Chairs who have an ever-increasing expertise in the specialised task of scrutinising legislation.

## Scrutinising legislation made for Wales

A number of other Committees play a key role in examining Assembly Measures, Legislative Competence Orders and UK Bills and their implications for Wales.

The Assembly's **Finance Committee** considered and reported on the financial implications of four proposed Measures for Wales, on the assumption that if they become laws in Wales, it may be necessary for the Welsh Government to account for the consequences of the new legislation when setting its budget. The Finance Committee examines the financial implications of any proposed Measure to ensure that it is properly costed before it is made law.

During the autumn and winter, the **Enterprise and Learning Committee** undertook pre-legislative scrutiny of a petition submitted by Sustrans to the Assembly, which called on the National Assembly for Wales to seek powers to place a duty on the Welsh Government to develop and maintain a network of traffic-free shared use paths for walkers, cyclists and disabled people across Wales.

The Committee consulted widely, and the overwhelming consensus among respondents was that legislative competence for this matter should be conferred on the National Assembly.

It was felt that a network of traffic-free routes would encourage more people to adopt healthier lifestyles, and would help reduce the use of private cars and therefore help address the challenges of climate change while also benefiting tourism and the local economy.

The result? The Committee was convinced of the long-term sustainability of the considerable economic, social and environmental benefits of the scheme, and is looking to propose legislation to make it happen.

## Scrutinising other legislation which impacts on Wales

Committees also have a role to play in scrutinising other types of legislation that will impact on Wales.

The **Sustainability Committee** undertook scrutiny on the UK Planning Bill in order to seek clarification on the implications for Wales, in particular around the establishment of the Infrastructure Planning Committee and who would be responsible for planning decisions. The Committee scrutinised the Minister for Environment, Sustainability and Housing on the Bill and made a number of recommendations to the Welsh Government, aimed at protecting Welsh interests within the context of the Bill, in particular about the need for the necessary powers to be transferred to Wales.

At the request of the House of Commons Innovation, Universities, Science and Skills Select Committee, the **Enterprise and Learning Committee** responded to the UK Government's consultation on the Draft Apprenticeships Bill. The Draft Bill was drafted to apply to England only. The Committee sought clarification from the Welsh Government regarding the mechanism by which Welsh clauses would be incorporated into the Bill. The Committee scrutinised John Griffiths AM, the Deputy Minister for Skills, at a meeting in March. The Committee felt that the legislative process by which Welsh clauses were incorporated in a large UK Bill was unsatisfactory and left little room for thorough scrutiny either at Westminster or the National Assembly for Wales. The House of Commons Committee noted that "the consultation on the operation of apprenticeships in Wales and on the application of the draft legislation to Wales has clearly been inadequate." It therefore recommended, "that the Government rectify this deficiency before the provisions in the draft Bill are finalised."

The UK Climate Change Bill was scrutinised by the **Sustainability Committee** as it contained a number of provisions which would have a significant effect on Wales. The Committee made a number of recommendations to ensure that the Bill fully reflected Welsh priorities and interests, in particular these focused on the need to ensure a greater emphasis and clarity was given to the targets and aims contained within the Bill to tackle Climate Change.

To adopt a proactive approach to the examination of powers being conferred on Welsh Ministers and the Assembly by UK Bills, the **Subordinate Legislation Committee** is now seeking to:

- identify powers in UK Bills which relate to Wales and consider whether any powers conferred on the Secretary of State should be conferred on Welsh Ministers
- consider, where powers have been conferred on Welsh Ministers within a UK Bill, whether procedures for making subordinate legislation are appropriate, and
- consider whether the Welsh Government should seek Measure-making powers, as opposed to delegated powers for Ministers, when Bills relate to fields within Schedule 5 to the 2006 Act.

The Committee began this work by reporting on the Business Rates Supplements Bill which would confer powers on Welsh Ministers. The report highlights the Committee's view that the Welsh Government ought to be taking advantage of the opportunities these Bills offer, in order to seek Measure-making powers for the Assembly.

## The year ahead

As the Assembly's law-making powers gather momentum, the focus for the legislation committees will be to ensure thorough and transparent scrutiny of legislation which not only involves input from civil society organisations but also from the people of Wales that it will affect.

During the coming year, we aim to increase awareness of the Assembly's law-making role and to help external organisations and interested individuals understand how to engage with the Assembly's role as a legislator – and crucially, to identify at which stage in the legislative process their input can influence the laws that are made.

In the coming year, the Subordinate Legislation Committee will be looking in more detail at the powers that are passed to the Assembly and Welsh Ministers from UK Acts of Parliament, to ensure that we take a broad view of the development of the Welsh constitution.

We also aim to increase our interaction with young people and schools through the Assembly's education team, to gather views on the proposals for Welsh laws which might have a direct impact on them or their education. We will use new and emerging technology as well as traditional outreach activities to ensure the people of Wales can become increasingly involved in the process.

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Section 5—

Holding the Welsh  
Government to account

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## Holding the Welsh Government to account

Effective scrutiny of a government's work is at the heart of any democratic process, and this work is undertaken by the National Assembly in a number of ways, with various parts of the Assembly's staff all playing an important part in allowing Assembly Members to hold the Welsh Government to account. While much of this process is done through scrutiny Committees (see section below), the Assembly holds the Welsh Government to account in a number of other ways.

### Holding the Welsh Government to account in the Siambr

Plenary meetings take place in the Siambr, the Senedd's debating chamber, on Tuesday and Wednesday afternoons between 13.30 and 18.00, and are chaired by the Llywydd or Deputy Llywydd.

Between April 2008 and March 2009, 71 Plenary meetings were held.

## Assembly Questions

**Assembly Questions** are one of the key ways that Assembly Members are able to hold the Welsh Government to account, and can be used to obtain information or to press for action. There are two types of Assembly Questions: oral and written.

Members can ask **Oral Questions** directly to the First Minister and other Welsh Ministers. First Minister's Question Time takes place each Tuesday, with other Ministerial and Commission questions taken on Wednesday.

For each Question Time, 15 questions are randomly selected in an automated 'shuffle' conducted on behalf of the Llywydd. Members then have an opportunity to ask supplementary questions for which no notice is given.

During the period of this report, a total of **4,990** Oral Questions were tabled – a breakdown of where those questions were directed is below:

	Number of Oral Questions Tabled
First Minister	1,046
Minister for Health and Social Services	585
Minister for the Economy and Transport	557
Minister for Children, Education, Lifelong Learning and Skills	538
Minister for Environment, Sustainability and Housing	503
Minister for Social Justice and Local Government	465
Minister for Heritage	438
Minister for Finance and Public Service Delivery	416
Minister for Rural Affairs	398
Counsel General	26
Assembly Commission	18

After Oral Questions, the Presiding Officer may allow any **Urgent Assembly Questions**, which are without notice and are of urgent public importance. During the period of this report six Urgent Questions were asked on subjects ranging from job losses in Wales to the development of wind farms.

**Written questions** may be tabled at any time, and receive a written answer. Any Oral Question that is not reached by the end of the allocated time also receives a written answer, which appears in the Record. **2,242** Written Assembly Questions were tabled during this period.

## Committees that hold the Welsh Government to account

As part of their role in holding the Welsh Government to account, Assembly Committees examine issues such as how Ministers are spending public money and how effective policy is at achieving what it set out to do. In short, the National Assembly's scrutiny Committees make sure that the Welsh Government is accountable for its actions, on behalf of the people of Wales.

Committees recommend ways in which Government policies could be more robust and its expenditure more effective, efficient and economical. Committees engage proactively and innovatively with individuals and organisations which can articulate the voice and experience of the people of Wales.

Over the course of the year, the Assembly held 257 non-legislative scrutiny Committee meetings.

## Helping Assembly Members to hold the Welsh Government to account

The **Members' Research Service** provides impartial, independent and expert research and information services to support Assembly Members in all they do as elected representatives and to secure scrutiny and legislation of the highest quality.

During 2008/09, the service provided research and information advice and support to Assembly Members in a number of areas: through an individual enquiry service; by producing proactive research to inform debate; and by providing research support and advice for Members in undertaking scrutiny and in making laws.

During the year, 3,593 pieces of written work were produced by the Members' Research Service, including 3,428 replies to individual enquiries, and 579 pieces of research work informed Assembly Members' work as they either held Welsh Ministers to account in scrutiny Committees or made laws for Wales in legislation Committees.



## Involving the people of Wales in holding the Welsh Government to account

As part of the Assembly's commitment to ensuring the opinions of the people of Wales underpin all our work, including that of holding the government to account, the **Health, Wellbeing and Local Government Committee** undertook innovative ways of engaging the public in their inquiry on presumed consent for organ donation in Wales.

In addition to online discussion forums on the Assembly website, two short questionnaires were produced which could be used in schools and in the National Assembly's buildings and people were also allowed to vote on the issue online. The Members' Research Service designed the questionnaire, and worked closely with the Assembly's External Communications team and the Education team on implementing the project. Around 900 questionnaires were returned and analysed, and qualitative comments made on the questionnaires were used to inform the body of the report and the analyses were included in an Annex to the report.

The National Assembly's Petitions scheme triggered another high-profile consultation to challenge the Welsh Government's policies. A BBC initiative, "If I ruled the world" highlighted concerns about the use of plastic bags in Wales. A participant had highlighted the issue, and decided to submit an online petition to the Assembly, suggesting that a levy was introduced on all plastic bags in Wales.

The Assembly's **Sustainability Committee** subsequently met with a range of interested parties, from plastic bag producers to major supermarkets, and also visited Ireland where a levy has been placed on all plastic bags. The Committee produced a report which recommended a charge be placed on all plastic bags in Wales, which has since been agreed by the Welsh Government.

At the start of an inquiry into the Production and Promotion of Welsh Food in January, the **Rural Development Sub-Committee** held a round-table discussion with key stakeholders. The Chair was keen to move away from a more formal meeting format to try and gain a better understanding of the real issues facing the food industry in Wales, and it was therefore the people taking part in the meeting who set the agenda in terms of the issues they wanted to raise.

The **Rural Development Sub-Committee** had earlier held an inquiry into the reorganisation of schools in rural Wales, which originated from a petition by a group of parents in Powys. That inquiry focused on issues relating to the provision of education in rural primary schools such as the social and educational issues associated with primary school reorganisation, and the impact on communities. It also looked at the adequacy of existing policies and guidance in addressing the wider issues associated with the reorganisation of rural primary schools, and Estyn's role in this context.

The **Enterprise and Learning Committee** decided to work informally to undertake an inquiry into the support for people with dyslexia in Wales. The Committee wanted to place the citizens of Wales at the heart of its scrutiny and so met children with dyslexia and their families in an informal coffee morning, to give them the opportunity to air their views openly to Committee members. This also gave members the opportunity to hear first hand evidence from those with dyslexia about the barriers that they and their families face daily.

Approximately 25 people attended each coffee morning, and it was noted that this set-up was a benefit to the parents of the children as they had the opportunity to raise their concerns with Assembly Members and seek advice from a wide range of professionals in the field.

When investigating advocacy services for children and young people, members of the **Children and Young People Committee** met with young people from a wide range of ages and backgrounds, in seven locations in Wales. They wanted to make sure the discussions took place in an environment where children and young people felt comfortable and were able to talk about difficult or sensitive issues without feeling intimidated.

The Members fed their findings back to the Committee and young people who took part were invited to the launch of the Committee report so that they could see what difference their views had made to the Assembly's work.

After concerns had been raised with Assembly Members by constituents, the **Finance Committee** carried out a short inquiry in May 2008 to examine the financial implications of the Foundation Phase, which would provide for a new and innovative way of delivering education for three to seven year-olds. Following the Committee's inquiry, the introduction of the Foundation Phase was changed to a staggered approach that would allow the policy to be delivered in line with the level of resources allocated to it.

As part of its inquiry into Issues affecting migrant workers in Wales, their families, and the communities in which they live and work, the **Equality of Opportunity Committee** visited an Advocacy and Advice centre for migrant workers in Wrexham. They met with older people in North and West Wales to get first-hand accounts of people's experiences as part of their inquiry into Home Maintenance and Adaptations Services in Wales.

During their inquiry into Parenting in Wales, the **Children and Young People Committee** discussed the emerging ideas from their inquiry with about 30 parents who met with them in the Senedd and in Flintshire. Before the meeting, the parents were given information about the Committee and the work it had done on this inquiry. The parents met in small groups with a member of the Committee who then reported back to the Committee as a whole about the ideas they'd heard. Members said that the evidence provided by parents at these events "hugely strengthened" their final report.

The **Communities & Culture Committee** inquiry into domestic abuse and the support services available in Wales consulted widely and received evidence from survivors of domestic abuse. Those consulted included residents of refuges, who allowed Committee Members access for visits and gave their views. The wide scope of the Committee's inquiry allowed them to explore the strengths and weaknesses of the existing domestic violence strategy and to make some robust recommendations about what more needs to be done.

The future of public service broadcasting in Wales in English and Welsh was the focus of the **Broadcasting Sub-Committee**, as well as reviewing what impact the digital switchover would have on life in Wales. Set up during the summer term, the Committee ceased to exist on 18 July 2008 after delivering its report. The input of both Welsh and UK broadcasters to the Committee's deliberations resulted in a well informed report which received significant publicity both in and outside Wales. This work was continued by the Communities and Culture Committee, which reported its findings in May 2009.

The **Audit Committee** promotes the effective and efficient governance of Wales, and considers the delivery of the Welsh Government's policies to ensure that value for money is achieved. This year, the Committee focused on health-related issues that had a direct impact on people across Wales. In May it published a report on minimising infections contracted through contact with the healthcare system in Wales, and in October 2008 the Committee reported on the Welsh Ambulance Service Trust. The Welsh Government's response to the report prompted the Committee to recall the Accounting Officer to give further evidence and launch a further inquiry into these issues as it was felt that insufficient progress had been made to date.

## Looking ahead

The past year has shown the benefits associated with increasing engagement with Assembly's work, and we will continue to place a strong emphasis on the Assembly's strategic objective of increasing participation in the democratic process.

In the next year we will continue to look for increasingly flexible and innovative ways to do this. For example, the Assembly's outreach bus offers opportunities for people to comment on Committees' work via video vox-pops, and also offer opportunities to hold meetings in different parts of Wales to collect evidence for inquiries from people affected by specific issues. Notes from the meetings as well as video evidence can therefore be collated and shown to the Committee in a formal meeting and can be used as formal evidence.

We will also use people's video contributions, for example, mobile phone footage and photographs to highlight their experience of any issues that Committees may be discussing, which again can be displayed on the Assembly website as well as being used as evidence and illustrations for the final report of an inquiry.

Assembly Committees will also develop further the idea of virtual and actual reference groups, where virtual reference groups of key stakeholders could enable the fast identification of issues. The information gathered from this type of group could be used to scrutinise Ministers across portfolios on the issues under question, possibly through short, sharp and focused mini inquiries into the issues.



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Section 6—

Statement of Accounts

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## STATEMENT OF ACCOUNTS

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## MANAGEMENT COMMENTARY

These accounts have been prepared in accordance with the Treasury Direction issued under Section 137 of the Government of Wales Act 2006.

### History and Statutory Background

The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

The National Assembly for Wales Commission (the Commission) was established in May 2007 under Section 27 of the Government of Wales Act 2006 (the 2006 Act) and has a duty to ensure that the National Assembly for Wales (the Assembly) is provided with the property, staff and services required for this purpose. The Commission comprises the Presiding Officer, and four other Members of the National Assembly for Wales (the Assembly) elected by the Assembly. The Clerk of the Assembly (appointed under Section 26 of the 2006 Act) is the Chief Executive of the Commission and Principal Accounting Officer. The Chief Executive and other staff appointed under paragraph 3 of Schedule 2 to the 2006 Act are referred to as "staff of the Assembly". The Commission is independent of Welsh Government Ministers (Welsh Ministers).

The Commission provides the infrastructure (including the Senedd and Tŷ Hywel, the Assembly offices) and the salaries and allowances which enable Members to undertake their duties both at the Assembly and in their local offices. It provides the facilities and staff to allow the Assembly and its Committees to meet and encourages public awareness of and engagement with the democratic process.

Further information on the work of the Commission is available in the Annual Report published alongside these accounts at [www.assemblywales.org](http://www.assemblywales.org) and [www.cynulliadcymru.org](http://www.cynulliadcymru.org).

### The Commission

<i>The Commissioners during 2008-09 were:</i>	<i>Date appointed to the Commission</i>
Rt Hon Lord Elis Thomas AM, Presiding Officer	9 May 2007
William Graham AM	6 June 2007
Lorraine Barrett AM	6 June 2007
Peter Black AM	6 June 2007
Christopher Franks AM	18 September 2007

The Commission has agreed portfolio arrangements whereby Commissioners take a lead interest in specific issues. These were as follows:

**Lord Elis Thomas AM – Chair of the Commission** - with special responsibility for the independent review panel on support for Assembly Members; promoting democratic engagement; excellent leadership; developing the Assembly's future legislative powers and external relations.

**Lorraine Barrett AM – Commissioner for the Sustainable Assembly** - this portfolio includes responsibility for equality; language; environment and carbon neutrality; sustainable procurement and estate management.

**Peter Black AM – Commissioner for the Assembly and the Citizen** – this portfolio includes looking at the quality of scrutiny and the legislative process; external communication; ICT; citizenship education; legal matters and Freedom of Information.

**Christopher Franks AM – Commissioner for the Improving Assembly** - this portfolio includes looking at improving services to Members and citizens; involving stakeholders; strategic planning; and considering value for money.

**William Graham AM – Commissioner for Assembly Resources** - this portfolio includes considering the management of Assembly assets; Assembly people (including employees, contractors, services provided to support Assembly Members' Support Staff); the Commission's budget; Members' salaries and allowances; efficiency and good governance.

### Senior Management

The senior management employed by the Commission through the year and to the date of signing the Accounts, were:

Claire Clancy	Chief Executive, Clerk of the Assembly and Principal Accounting Officer
Dianne Bevan	Chief Operating Officer
Adrian Crompton	Director of Assembly Business
Keith Bush	Director of Legal Services

The Remuneration Report within these accounts contains information about the salary and pension entitlements of the named individuals, and their travel and subsistence claims for the year.

The senior management hold their appointments on a permanent basis.

### Review of the Principal Activities

The principal activity of the Commission and its staff during the year was to support the work of the Assembly and its functions under the 2006 Act. The Commission's purpose is to

make the Assembly an accessible and effective parliamentary body that inspires the confidence of the people of Wales. To support this, a Strategy for the Third Assembly 2007-2011 was established, with five strategic goals and agreed working values. The goals are:

- We will promote and widen engagement in devolution;
- We will show unity, leadership and a bold response to constitutional change;
- In all our work, we will demonstrate respect, probity and good governance;
- We will work sustainably;
- We will ensure that the Assembly has the best service, provided in the most effective way.

Further details of the Commission's goals, values and main activities are available in the Annual Report published alongside these accounts at [www.assemblywales.org](http://www.assemblywales.org) and [www.cynulliadcymru.org](http://www.cynulliadcymru.org).

At the end of the financial year, the Commission employed 341.9 full time equivalent (fte) staff (303.6 2007-08) and a further 4.4 fte staff were seconded from other organisations (8.8 2007-08). The overall sickness absence rate for the year was 4.2% (4.7% 2007-08) against a target for the year of 4.1%.

The Commission appointed the following four independent advisers, all on a 3-year appointment basis, from 5 November 2007:

Mair Barnes	Tim Knighton
Richard Calvert	Professor Robert Pickard

Further background information on the independent advisers is available in the Annual Report published alongside these accounts at [www.assemblywales.org](http://www.assemblywales.org) and [www.cynulliadcymru.org](http://www.cynulliadcymru.org).

### Review of the Financial Year

The net resource outturn for 2008-09 was £44 million, of which £12.4 million was for salaries and allowances of Assembly Members, (excluding charges of Presiding Officer and the Deputy Presiding Officer) including allowances for securing staff and constituency/area based accommodation to assist them in the discharge of their duties. The salary and related costs of staff employed by the Commission was £12.2 million; accommodation, ICT and other running costs amounted to some £19.3 million; with £0.1 million rental income and merchandise sales from the Assembly Shop. This resulted in a net resource outturn that was (4.7%) below the approved net resource budget of £46.2million (£0.7 and 1.6% underspend in 2007-08), with the surplus largely attributable to lower than anticipated spending on Assembly Members' salaries and allowances, staff salaries, asset depreciation costs and capital expenditure to create fixed assets. This underspend was partly offset by increased expenditure on projects to improve the sustainability, and reduce the carbon impact, of the Assembly's estate and to improve the ICT infrastructure. Further information on the resource outturn is provided in Note 2 to the accounts.

At 31 March 2009, the Commission's net assets amounted to £63.5 million (£67.3 million at 31 March 2008).

These accounts also disclose expenditure of £0.635million in respect of the salary costs of the Presiding Officer, Deputy Presiding Officer, Auditor General for Wales and Public Services Ombudsman for Wales. These salaries are paid by the Commission but are a direct charge on the Welsh Consolidated Fund. Consequently, they are excluded from the net resource outturn.

The Register of Assembly Members' Financial and Other Interests continues to be updated and published on the Assembly's website.

### **Future Developments**

Planning for the future is set against the difficult fiscal backdrop facing public services over coming years. The Commission is a relatively new and developing corporate body. It is required by law to provide the Assembly with the property, staff and services required for the Assembly's purposes. But, at the same time it must exercise proper stewardship of public funds by driving down costs and searching out efficiencies and savings. In order to achieve the best balance between these two imperatives, a Change Programme is being established. Its role will be to prioritise projects by reference to the Commission's strategic objectives. It will oversee and co-ordinate programmes in order to align investment, organisational capability and capacity with the delivery of Assembly-focused outcomes.

Delivery of services to support the formal legislative, scrutiny and other business of the Assembly is a priority for the Commission. Changes to the structure of the committee system were made in 2008-09 in order to improve its efficiency and effectiveness, in particular in relation to the scrutiny of legislation. The Commission meet jointly with the Business Committee to ensure that resources are aligned with future developments in the management of formal Assembly business.

Another aspect of the need to ensure that resources are used appropriately parallels public concern about the expenses paid to elected politicians, which is currently at an unprecedented high. Publication on 6 July 2009 of the report of the Independent Panel on Financial Support for Assembly Members, established by the Commission in 2008, provides the opportunity to put in place enhanced arrangements which will be prudent, fair, effective and transparent.

The enhancement of facilities to enable use of the Pierhead to further promote awareness and understanding of the work of the Assembly will be taking effect in the autumn 2009. The environmental impact of the Commission's estate continues to be a key factor in our planning. Re-shaping our ICT facilities is likely to be a project which has great significance over coming years. Its aim is to provide a more co-ordinated and efficient use of Assembly resources as well as increased capacity and functionality, for example by facilitating digital democracy.

Finally, advance planning has commenced in relation to the administrative and financial challenges of the 2011 Assembly elections and of the Fourth Assembly.

### **Risks and Uncertainties**

The Commission operates a Risk and Benefits Management Framework to develop a risk-aware culture, managing risks appropriately, and realising opportunities for improvement. Further information is provided in the Statement on Internal Control within these accounts. The Commission has established an Information Asset Register and a Security Policy Framework is being developed based on Cabinet Office Guidelines, reviewing practices including those relating to data security. No breaches of data security were identified during 2008-09.

### **Compliance with our Duties**

The Commission has a number of duties, such as equal opportunities, health and safety, promoting sustainable development, etc. Further information explaining how the Commission complies with these duties is published in the Annual Report alongside these accounts, at [www.assemblywales.org](http://www.assemblywales.org) and [www.cynulliadcymru.org](http://www.cynulliadcymru.org).

### **Pension Liabilities**

The treatment of pension liabilities and details of the relevant pension schemes are set out in the Statement of Accounting Policies within these accounts on Page 30, Note 1.

### **Supplier Payment Policy**

The Commission's key performance target for 2008-09 was to pay all suppliers within 30 days of receipt of invoices not in dispute. Payments performance for the year averaged 98% paid on time (78% average 2007-08) and the target for 2009-10 has been enhanced to a 10 day commitment.

### **Corporate Governance Committee**

The Commission has a Corporate Governance Committee to support the Commission and the Accounting Officer in monitoring and reviewing corporate governance, risk management and control systems. Membership of the Committee consists of three independent advisers (one of which is the Chair) and one Assembly Commissioner. Its membership is William Graham AM, Richard Calvert (Chair), Tim Knighton and Professor Robert Pickard. The Committee's work in 2008-09 included consideration of the first annual accounts produced by the Commission for 2007-08; provision of advice regarding assurances which support the Statement on Internal Control; reviewing measures implemented to provide for security of data; and provision of advice on the development of a business continuity plan.

### **Remuneration Committee**

The Commission has a Remuneration Committee to assist the Commission and Chief Executive in ensuring that we meet the highest standards of probity and accountability for the use of public funds and specifically, for appraisal and remuneration policies and systems. Its membership is Tony Morgan, Chair of Audit at Geldards and retired partner at

PricewaterhouseCoopers, and Professor Robert Pickard, and Tim Knighton, two of our Independent Advisers. During the year the committee's work has included benchmarking the salary scales of senior grades against comparable organisations and commenting on the principles proposed to underpin an emerging reward strategy.

### Audit

The Accounts are audited by the Auditor General for Wales in accordance with Section 137 of the 2006 Act. The agreed cost for the audit of the 2008-09 accounts is £63,475 (£49,250 2007-08).

### Disclosure of Relevant Audit Information

As Principal Accounting Officer, I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also aware of this information.

### Events Occurring After Year End

There were no significant events occurring between the year-end and the completion of these accounts.

**Claire Clancy**  
Chief Executive and Clerk to the Assembly

**Date: 9 July 2009**

## REMUNERATION REPORT

### Remuneration Policy

Until 3 May 2007, the basic salary for Assembly Members was set at 76.5% of the level determined for MPs. In recognition of increased responsibilities under the Government of Wales Act 2006 and following advice from a panel of four independent members and one Commissioner, the Commission determined that, with effect from 4 May 2007, the basic salary for AMs should be set at 82% of the level determined for MPs.

The annual basic salary for Assembly Members, excluding employer's National Insurance and pension contributions as at 1 April 2007 was therefore £46,804 rising to £50,169 on 4 May 2007, to £50,692 on 1 November 2007 and to £51,899 on 1 April 2008. Nine Members opted not to draw their full entitlement for the 2008-09 financial year.

The following Members were entitled to additional annual salaries as follows:

	From April 2007	From November 2007	From April 2008
Presiding Officer and Leader of the largest opposition party	£40,225	£40,645	£40,759
Deputy Presiding Officer	£25,301	£25,566	£25,637
Opposition Chief Whip and Assembly Commissioners	-	-	£11,372
Leader of opposition parties other than the largest. Chairs of scrutiny committees <sup>1</sup> and Finance and Audit Committees.	£5,873	£5,934	£11,372
Chairs of other committees <sup>2</sup>	-	-	£5,950

<sup>1</sup> Scrutiny committees were Communities and Culture; Enterprise and Learning; Health, Wellbeing and Local Government; Sustainability;

<sup>5</sup> Legislation committees (established from November 2008).

<sup>2</sup> Other committees were Children and Young People; Equality of Opportunity; European and External Affairs; Petitions; Standards of Conduct; Subordinate Legislation.

Of those entitled to such additional salaries, 12 Members did not draw their full entitlement in 2008-09.

The Commission does not provide any benefits-in-kind.

Assembly Members are members of the National Assembly for Wales Members' Pension Scheme for which separate annual accounts are published via the Assembly website [www.assemblywales.org](http://www.assemblywales.org).

The Commission pays the salaries and related costs of Welsh Ministers and these are disclosed as a note within the Welsh Government Consolidated Resource Accounts though are charged to the Commission's resource accounts.

The Commission established an independent review panel in August 2008 to look at all aspects of financial support available to Assembly Members; including pay and allowances for travel, accommodation, constituency offices and support staff. Its terms of reference are to:

- review the current arrangements for financial support for Assembly Members and seek out best practice;
- receive evidence about relevant matters;
- consult with relevant bodies and stakeholders;
- produce a set of evidence-based recommendations containing principles that will deliver a fair, equitable and transparent process for the financial support of Assembly Members.

The panel reported its findings and recommendations on 6 July 2009.

Four independent advisors to the Commission were appointed on 5 November 2007 for a three-year period and receive non-pensionable emoluments of £5,000 per annum (£7,000 per annum for the Chair of the Corporate Governance Committee).

The remuneration of the Chief Executive is determined by the Commission. The remuneration of the three directors is determined by the Chief Executive in consultation with the Commission. A Remuneration Committee made up of three independent members advises the Chief Executive and the Commission. Paragraph 3 of Schedule 2 to the Government of Wales Act 2006 requires the Commission to ensure that the terms and conditions of Assembly staff are broadly in line with those applying to Welsh Government staff. For 2007-08, the Commission's senior management were remunerated in line with senior civil servants. With effect from 1 April 2008, following the Remuneration Committee's consideration of the proposal and agreement /consultation with the Commission, a unified pay scale was created for all staff employed by the Commission including Directors and the Chief Executive.

### **Service contracts**

Appointments of Commission staff, on terms and conditions set by the Commission, are made on merit on the basis of fair and open competition but also include provision for circumstances when appointments may otherwise be made. These principles are in line with civil service arrangements. Staff are not members of the Civil Service but are entitled to membership of the Principal Civil Service Pension Scheme (PCSPS).

Unless otherwise stated below, Assembly staff covered by this report hold appointments which are open-ended until they reach normal pensionable age under the PCSPS. They may then apply to continue their employment beyond that age. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

### **Salaries and pension entitlements**

The following sections provide details of the remuneration and pension interests of office holders and senior staff. These are presented in banding ranges for salary and pension.

The Assembly Commissioners, other than the Presiding Officer, are entitled to an annual salary of £11,372 in addition to their Assembly Member pay. Their pension details are not included above because only part of their remuneration relates to their roles as Commissioners. Their accrued pension and CETV as Commissioners cannot be disaggregated from the total amounts accrued.

Name and title	Salary 2008/09	Salary 2007/08	Real increase in pension and related lump sum at age 65	Total accrued pension at age 65 and related lump sum at 31/3/09	*CETV at 31/3/08	CETV at 31/3/09	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Office holders</b>							
Lord Elis Thomas AM – <i>Presiding Officer</i>	90-95	90-95	0-2.5	30-35	651	685	7
Rosemary Butler AM – <i>Deputy Presiding Officer</i>	75-80	70-75	0-2.5	15-20	255	284	21
<b>Senior Management</b>							
Name and title	Salary 2008/09	Salary 2007/08	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 and related lump sum at 31/3/09	*CETV at 31/3/08	CETV at 31/3/09	Real increase in CETV
Claire Clancy – <i>Chief Executive and Clerk of the Assembly</i>	140-145	120-125	2.5-5.0 plus lump sum of 10- 15	45-50 plus lump sum of 145-150	747	896	80
Dianne Bevan – <i>Chief Operating Officer</i>	115-120	105-110	2.5-5.0	45-50	613	712	41
Adrian Crompton – <i>Director of Assembly Business</i>	95-100	80-85	2.5-5.0 plus lump sum of 5- 10	20-25 plus lump sum of 65-70	268	332	38
Keith Bush – <i>Director of Legal Services</i>	105-110	50-55 (100-105 for the full year)	0-2.5	10-15	212	274	41

\*The figures are different from the closing figures included in last year's accounts. This is because the CETV factors have been updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008

### Salary

Salaries in the above table are the amount earned in the financial year and include all remuneration payable. They do not include National Insurance or Superannuation contributions. The salary costs for the Presiding Officer and Deputy Presiding Officer were a direct charge on the Welsh Consolidated Fund with effect from May 2007.

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a Member at a particular point in time. The benefits valued are the Member's accrued benefits and any spouse's pension contingently payable from the scheme. A CETV is the amount payable by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the Member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the relevant scheme and for which the scheme has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the scheme member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

### Real Increase in CETV

The real increase in CETV reflects the increase effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The factors used to calculate the CETV for the PCSPS were revised during 2008-09 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### Benefits in kind

No benefits in kind were paid to the Chief Executive & Clerk, Directors, the Presiding Officer or the Deputy Presiding Officer.

### Travel and subsistence

Payments made to the Chief Executive and Directors for travel and subsistence and other expense claims during the year were as follows:

	Claire Clancy <i>Chief Executive &amp; Clerk</i>	Dianne Bevan <i>Chief Operating Officer</i>	Adrian Crompton <i>Director of Assembly Business</i>	Keith Bush <i>Director of Legal Services</i>
	£	£	£	£
Car mileage	516	56	46	-
Taxi/Car hire	89	32	22	51
Air travel	-	-	-	-
Public transport	12	20	8	-
Accommodation	168	265	390	229
Subsistence/expenses	50	136	24	-
<b>TOTAL</b>	<b>835</b>	<b>509</b>	<b>490</b>	<b>280</b>

### Pensions

Pension benefits for Assembly staff are provided through the Principal Civil Service Pension Scheme (PCSPS) arrangements. The PCSPS is an unfunded multi-employer defined benefit scheme but the Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)). For 2008-09, employer contributions at one of the four rates in the range 17.1% to 25.5% of pensionable pay, based on salary bands (unchanged from the rates in 2007-08). The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2008-09 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

From 1 October 2002, employees may be in one of four statutory based 'final salary' defined benefit schemes (classic, premium, classic plus and nuvos). The schemes are unfunded with the cost of benefits met by monies voted by the UK Parliament each year. Pensions payable under these schemes are increased annually in line with changes to the Retail Price Index. New entrants joining between 1 October 2002 and 29 July 2007 opted between membership of premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account). New entrants on or after 30 July 2007 may join the nuvos scheme or opt for a partnership pension account.

Employee contributions are set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and nuvos. Benefits in Classic accrue at the rate of 1/80<sup>th</sup> of the pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60<sup>th</sup> of final pensionable earnings for each year of service. Unlike Classic, there is no automatic

lump sum, but members may commute some of their pension to provide a lump sum. Classic plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic. Nuvos is a career average scheme where benefits accrue at a rate of 2.3 per cent of salary in each year, revalued in line with the Retail Prices Index at the end of each year

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 7 and 15% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the PCSPS arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

Assembly Members belong to the National Assembly for Wales Members' Pension Scheme which is a defined benefit scheme and applies to the total salary entitlement of members including amounts paid to office holders and Welsh Ministers. The Scheme is administered by Trustees, and is wholly independent to the Assembly Commission. The Scheme's accounts are available at [www.assemblywales.org](http://www.assemblywales.org)

The main benefits of the scheme are an immediate pension of either 1/50<sup>th</sup> or 1/40<sup>th</sup> of final salary for each year of service on retirement at age 65. Pensions are increased annually in line with changes in the Retail Price Index. Members pay a contribution equivalent to 6% of their total salary (including any additional elements receivable for office holders and Welsh Ministers) for an accrual rate of 1/50<sup>th</sup> or 10% of their total salary for an accrual rate of 1/40<sup>th</sup>, with the Commission contributing an employer contribution representing 23% of their total salary (rising to 23.8% from 1 April 2009).

**Claire Clancy**  
**Chief Executive and Clerk to the Assembly**

**Date: 9 July 2009**

## STATEMENT OF THE COMMISSION'S AND THE PRINCIPAL ACCOUNTING OFFICER'S RESPONSIBILITIES

The Chief Executive and Clerk has prepared the statement of accounts in accordance with the Direction issued by the Treasury and with the accounting principles and disclosure requirements set out in the Financial Reporting Manual. The Resource Accounts are prepared on an accruals accounting basis and give a true and fair view of the Commission's state of affairs at the year-end, the net resource outturn, resources applied to objectives, operating cost statement, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Chief Executive and Clerk has:

- Complied with the accounts direction issued by the Treasury;
- Complied with the relevant accounting and disclosure requirements, and applied suitable accounting policies on a consistent basis;
- Made judgements and estimates which are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepared the accounts on a going concern basis.

The Chief Executive and Clerk to the Assembly is, by virtue of Section 138 of the Government of Wales Act 2006, the Principal Accounting Officer for the Commission. The relevant responsibilities of the Principal Accounting Officer, including the responsibility for the propriety and regularity of the finances of the Commission and for the keeping of proper records, are set out in a memorandum issued by the Treasury.

**Claire Clancy**  
**Chief Executive and Clerk to the Assembly**

**Date: 9 July 2009**

## Statement on Internal Control

### Scope of responsibility

As Principal Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the National Assembly for Wales Commission, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me by the Treasury. It is incumbent on me, as the Principal Accounting Officer, to combine these duties with my duty to serve the Commissioners, to whom I am responsible and from whom I derive my authority.

The Commission sets the strategic aims, objectives, policies and values for the organisation and, in accordance with the provisions of paragraph 7 of Schedule 2 to the Government of Wales Act 2006, has delegated its functions, including its responsibility for the management of staff, to me as Chief Executive and Clerk of the Assembly, subject to certain exceptions and conditions. The work of the Assembly and the Commission attracts significant public interest and media coverage, and has wide-ranging political sensitivities.

During 2008-09 I, as the Principal Accounting Officer, was advised by:

- The Commission, in terms of policy, values and strategic direction;
- My three Directors: the Chief Operating Officer, the Director of Assembly Business and the Director of Legal Services, as well as the Head of Corporate Unit, in terms of service development, delivery and capacity to achieve;
- The Management Board (which includes Directors and all Heads of Service) and other staff whose duties include a governance and financial management remit;
- The Commission's Corporate Governance Committee (which fulfills the role of an Audit Committee) consisting of one Commissioner and three independent advisers to the Commission, one of whom is the Chairman;
- The Commission's internal and external auditors, RSM Bentley Jennison and the Wales Audit Office.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise the risks to the achievement of the Assembly's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control was further developed during the year, to take account of our experience, best practice guidance and advice from the Corporate Governance Committee independent advisers. The system accords with Treasury guidance, and was in place as at 31 March 2009 and up to the date of approval of the annual report and accounts.



### Capacity to Handle Risk

My Directors and I have taken the lead in developing the risk and benefits management regime, consistent with best practice, throughout the organisation. We have worked through the Heads of Service to further improve and embed a culture which realises opportunities through improved handling of risks. The Risk and Benefits Management Policy is a key foundation block in the Commission's system of internal control and corporate governance arrangements. Effective risk and benefits management takes place at operational and strategic levels. Key elements of our approach to handling risk are:

- A dedicated Risk and Benefit Management Adviser and a strengthened governance team;
- Risk Champions from each service area and a risk management forum which meets regularly;
- Management Board reviews, plus face to face reviews of operational and significant strategic risks
- Management and all staff are aware of risk management, weakspots and how to suggest improvements;
- Significant risks are appropriately flagged and reported to my Directors, to me as Chief Executive and Clerk, and to the Assembly Commission as necessary.

### Internal Control

The Commission's risk framework forms part of a wider system of internal control to support effective corporate governance which has been developed and extended throughout the organisation during the year. Specifically:

- The Corporate Governance Committee continues to advise me as Accounting Officer. The Committee's work programme follows the best-practice model for an Audit Committee and underwent a positive self-assessment examination during the year;
- The risk registers have been reviewed and simplified in light of operational experience;
- A performance management framework has been established setting out the approach to service planning and performance management. Within this we have undertaken regular reviews of financial performance and progress on key issues, and have developed key performance measures to improve strategic and corporate performance reporting.

### Information Security

Following the information security review in the autumn of 2007 a number of measures have been taken, including improved guidance, and increasing awareness of information security issues and the reputational risks in any weaknesses. An information asset register has been developed and is currently being audited. We have a Security Policy Framework Group which has developed the Cabinet Office guidance into an action plan for the Assembly against which we are making good progress. These measures, together with ongoing staff awareness will help ensure practices meet or exceed good security standards. The Chief Operating Officer is the Commission's Senior Information Risk Owner.

### i-Change

A major independent review of all the technology used to conduct the Assembly's business and of the services provided to Assembly Members, staff and the public was undertaken during the year. The review engaged extensively with internal stakeholders, an external reference group, service providers and the Welsh Government. The main themes emerging were the need for a business improvement programme to deliver changes, connecting and engaging with the people of Wales, better managed information and smarter working.

### Assembly Members

In addition to their salaries, Members are entitled to various allowances intended to reimburse costs which they incur in order to carry out their duties. Entitlement to these allowances is defined by rules set out in 'Determinations' made by the Commission under Standing Orders, supplemented by Commission guidance on how to apply those rules. The current form of Determinations and the way in which they are applied have been largely modelled on House of Commons practice. Although there are robust controls to ensure costs re-claimed have actually been incurred (and the allowances system is subject to audit), the primary responsibility for ensuring that expenses have been incurred reasonably in order to enable them to do their work falls on Members. There is therefore an unavoidable limit to the effectiveness of internal controls under current arrangements.

During the financial year, several requests for information were received by the Assembly under the Freedom of Information Act 2000, requesting a full release of details of all allowance claims made by Members for the Financial Years 2006-07 and 2007-08. The Commission agreed that the considerable resources involved in collating, processing and checking the information requested so that it could be released as soon as possible, was an essential investment in order to demonstrate commitment to openness and promoting public understanding of its stewardship of public money. In addition, the Commission has committed to routine publication of this information in future, without the need for specific request. Adoption of a policy of publishing detailed information about allowances paid to Members, thereby opening up this use of public funds to detailed public scrutiny for the first time, has supplemented internal controls and added greatly to the effectiveness of overall control of this area of expenditure.

In addition, an Independent Review Panel was established during 2008-09 to undertake a detailed review of financial support for Assembly Members, and surrounding controls. Its work has been ongoing and culminated in publication of its report on 6 July 2009. The Commission will need to consider how to respond to the Panel's recommendations but it is likely that this process will provide an opportunity to reform the allowances system in a way which will make entitlements easier to determine and apply.

The proper use of Assembly resources by Members, either directly or via the Allowances system, falls within the remit of the Assembly's Commissioner for Standards, who is an independent person appointed by the Assembly. The Commissioner provides advice and assistance on any matters of principle relating to the conduct of Assembly Members, and is an independent investigator of complaints that Members of the Assembly have breached any Code, Protocol or resolution of the Assembly. The Commissioner draws my attention to

any relevant issues which arise in the course of his investigations – for example any ambiguities in the wording of Determinations or of Guidance which should be removed.

The Assembly's Committee on Standards of Conduct is promoting an Assembly Measure to place the office of Commissioner for Standards on a statutory basis and to strengthen the Commissioner's powers of investigation. The proposed Measure, which will be considered by the Assembly during the 2009/10 financial year, will incorporate a specific duty on the part of the Commissioner to notify the Accounting Officer of any issues relevant to her role which come to light during the course of an investigation, such as ambiguity in the relevant rules or weaknesses in the system of control.

### Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Directors who have responsibility for the development and maintenance of the internal control framework, the Corporate Governance Committee, and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by my Directors and the Corporate Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Internal Audit reports provided a satisfactory level of assurance on the overall control environment, and recommendations from the internal audit reports have been taken forward satisfactorily. Internal Audit reports were prepared on Risk Management, Corporate Governance, Creditor Payments, Procurement, Data Security, Key Financial Controls, IT Asset Management and a follow up of previous audits. However, to ensure that maximum benefit and added value is gained from the internal audit process, a number of improvements are needed, including increasing the depth of analysis so that reports go beyond checks of key controls, and reducing the delivery time for reports. These issues have been addressed by the Corporate Governance Committee, and internal audit arrangements for 2009/10 are being reviewed. The Wales Audit Office Audit Strategy and interim Management Letter for 2008-09 reflects the risks facing the Commission in producing its Accounts for 2008-09 which includes work undertaken to implement the International Financial Reporting Standards in 2009/10.

The core of our review of effectiveness was a self-review process, completed between December 2008 and March 2009. This covered the Corporate Governance and Corporate Planning frameworks, leadership and business management arrangements, and awareness of the control environment and engagement with it. Directors provided me with an interim Assurance Statement for their area of responsibility, followed up with a final Assurance Statement at the year-end.

A number of actions were identified following our review last year and these have been progressed satisfactorily during the year as follows:

- Work on developing a strategic Business Continuity Plan has progressed and a small team of staff has participated in a Cardiff Bay simulated evacuation exercise and identified key actions to progress and test the plan. I am satisfied with the progress made during the year, though further work is still underway.
- A new Intranet Homepage has been developed which now better presents internally who we are, what we do and the associated governance arrangements to staff. A programme of short training sessions has been established in order to make these policies more meaningful together with planned internal communications programme aimed at improving and sustaining staff awareness.
- Further work has been undertaken to develop a risk aware culture and embed the process.

### Forward Look

This year's review has identified the following areas for strengthening and improvement:

- Development of in-house internal audit expertise to ensure that maximum benefit and added value is gained from the internal audit process.
- Further development and integration of arrangements under the Security Policy Framework.
- Further development of organisational expertise on project management.
- The efficient processing and presentation of information on allowances.
- Further staff awareness sessions to make governance policies more meaningful and enhanced internal communications to improve staff awareness.
- Development of staff skills in sound financial management.
- Development of a Business Change Programme with emerging projects prioritised by showing how they would improve services to the public (including further consideration of ways in which the ICT service should be developed, such as the provision of a single unified network for Assembly Members and Assembly staff).

The financial year 2009/10 will be particularly demanding for a number of reasons. In light of the general economic difficulties, the Commission chose to restrict the level of increase in its budget and is committed to delivering value for money and efficiency. At the same time we must maintain standards and services to the Assembly and its Members while workloads are likely to increase. In addition, a number of ambitious projects, including the development of the Pierhead Building must be financed. We will need to respond to the report of the Independent Panel on Financial Support for Assembly Members. We will need to prepare for the period leading up to and beyond the fourth Assembly in 2011 which, following the enactment of the Government of Wales Act 2006, will dissolve for the first time. All these demands mean that it will be even more crucial for us to have strong risk management, financial management and governance arrangements working effectively. For the longer term, to secure future successful delivery, we will need to continue to achieve an appropriate balance between the growing demands placed on us, resources made available to us, and increased efficiencies.

In summary, I am satisfied that the weaknesses that have been identified through the review process have been addressed, or are in the process of being addressed, and that the system of internal control has developed effectively over the course of the year.

**Claire Clancy**  
**Chief Executive and Clerk to the Assembly**

**Date: 9 July 2009**

## **CERTIFICATE AND REPORT OF THE AUDITOR GENERAL FOR WALES TO THE NATIONAL ASSEMBLY FOR WALES**

I certify that I have audited the financial statements of the National Assembly for Wales Commission (the Commission) for the year ended 31 March 2009 under the Government of Wales Act 2006. These comprise the Statement of National Assembly for Wales Supply, the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the Statement of Operating Costs by Aim and Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

The Principal Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government of Wales Act 2006 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government of Wales Act 2006. I report to you whether, in my opinion, the information which comprises the management commentary included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I report to you if in my opinion the Commission has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Commission's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Assembly Commission's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Principal Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government of Wales Act 2006 and directions made thereunder by HM Treasury, of the state of affairs of the National Assembly for Wales Commission as at 31 March 2009, and the net cash requirement, net resource outturn, net operating cost, operating costs applied to objectives, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government of Wales Act 2006; and
- the information which comprises the Management Commentary is consistent with the financial statements.

### Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

### Report

I have no observations to make on these financial statements.

**Jeremy Colman**  
**Auditor General for Wales**  
**24 Cathedral Road, Cardiff, CF11 9LJ**  
**14 July 2009**

## STATEMENT OF NATIONAL ASSEMBLY FOR WALES SUPPLY

### a) Summary of Outturn 2008–09

	Note	Budget			Outturn			2008-09 £'000	2007-08 £'000
		Gross Expend	Income	Net Total	Gross Expend	Income applied	Net Total	Net total outturn compared with budget: saving/(excess)	Outturn
Revenue	2	44,791	(160)	44,631	43,857	(107)	43,750	881	(280)
Capital	2	1,550	-	1,550	260	-	260	1,290	944
<b>Total</b>		<b>46,341</b>	<b>(160)</b>	<b>46,181</b>	<b>44,117</b>	<b>(107)</b>	<b>44,010</b>	<b>2,171</b>	<b>664</b>

Explanations of variances between budget and outturn are provided in note 2.

### b) Net cash requirement 2008-09

	Note	Budget	Outturn	2008-09 £'000	2007-08 £'000
				Net total outturn compared with budget: saving/(excess)	Outturn
Net cash requirement	4	40,757	38,024	2,733	2,915

### c) Summary of income payable to the Welsh Consolidated Fund

In addition to retained income, the following income of the Assembly Commission is payable to the Welsh Consolidated Fund

	Note	Forecast 2008-09 £'000	Outturn 2008-09 £'000	Outturn 2007-08 £'000
Total	5	-	16	35

## OPERATING COST STATEMENT

For the year ended 31 March 2009

	Note	2008-09 £'000	2007-08 £'000
<b>Administration Costs</b>			
Members, Office holders and staff salary costs	6a	18,124	16,521
Members' Other Costs	6b	7,072	6,600
Other administration costs	7	19,296	18,565
<b>Gross Administration Costs</b>		44,492	41,686
Operating income	5	(123)	(186)
<b>Net Operating Cost</b>		<b>44,369</b>	<b>41,500</b>

All activities are continuing

## STATEMENT OF RECOGNISED GAINS AND LOSSES

For the year ended 31 March 2009

	Note	2008-09 £'000	2007-08 £'000
Net loss on revaluation of fixed assets	16b	-	(2,580)
Actuarial (loss)/gain on Assembly Members' Pension Scheme	6a	(370)	1,714
<b>Recognised losses for the financial year</b>		<b>(370)</b>	<b>(866)</b>

## BALANCE SHEET As at 31 March 2009

	Note	31 March 2009		31 March 2008	
		£'000	£'000	£'000	£'000
<b>Non-current assets:</b>					
Property, plant and equipment	8	68,594		69,966	
Intangible assets	9	103		138	
<b>Total non-current assets</b>			68,697		70,104
<b>Current Assets</b>					
Inventories	10	27		34	
Trade receivables	11	1,187		956	
Cash and cash equivalents	12	1,233		2,915	
<b>Total current assets</b>			2,447		3,905
<b>Total assets</b>			71,144		74,009
<b>Current liabilities</b>					
Trade and other payables	13	(5,669)		(5,416)	
<b>Total current liabilities</b>			(5,669)		(5,416)
<b>Non-current assets plus net current assets/(liabilities)</b>			65,475		68,593
<b>Non-current liabilities</b>			-		-
Provisions	14	(1,984)		(1,310)	
<b>Total non-current liabilities</b>			(1,984)		(1,310)
<b>Assets less liabilities</b>			<b>63,491</b>		<b>67,283</b>
<b>Taxpayers' Equity</b>					
General Fund	15		61,551		64,686
Pension Fund Reserve	16a		(1,967)		(1,310)
Revaluation Reserve	16b		3,896		3,896
Donated Asset Reserve	16c		11		11
			<b>63,491</b>		<b>67,283</b>

Claire Clancy  
Chief Executive and Clerk of the Assembly

Date: 9 July 2009

**CASH FLOW STATEMENT**

For the year ended 31 March 2009

	Note	2008-09 £'000	2007-08 £'000
Net cash outflow from operating activities	17a	(38,386)	(33,902)
Net cash outflow from investing activities	17b	(260)	(156)
Payments to the Welsh Consolidated Fund		(18)	(33)
Financing	17c	36,982	37,006
<b>Increase/(decrease) in cash in the period</b>	<b>17d</b>	<b>(1,682)</b>	<b>2,915</b>

**STATEMENT OF OPERATING COSTS BY AIM AND OBJECTIVES**

For the year ended 31 March 2009

	Gross	Income	2008-09 £'000 Net
<b>Aim</b>			
The National Assembly is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account. The Assembly aspires to be an accessible and effective parliamentary body that inspires the confidence of the people of Wales.			
<b>Objectives</b>			
Promoting and widening engagement in devolution.	5,507	(31)	5,476
Showing unity, leadership and a bold response to constitutional change	3,394	-	3,394
Demonstrating respect, probity and good governance	8,579	-	8,579
Working sustainably	4,895	-	4,895
Ensuring the Assembly has the best service, provided in the most effective way.	9,418	(76)	9,342
<b>Subtotal of Net operating cost</b>	<b>31,793</b>	<b>(107)</b>	<b>31,686</b>
<b>Members' salaries, allowances and related costs</b>	12,324	-	12,324
<b>See note 3 Reconciliation of Net Resource outturn to Net operating costs</b>	<b>375</b>	<b>(16)</b>	<b>359</b>
<b>Net operating costs</b>	<b>44,492</b>	<b>(123)</b>	<b>44,369</b>

The Commission's five Strategic Goals, were established for the financial year 2008-2009 and therefore were not in use for the full previous financial year. Accordingly a retrospective allocation of operating costs and income by Strategic Goals has not been undertaken.

## NOTES TO THE RESOURCE ACCOUNTS

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2008–09 Government Financial Reporting Manual (FRm) suitably adapted for the constitution of the National Assembly for Wales and the Commission as specified by the Government of Wales Act 2006. The accounting policies contained in the FRm follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where the FRm permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The Commission's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets.

#### 1.2 Tangible Fixed Assets

The minimum level for capitalisation of a tangible fixed asset is £5,000 inclusive of irrecoverable VAT. The IT threshold is where the grouped value of related asset purchases exceeds £5,000. Title to all property is held by the Commission. Land and buildings are to be restated at current cost using professional valuations at a minimum of every 5 years. Other tangible fixed assets are not revalued as, in the opinion of the Commission, the amounts involved would not be material.

#### 1.3 Intangible Fixed Assets

Software licences are capitalised as intangible fixed assets and amortised on a straight line basis over the expected life of the asset (3 or 5 years).

#### 1.4 Donated Assets

Donated assets are capitalised at current value on receipt and are normally revalued in the same way as purchased assets. The value of donated assets is reflected in the donated asset reserve, which is credited with the value of the original donation and subsequent revaluations.

#### 1.5 Depreciation

Freehold land, historic documents and records and works of art are not depreciated. Depreciation is provided at a rate calculated to write off the valuation of buildings and other tangible fixed assets by equal instalments over their estimated useful lives. Assets are not depreciated in the year of acquisition. Asset lives are normally as follows:

Buildings:	50 years or an alternative period provided by a qualified valuer.
Fixed plant:	10 years, or an alternative period provided by the supplier at the time of purchase or valuation.
ICT related equipment:	3 years
Fixtures, fittings & office equipment:	5 years
Intangible assets (software):	3 or 5 years
Motor Vehicles:	4 years
Donated assets:	Assessed on receipt of asset

#### 1.6 Realised Element of Depreciation from Revaluation Reserve

Depreciation is charged on the revalued amount of assets. An element of the depreciation therefore may arise due to an increase in valuation and would be in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to such an excess would be an unrealised gain on valuation, and is transferred from the Revaluation Reserve to the General Fund, if material.

#### 1.7 Operating Cost Statement

Operating income and costs relate directly to the operating activities of the Commission. Income includes charges for goods and services provided on a full cost basis to external customers. Income and costs are shown net of Value Added Tax where it is recoverable.

#### 1.8 Capital Charge

A charge, reflecting the cost of capital utilised by the Commission, is included in operating costs. The charge is calculated at the Government standard rate of 3.5% on the average of net relevant assets. Net relevant assets are defined as all assets less liabilities except for donated assets and cash balances with the Office of the Paymaster General. The average is calculated by adding together the balances at this year end and the previous year end, and dividing by two.

#### 1.9 Stocks

Stocks, including goods held for resale, are stated at the lower of cost and net realisable value.

#### 1.10 Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. Foreign currency imprests are translated into sterling at the exchange rate ruling at the time of funding.

### 1.11 Pensions

The Principal Civil Service Pension Scheme (PCSPS) - Staff employed directly by the Commission and staff seconded to the Commission are eligible for membership of the Principal Civil Service Pension Scheme (PCSPS). It is an unfunded multi-employer defined benefit scheme and the Commission is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)) which comply with FRS 17.

The Assembly Members' Pension Scheme (AMPS) - A pension scheme for the Members of the Assembly was originally established under the Government of Wales Act 1998 and continues in force under the Government of Wales Act 2006. The scheme is a defined benefit scheme, and applies to the salary of members and to any office holder salary. The cost of pension cover provided for the Assembly Members is by payment of charges calculated on an accruing basis, with liability for payment of future benefits charged to the accounts of the AMPS. Any liabilities of the fund arising from a deficit on assets will be met through increased funding by the Commission. In reporting on the assets and liabilities of the Scheme, the Commission has followed the advice of the Accounting Standards Board and disclosed early adoption of the Amended Financial Reporting Standard 17. The AMPS prepares its own Annual Accounts, separate to the Commission's Accounts, and these are available on the Assembly website [www.assemblywales.org](http://www.assemblywales.org).

### 1.12 Operating Lease Charge

Rentals payable under operating leases are charged to the operating cost statement in the period to which they relate.

### 1.13 Value Added Tax

The Commission is treated as a Crown Body for the purposes of the Value Added Tax Act 1994 and accordingly for the purposes of Section 41 of that Act (application to the Crown) it is treated as a government department, and is exempt for VAT on the provision of Assembly goods and services. The Commission is standard rated for VAT on its trading activities, such as the Assembly shop.

## 2. Analysis of net resource outturn 2008-09

	Outturn £'000	Analysis of Approved Budget £'000	Outturn compared with Approved Budget £'000	Analysis of Revised Budget £'000	Outturn compared with Revised Budget £'000	Outturn 2007-08 £'000
<i>Revenue expenditure</i>						
a Members' salaries, allowances and related costs	12,369	13,676	1,307	13,194	825	12,015
b Staff salaries and related costs	12,193	12,659	466	12,200	7	10,512
e Staff travel and subsistence costs	158	218	60	164	6	140
e Recruitment/other HR costs	283	159	(124)	229	(54)	172
c ICT costs	4,017	3,373	(644)	4,119	102	3,568
d Accommodation and facilities costs	8,349	6,764	(1,585)	8,241	(108)	7,721
e Training and development costs	270	241	(29)	287	17	217
e Promoting awareness and understanding	548	551	3	581	33	447
e Other administrative costs	1,698	2,375	677	2,173	475	2,464
f Depreciation and notional interest charges	3,972	4,775	803	4,775	803	3,836
<b>Gross Revenue Expenditure</b>	<b>43,857</b>	<b>44,791</b>	<b>934</b>	<b>45,963</b>	<b>2,106</b>	<b>41,092</b>
<i>Revenue Income</i>						
e Sales - the Assembly Shop	(31)	(31)	0	(40)	(9)	(36)
d Accommodation rental income	(76)	(104)	(28)	(107)	(31)	(114)
e Miscellaneous income	—	(25)	(25)	—	—	(1)
<b>Gross Revenue Income Applied</b>	<b>(107)</b>	<b>(160)</b>	<b>(53)</b>	<b>(147)</b>	<b>(40)</b>	<b>(151)</b>
<b>NET REVENUE EXPENDITURE</b>	<b>43,750</b>	<b>44,631</b>	<b>881</b>	<b>45,816</b>	<b>2,066</b>	<b>40,941</b>
<b>CAPITAL EXPENDITURE - CREATION OF FIXED ASSETS</b>	<b>260</b>	<b>1,550</b>	<b>1,290</b>	<b>365</b>	<b>105</b>	<b>156</b>
<b>NET RESOURCE OUTTURN</b>	<b>44,010</b>	<b>46,181</b>	<b>2,171</b>	<b>46,181</b>	<b>2,171</b>	<b>41,097</b>

The net resource outturn for 2008-09 was within 4.7% of the approved budget for the year (2007-08 1.6%).

Explanations for significant variations from budget are as follows:



- a *Members' salaries, allowances and related costs:* the main surplus elements relate to lower than estimated salary increases for Members, and lower than estimated travel, subsistence and Assembly Members' office costs, all being demand led budgets.
- b *Staff salaries and related costs:* the surplus arose because staff were not in post during the year for as long as projected when the budget was set.
- c *Information and communications technology costs:* the deficit is due to additional ICT development planned during the year to take advantage of underspends in other areas.
- d *Accommodation and facilities costs:* the deficit is as a result of a correction to the classification of projects, switching from capital to revenue spend. It is offset by a surplus against the capital expenditure line. Also projects were brought forward to take advantage of underspends in other areas.
- e *Other Administrative costs:* the surplus is a result of a smaller call on unallocated reserves than originally projected.
- f *Depreciation and notional interest charges:* the surplus is attributable to the actual depreciation charge for the year being lower than budgeted, due to an over estimation of depreciation in the budget partly due to reductions in asset values arising from revaluations in previous years.
- g *Capital expenditure:* as explained above, the surplus is as a result of a correction to the classification of projects, switching from capital to revenue spend. It is offset by a deficit against accommodation and facilities costs.

### 3. Reconciliation of resource outturn to net operating cost

	Note	2008-09 £'000	2007-08 £'000
Net Resource Outturn	2	44,010	41,097
Capital expenditure	8 & 9	(260)	(156)
Income payable to the Welsh Consolidated Fund	5	(16)	(35)
Direct charges on the Welsh Consolidated Fund		635	594
<b>Net operating cost</b>		<b>44,369</b>	<b>41,500</b>

The direct charges on the Welsh Consolidated Fund (£635,000) are in respect of the salary costs of the Presiding Officer, Deputy Presiding Officer, Auditor General for Wales and Public Services Ombudsman for Wales. These salaries are paid by the Commission but, as a direct charge on the Fund, are excluded from the net resource outturn.

### 4. Reconciliation of net resources to cash requirement

	Note	Budget £'000	Outturn £'000	Net total outturn compared with budget: saving/ (excess) £'000	Outturn 2007-08 £'000
Resource Outturn	2	46,181	44,010	2,171	41,097
<u>Accruals adjustments</u>					
Non-cash items	See below	(5,339)	(4,275)	(1,064)	(5,424)
Changes in working capital other than cash		(85)	(1,711)	1,626	(2,171)
<b>Net cash requirement</b>		<b>40,757</b>	<b>38,024</b>	<b>2,733</b>	<b>33,502</b>

#### Non-cash items

	Note	Budget £'000	Outturn £'000	Outturn compared with budget 2008-09 £'000	Outturn 2007-08 £'000
Depreciation and amortisation	8 & 9	(2,030)	(1,667)	(363)	(1,577)
Fair-value adjustment to fixed assets	8	-	-	-	(944)
Cost of Capital Charges	7	(2,745)	(2,304)	(441)	(2,465)
FRS17 Pension Finance Cost and other provision movements		(564)	(304)	(260)	(438)
		(5,339)	(4,275)	(1,064)	(5,424)

## 5. Analysis of income payable to the Welsh Consolidated Fund

	Forecast 2008-09 £'000	Outturn 2008-09 £'000	Outturn 2007-08 £'000
Retainable operating income	160	107	153
Non-Retainable operating income (bank interest)	-	16	33
	160	123	186
Amount authorised to be retained	(160)	(107)	(151)
Amount payable to the Welsh Consolidated Fund	-	16	35

### 6a. Members and staff numbers and related costs

Staff costs comprise:

	2008-09 £'000		2007-08 £'000	
	Staff	Members & Office Holders	Total	Total
Salaries				
Staff, Members and Office Holders	9,301	4,240	13,541	12,536
Seconded staff	350		350	132
Social security costs				
Staff, Members and Office Holders	734	431	1,165	1,016
Other pension costs				
Staff, Members and Office Holders	1,808	1,260	3,068	2,837
Total Members, Office holders and staff salary costs	<b>12,193</b>	<b>5,931</b>	<b>18,124</b>	<b>16,521</b>

The Commission pays the salary and related costs of Welsh Ministers, as explained in the Remuneration Report within these accounts. Amounts paid to the Welsh Ministers are disclosed within the Welsh Government's Consolidated resource accounts.

The average number of whole-time equivalent persons employed by the Commission across the year (including senior management) was as follows:

	2008-09	2007-08
Permanent Staff	301.2	272.9
Seconded Staff	5.3	6.3
Temporary/Casual Staff	13.7	13.7
Fixed Term Appointments	2.4	1.2
Total	322.6	294.1

There are 60 Assembly Members. At the year-end there were 10 Office Holders (other than Ministers), 1 First Minister, 9 Welsh Ministers, 3 Deputy Ministers and 1 Counsel General.

The Commission consists of the Presiding Officer and four elected Members (see Management Commentary for detail). The role of a Commissioner was remunerable at £11,372 per annum from 1 April 2008 (non-remunerable during 2007-08). All senior managers and staff are employees of the Commission.

### Principal Civil Service Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Assembly Commission is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation is carried out every four years, with the latest as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2008-09, employer's contributions of £1.808m were payable to the PCSPS at one of four rates in the range 17.1% to 25.5% of pensionable pay, based on salary bands (unchanged from the rates in 2007-08). The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 2005-06 and will remain unchanged until 2008-09. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £21,000 were paid to appointed stakeholder pension providers. Employer contributions are age-related and range from 7% to 15% per cent of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,000 (0.8%) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the balance sheet date were £1,000. There were no contributions prepaid at that date.

There were no early retirements on ill-health grounds during the year, and there were no additional accrued pension liabilities in the year.

### Assembly Members' Pension Scheme

The pension scheme for Assembly Members provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Assembly Commission and are managed by an appointed Investment Manager. A full actuarial valuation was carried out at 31 March 2005 and updated to 31 March 2008 by a qualified independent actuary. The scheme is funded.

The amounts recognised in the balance sheet are as follows:

	<b>31 March 2009 £'000</b>	<b>31 March 2008 £'000</b>
Present value of scheme liabilities	12,388	12,661
Fair value of scheme assets	10,421	11,351
Net liability (surplus)	<u>1,967</u>	<u>1,310</u>
Amount in the balance sheet		
Liabilities	1,967	1,310
Assets	-	-
Net liability	<u>1,967</u>	<u>1,310</u>

The amounts recognised in the operating cost are as follows:

	<b>2008-09 £'000</b>	<b>2007-08 £'000</b>
Current service cost	1,099	1,345
Interest cost	920	738
Expected return on scheme assets	(824)	(811)
Total cost	<u>1,195</u>	<u>1,272</u>
Allocated in the accounts as follows:		
Other pension costs (contributions by the Commission)	908	834
Pension finance cost	287	438
Total cost	<u>1,195</u>	<u>1,272</u>

The amounts recognised in the Statement of Recognised Gains and Losses are as follows:

	<b>2008-09 £'000</b>	<b>2007-08 £'000</b>
Actual less expected return on scheme assets	(2,922)	(840)
Experience adjustments on scheme liabilities	100	-
Changes in assumptions underlying the present value of scheme liabilities	2,452	2,554
Total actuarial gain/(loss) recognised	<u>(370)</u>	<u>1,714</u>

Changes in the present value of scheme liabilities are as follows:

	<b>31 March 2009 £'000</b>	<b>31 March 2008 £'000</b>
Opening liability	12,661	12,859
Current service cost	1,099	1,345
Interest cost	920	738
Contributions by Assembly Members (incl. transfers-in)	405	440
Actuarial (gains)	(2,552)	(2,554)
Benefits paid and expenses	(145)	(167)
Closing liability	<u>12,388</u>	<u>12,661</u>

Changes in the fair value of scheme assets are as follows:

	<b>31 March 2009 £'000</b>	<b>31 March 2008 £'000</b>
Opening fair value of scheme assets	11,351	10,273
Expected return on scheme assets	824	811
Actuarial (losses)	(2,922)	(840)
Contributions by the Assembly Commission	908	834
Contributions by Assembly Members (incl. transfers-in)	405	440
Benefits paid and expenses	(145)	(167)
Closing fair value of scheme assets	<u>10,421</u>	<u>11,351</u>

The Commission expects to contribute £960,000 to the Members' Pension Scheme in 2009-10

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<u>2008-09</u>	<u>2007-08</u>
Equities	60%	72%
Bonds	19%	14%
Cash	21%	14%

The scheme assets do not contain any property directly or indirectly. The scheme assets include, indirectly through investment in unitised funds, gilts issued by the UK government with a fair value of £1,110,770.

The expected rate of return on equities is 3% a year higher than the yield on gilts at the reporting date. The expected rate of return on bonds is the redemption yield on the bonds held (indirectly) by the scheme at the reporting date. The expected rate of return on cash is the Bank of England base rate at the reporting date.

The actual return on scheme assets in 2008-09 was a loss of £2.1 million (2007-08: loss of £29,000).

Principal actuarial assumptions at the balance sheet date:

	<u>31 March 2009</u>	<u>31 March 2008</u>
Discount rate	6.9%	6.9%
Future salary increases	4.5%	5.2%
Future pension increases	3.0%	3.7%
Expected rate of return on equities	6.7%	7.5%
Expected rate of return on bonds	4.5%	5.5%
Expected rate of return on cash	0.5%	5.3%
Expectation of life at age 65 (years)		
Men	25.6	24.6
Women	28.6	27.6

Amounts for the current and previous four periods are as follows:

	<u>31 March 2009 £'000</u>	<u>31 March 2008 £'000</u>	<u>31 March 2007 £'000</u>	<u>31 March 2006 £'000</u>
Defined benefit obligation	12,388	12,661	12,859	8,951
Scheme assets	10,421	11,351	10,273	8,984
Surplus/(deficit)	(1,927)	(1,310)	(2,586)	33
Experience adjustments on scheme liabilities	100	Nil	(22)	Nil
Experience adjustments on scheme assets	(2,922)	(840)	(171)	1,657

Further information on the Assembly Members' Pension Scheme can be found in the annual report and accounts for the scheme for the year ending 31 March 2009.

#### 6b. Members' Other Costs

Members' Other Costs of £7.072 million in the operating cost statement consist of:

	<u>2008-09 £'000</u>	<u>2007-08 £'000</u>
Office Costs allowances	753	768
Additional Costs allowances	415	440
Members' Staff Costs allowances	5,615	5,122
Travel costs	289	270
<b>Total Members' other costs</b>	<b>7,072</b>	<b>6,600</b>

## 7. Other Administration Costs

Other administration costs of £19.296 million in the operating cost statement consist of:

	2008-09 £'000	2007-08 £'000
Accommodation and facilities	6,095	5,423
Rentals under operating leases	2,255	2,299
Information and communications technology	4,176	3,568
Promoting awareness and understanding	548	447
Training and development	393	217
Other HR/recruitment costs	160	172
Staff travel and subsistence	158	140
Other administrative expenses	1,539	1,313
<i>Non-cash items:</i>		
Depreciation and amortisation	1,668	1,577
Fair-value adjustment to fixed assets	-	944
Cost of Capital Charges	2,304	2,465
<b>Total other administration costs</b>	<b>19,296</b>	<b>18,565</b>

The agreed external audit cost for the audit of these statements is £63,475 (Statutory audit work £57,950, Non-statutory audit work £5,525)

## 8. Property, plant and equipment

	2008-09 £'000				
	Land & Buildings	Information Technology	Furniture and Fittings*	Vehicles	Total
<b>Cost or valuation</b>					
At 1 April 2008	65,731	7,492	883	41	74,147
Additions	-	29	151	80	260
Disposals	-	-	-	-	-
Revaluations	-	-	-	-	-
At 31 March 2009	65,731	7,521	1,034	121	74,407
<b>Depreciation</b>					
At 1 April 2008	2,706	1,149	294	31	4,180
Charged in year	745	774	104	10	1,633
Disposals	-	-	-	-	-
Revaluations	-	-	-	-	-
At 31 March 2009	3,451	1,923	398	41	5,813
<b>Net book value at 31 March 2009</b>	<b>62,280</b>	<b>5,598</b>	<b>636</b>	<b>80</b>	<b>68,594</b>
Net book value at 1 April 2008	63,025	6,343	588	10	69,966

\* Furniture and Fittings Includes 'donated assets', consisting of the Mace donated by the Parliament of New South Wales for the opening of the Senedd.

All the tangible fixed assets are owned by the Commission, (none are finance leased). Land and buildings assets consist of the Senedd and the Pierhead.

The revaluation of the Pierhead was undertaken by DS Gibbon FRICS of GVA Grimley International Property Advisers, as at 31 March 2009. The Pierhead was revalued at depreciated replacement cost.

## 9. Intangible assets

Intangible fixed assets comprise software licences for some of the major systems used by the Commission:

	<b>2009 Total £'000</b>	<b>2008 Total £'000</b>
<b>Cost or valuation</b>		
At 1 April 2008	172	158
Additions	-	14
Disposals	-	-
Revaluation	-	-
<b>At 31 March 2009</b>	<b>172</b>	<b>172</b>
<b>Amortisation</b>		
At 1 April 2008	34	-
Charged in year	35	34
Disposals	-	-
Revaluation	-	-
<b>At 31 March 2009</b>	<b>69</b>	<b>34</b>
<b>Net book value at 31 March 2009</b>	<b>103</b>	<b>138</b>
Net book value at 1 April 2008	138	158
<b>10. Inventories</b>		
	<b>31 March 2009 £'000</b>	<b>31 March 2008 £'000</b>
Inventories for the Commission's Shop	27	34

## 11. Trade receivables

	<b>31 March 2009 £'000</b>	<b>31 March 2008 £'000</b>
<b>Amounts falling due within one year:</b>		
Trade receivables	-	28
Other receivables	6	4
Prepayments	618	563
Recoverable VAT	563	356
Amounts due from the Welsh Consolidated Fund in respect of direct charges	-	5
	<b>1,187</b>	<b>956</b>

There were no debtor amounts falling due after more than one year.

## 12. Cash and cash equivalents

	<b>2008-09 £'000</b>	<b>2007-08 £'000</b>
Balance at 1 April	2,915	-
Net change in cash and cash equivalent balances	(1,682)	2,915
Balance at 31 March	1,233	2,915
The following balances at 31 March were held at:		
Office of HM Paymaster General	754	2,461
Commercial banks and cash in hand	479	454
<b>Balance at 31 March</b>	<b>1,233</b>	<b>2,915</b>

### 13. Trade payables and other current liabilities

	31 March 2009 £'000	31 March 2008 £'000
<b>Amounts falling due within one year</b>		
VAT - Net with Note 11 balance	2	2
Other taxation and social security	603	588
Trade payables	1,901	1,401
Other payables	22	-
Accruals	1,908	508
Amounts due to the Welsh Consolidated Fund	1,233	2,917
	<b>5,669</b>	<b>5,416</b>

There were no trade payable amounts falling due after more than one year.

### 14. Provisions for liabilities and charges

Under Financial Reporting Standard 17, a liability of £1.967million is recognised for the Assembly Members' Pension Scheme. Further information on this is provided under note 6. A further provision of £17,000 is included for compensatory payments payable to staff in March 2010 relating to the renegotiated contract terms for security staff.

	AM Pension Scheme £'000	Provision for compensatory payment to staff £'000	2008-09 Total £'000	2007-08 Total £'000
Balance at 1 April	1,310	-	1,310	2,586
Increases in-year	657	17	674	(1,276)
Utilised or released in-year	-	-	-	-
<b>Balance at 31 March</b>	<b>1,967</b>	<b>17</b>	<b>1,984</b>	<b>1,310</b>

### 15. General Fund

The General Fund represents the total assets less liabilities of the Commission to the extent that the total is not represented by other reserves and financing items.

	2008-09 £'000	2007-08 £'000
Balance at 1 April	64,686	69,222
Funding from the Welsh Consolidated Fund	39,257	36,417
Direct charges on the Welsh Consolidated Fund	635	594
Receipts Payable to the Consolidated Fund	(16)	(35)
Amounts due to the Welsh Consolidated Fund at year-end - Supply	(1,233)	(2,915)
Net Operating Cost	(44,369)	(41,500)
Cost of capital charge	2,304	2,465
Transfer from the Pension Reserve	287	438
<b>Balance at 31 March</b>	<b>61,551</b>	<b>64,686</b>

### 16. Reserves

#### (a) Pension Fund Reserve

The Pension Fund Reserve represents the difference between the present value of the Scheme's liabilities for future pension costs, as estimated by the Scheme's actuary, and the current fair value of Scheme assets (as required by FRS 17). The balance at 31 March 2009 reflects the projected liabilities in excess of Scheme assets of £1.967 million.

	2008-09 £'000	2007-08 £'000
Balance at 1 April	(1,310)	(2,586)
Movement in the year	(657)	1,276
	-	-
<b>Balance at 31 March</b>	<b>(1,967)</b>	<b>(1,310)</b>

#### (b) Revaluation Reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

	2008-09 £'000	2007-08 £'000
Balance at 1 April	3,896	6,476
Arising on revaluation during the year	-	(2,580)
<b>Balance at 31 March</b>	<b>3,896</b>	<b>3,896</b>

**(c) Donated Asset Reserve**

The donated asset reserve reflects the net book value of assets donated to the Commission.

	2008-09 £'000	2007-08 £'000
Balance at 1 April	11	11
Additions during the year	-	-
Revaluations	-	-
<b>Balance at 31 March</b>	<b>11</b>	<b>11</b>

**17. Notes to the Cash Flow Statement****(a) Reconciliation of operating cost to operating cash flows**

	2008-09 £'000	2007-08 £'000
Net operating cost	(44,369)	(41,500)
<i>Adjustments for non-cash transactions:</i>		
(Increase)/decrease in inventories	7	(5)
(Increase) in debtors	(231)	(325)
<i>less movements in debtors relating to items not passing through the OCS</i>	(5)	5
Increase in creditors	253	5,416
<i>less movements in creditors relating to items not passing through the OCS</i>	1,684	(2,917)
Non cash items	4,275	5,424
<b>Net cash outflow from operating activities</b>	<b>(38,386)</b>	<b>(33,902)</b>

**(b) Analysis of capital expenditure and financial investment**

	2008-09 £'000	2007-08 £'000
Tangible fixed asset additions	(260)	(142)
Intangible fixed asset additions	-	(14)
<b>Net cash outflow from investing activities</b>	<b>(260)</b>	<b>(156)</b>

**(c) Analysis of financing**

	2008-09 £'000	2007-08 £'000
From the Welsh Consolidated Fund (Supply)	36,342	36,417
From the Welsh Consolidated Fund (direct charges)	640	589
<b>Net financing</b>	<b>36,982</b>	<b>37,006</b>

**(d) Reconciliation of Net Cash Requirement to increase/(decrease) in cash**

	2008-09 £'000	2007-08 £'000
Net cash requirement	(38,024)	(33,502)
From the Welsh Consolidated Fund (Supply)	36,342	36,417
<b>Increase/(decrease) in cash</b>	<b>(1,682)</b>	<b>2,915</b>

**18. Capital commitments**

There were no contracted capital commitments at 31 March 2009 or at 31 March 2008.

**19. Commitments under leases***(a) Operating leases*

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	2008-09 £'000	2007-08 £'000
<b>Obligations under operating leases comprise:</b>		
Land and buildings:		
Expiry within 1 year	-	-
Expiry after 1 year but not more than 5 years	36	66
Expiry thereafter	2,070	2,086
	<b>2,106</b>	<b>2,152</b>



	2008-09 £'000	2007-08 £'000
Other – printers and copiers:		
Expiry within one year	79	-
Expiry after 1 year but not more than 5 years	2	95
Expiry thereafter	-	-
	<b>81</b>	<b>95</b>

(b) *Finance leases*

There are no obligations under finance leases.

## 20. Other financial commitments

Three of the Commission's contracts (which are not leases) are deemed non-cancellable, due to the nature of the contractual arrangements. The contracts relate to the provision of ICT support and services to the Assembly, and to managed servers for the HR and Finance systems used by the Commission. The payments to which the Commission is committed at the year-end, analysed by the period during which the commitment expires are as follows.

	2008-09 £'000	2007-08 £'000
<b>Obligations under non-cancellable contracts comprise:</b>		
Expiry within 1 year	-	-
Expiry after 1 year but not more than 5 years	30	79
Expiry thereafter	5,527	4,000
	<b>5,557</b>	<b>4,079</b>

The Commission's other contracts make reference to early termination but do not quantify charges for such. Early termination would be a breach of contract and the contractor would be entitled to damages representing the loss of profit on the work which would have been done under the contract if it had run its full course. As this figure is variable for each contract, such contracts have not been included in this note.

## 21. Financial Instruments

The Commission does not issue or trade in financial instruments such as loans and has no borrowings. It relies primarily on funding from the Welsh Consolidated Fund for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

## 22. Contingent liabilities

Assembly Member Support Staff have contractual rights to have the equivalent of 10% of gross annual salary contributed towards a pension, but not all have exercised this right. Liability continues until six years after cessation of employment, and is estimated as follows:

	Amount outstanding at 31 March 2009 £'000	Amount outstanding at 31 March 2008 £'000	Amount paid out in 2008-09 £'000	Comments
Pension contributions for AM Support Staff who:				
Are currently employed but not contributing to a pension scheme	75	29	-	Possible
Have left employment without ever joining a pension scheme	43	43	-	Remote

The Commission has not entered into any quantifiable or unquantifiable contingent liabilities through giving guarantees, indemnities or letters of comfort.

## 23. Losses and special payments

The number and value of losses and special payments made during 2008-09 are as follows:

### (a) Losses Statement

2008-09	No. of cases	Value £'000
Total	11	26
Compensation	1	-
Constructive Loss	3	1
Fruitless payments	6	1
Ex-gratia	1	24

During 2008-09 there were no cash losses or claims abandoned.

*During the year there was one compensation payment of £20.00.*

**(b) Special Payments**

	<b>No. of cases</b>	<b>Value £'000</b>
Total	2	4

**24. Related-party transactions**

The Commission has a number of transactions with the Welsh Government and with other government departments and public bodies, including HM Revenue & Customs. Additionally, regular transactions take place with the Assembly Members' Pension Scheme, see note 6. Standing Orders of the National Assembly for Wales require the Assembly, on a motion proposed by the Commission, to elect Trustees to the Members' Pension Scheme.

The Assembly may give special or general directions to the Commission for the purpose of, or in connection with, the exercise of the Assembly Commission's functions.

The Commission has not undertaken any material transactions directly with Commissioners, senior managers or their close family members nor with any organisations where Commissioners, senior managers or members of their close family hold positions of control or influence.

For transparency the following minor transactions are reported:

- Payments of £3,319.99 were made to the City and County of Swansea for reimbursement of various AMs' office costs. Peter Black AM is a Swansea councillor.
- Payments of £4,844.07 were made to the Vale of Glamorgan Council for reimbursement of various AMs' office and secretarial costs. Chris Franks AM is a Vale of Glamorgan councillor.

The Commission determines the salaries and allowances of all Assembly Members and office holders, and the salary and conditions policies for Commission staff. The Commissioners, as Assembly Members, may employ family members as their support staff; there are no restrictions in place relating to the employment by the Commission of family members of Commissioners or senior management.

A Register of Financial and Other Interests of Assembly Members is available at [www.assemblywales.org](http://www.assemblywales.org), and [www.cynulliadcymru.org](http://www.cynulliadcymru.org).