

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

N Ramsay, AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

30 March 2020

Dear Mr Ramsay,

Our Approach to Responding to the COVID-19 Public Health Emergency

Since I was unable to meet the Committee last week to brief them in person about how we are approaching the current emergency, I thought that the Committee might find it helpful for me to write setting out the issues on which they may be seeking particular reassurance. This letter has to be a snapshot because the situation is changing all the time and some of what I say will no doubt become rapidly out of date. But this is where we are at the time of writing.

In response to these unprecedented circumstances we in the Welsh Government are seeking to devote as much resource as possible to the new demands upon us. There are implications for all of the office, including the provision of corporate support services, on how as a civil service we support Ministers in dealing with the crisis. At official level the work of the Welsh Government is being coordinated by a new group that I have established and chair, which meets weekly. Its role is to take organisational decisions and to give me the assurance which I need as Permanent Secretary that we are supporting Ministers effectively in order to respond to the crisis, protect public money and to look after the welfare of staff and Ministers.

Across the organisation we have re-directed staff resource to focus on supporting the Welsh Government Response to the COVID-19 outbreak. We have drawn on previous learning, in particular the arrangements which we put in place to manage the risk of a no-deal Brexit. The previous report by the Wales Audit Office on our preparations then has proved very useful to us in this situation. Each of the Groups has reviewed its Business Continuity arrangements and has now re-focused resource wherever possible.



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At the same time we have resourced our Emergency Control Centre, which is the facility we stand up during an emergency to manage and disseminate all the information coming in. This is a considerable resource requirement and we are asking every part of the office to contribute staff to be seconded to the team. We are resourcing the other new demands in a similar fashion, either by Directors General redeploying staff within their Groups or by moving staff between Groups.

The challenges we face as an organisation to support the people and businesses of Wales during the current crisis are immense. We are working at pace to deliver financial support to businesses, for example, a response which means we will be supporting more recipients of funding than ever been done before by the Welsh Government.

I am very pleased to tell the Committee the response from staff across the organisation to the urgent and intense requirements of supporting Ministers in dealing with the crisis has been exceptional. I am proud of the civil service and the way in which it is responding.

At close of play last Friday 102 staff were reporting that they are self-isolating with 14 recording as sick with Covid-19 symptoms. We expect this number to increase rapidly in the coming days. As the emergency develops we can expect more staff to be affected. In line with national guidance, all staff have been asked to work from home wherever possible and we expect very few to still need to be physically in the office. We have had to close some of our offices due to availability of staff and we anticipate the numbers of offices we need to close will increase. We are clear, though, that as an organisation we are not closing down – just dispersing. Staff will continue to work as normally as possible, albeit through remote means.

I wrote to members of the Public Leaders Forum on 23 March updating them on the COVID-19 crisis, and reassuring them the Welsh Government, utilising the capacity of the new ICT system, was still fully open for business. We are making sure that we communicate regularly and clearly with our public bodies to share with them the actions which we are taking ourselves and to learn from their experience. I am being particularly careful to make sure that the Accounting Officers of the public bodies are being kept in touch with the steps which as Principal Accounting Officer I am introducing in the Welsh Government, as outlined in this letter.

There are excellent examples of cross-public sector working emerging, such as organisations coordinating and sharing information, in a careful and compliant manner, to deliver effective support for vulnerable citizens. We are working with others to seek to provide leadership and to coordinate efforts, particularly at the moment in respect of the shielding arrangements being put in place which will only be effective through close working with our partners in the public sector and the third sector.

As part of the re-appraisal of what corporate work we can re-profile, I have been very grateful to the Auditor General for Wales for the constructive dialogue we are having with him about deferring completion of our accounts this year until the autumn, where



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one of the difficulties which we are facing is the (understandable in the circumstances) delay which we are experiencing in receiving information from some of our constituent bodies. An extended timetable for accounts preparation is allowing us to divert skilled staff to COVID-19 work and makes a real difference to our efforts. We have also stopped almost all of our own internal audit work together with the scheduled spring meetings of our Audit and Risk Assurance Committees. Our internal auditors, most of whom are finance professionals as well, have valuable skills which are being redeployed across the organisation to assist.

We are being careful, however, to continue to maintain our counter-fraud capability. It is a sad fact that sometimes fraudsters can see a major crisis as an opportunity to perpetrate a fraud when they think we might not be checking as carefully as we usually would, so we need to be especially vigilant on that front. We are making sure that we draw on the helpful UK guidance coming out in this respect.

The Committee has previously taken evidence in relation to the roll-out of our new ICT system last year. Though we were unaware of the importance at the time, the new system has been absolutely essential in allowing us to respond properly to this crisis. Ministers and staff are able to operate remotely with an effective and efficient system. We have increased our capacity to work remotely and the system support has been resilient to date. There has been a rapid and intense acquisition of better skills by many of us (including myself!) in how to make effective use of the new tools that we have for remote working.

I as Principal Accounting Officer, and those who I have designated as Additional Accounting Officers, are very conscious our responsibilities remain through this situation. We need to make sure we still protect the public purse but also recognise that the unique demands of the current situation mean that we will have to do some things in a different way for the duration of the crisis.

We are identifying processes which need to be streamlined and simplified in order to enable decisions to be made at pace while still maintaining the essential safeguards of looking after public money properly and being able to account afterwards for how, and why, it was spent. I recognise that the current crisis means that we need to increase selectively our appetite for risk. I have asked my Additional Accounting Officers to be as flexible, swift and responsive as they can, while still being mindful of our responsibilities to protect the public purse. We have also issued revised guidance to policy teams and to all teams who deal with grant payments and we have strengthened the central teams who deal with governance and grant queries to allow them to respond effectively to the numerous queries which they are receiving from staff seeking guidance.

The extremely fast pace at which we are having to work and respond also has implications for the way in which we record decisions and the reasons why they were taken. It will not always be possible to produce the full written analysis before a decision is taken which we would normally expect in these circumstances. Where this is the



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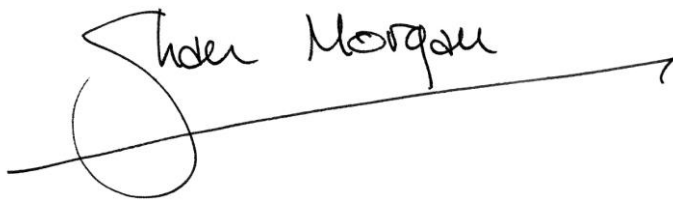
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case we will be producing a retrospective note for the record which outlines the context and rationale for the decision. We have also put in place arrangements to keep track of specifically Covid-19 related expenditure.

I hope this letter helps to give the Committee a sense of how we are deploying ourselves to meet the crisis. I am determined to maintain the standards which the Committee would expect of me. I hope that, in turn, the Committee will recognise that I am also needing to take conscious and managed risks which I would be unlikely to do were the circumstances not so grave.

Yours,

A handwritten signature in black ink that reads "Shan Morgan". The signature is written in a cursive style and is positioned above a long, thin horizontal line that extends to the right.

Shan Morgan
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Llywodraeth Cymru/ Welsh Government



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