

Our ref: NB/mm

Ask for: Matthew Aplin

Your ref:

 01656 644218

Date: 17 January 2019

 Matthew.aplin@ombudsman-wales.org.uk

Llyr Gruffydd AM  
Chair, Finance Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

**By Email Only:  
SeneddFinance@Assembly.Wales**

Dear Llyr

### **Response: 2<sup>nd</sup> Supplementary 2018-19 Explanatory Memorandum**

Thank you for your letter of 14 January 2019 concerning my Supplementary Budget submission.

I am very happy to provide additional information. It might, however, be helpful to say why detail of changes in 2018/19 Salaries and related costs were not explained in the Explanatory Memorandum. As you know, the Finance Committee's conclusions and recommendations on my 2018/19 Estimates submission were reflected in the Annual Budget Motion considered and approved in Plenary on 16 January 2018. The Annual Budget Motion that was approved sets out the overall resources to be provided to fund my office, but also shows total revenue expenditure, total capital expenditure and total income.

The advice we have received (from Welsh Government officials and our external auditors) is that a supplementary budget submission is required where changes to total expenditure, total revenue expenditure, total capital expenditure or total income are proposed, but that no supplementary budget submission is required for movements within each of these headings.

My understanding is that this is a practical approach that avoids the need for Committee consideration of smaller, detailed changes in how my budget is expended and that it maintains the independence of the role of Ombudsman in managing resources to allow the efficient and effective operation of the office. There is, however, a clear distinction between the need to maintain this independence, perceived and actual, and my wish to be open and accountable about my use of public money.

My Explanatory Memorandum, in accordance with previous practice and reflecting the advice referred to above, explained the move of resources from Revenue DEL to Capital DEL but did not explain other changes, within Revenue DEL, for which no formal approval is required.

The detailed table provided does show, as your letter points out, reductions in a number of areas and a small increase (1%) in salaries and related costs. This relates primarily to the appointment of an in-house translator to replace reliance on external translation services and to enhance our services in the Welsh language.

If you consider that additional information is required for the Explanatory Memorandum, the following wording could be added:

Revenue

*Reductions have been made across Revenue expenditure heads to provide for the Capital expenditure referred to above. There are also small changes for other Revenue DEL expenditure heads. Whilst no formal approval is required for such movements within Revenue DEL, it should be noted that Salaries and related costs show an increase of £38,000. This relates primarily to the appointment of an in-house Welsh translator, to replace reliance on external translation services and to enhance services in the Welsh language.*

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick Bennett', written in a cursive style.

**Nick Bennett**  
Ombudsman