

Nomination of Auditor General for Wales

March 2018



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March 2018



About the Committee

The Committee was established on 22 June 2016 to carry out the functions of the responsible committee set out in Standing Orders 18.10, 18.11, 19 and 20 of the National Assembly for Wales.

Under Standing Orders 19 and 20, the committee's responsibilities include considering any report or document laid before the Assembly concerning the use of resources, or expenditure from the Welsh Consolidated Fund. This includes undertaking budget scrutiny of the bodies directly funded from the Welsh Consolidated Fund.

Under Standing Orders 18.10 and 18.11, the committee's responsibilities include oversight of the governance of the Wales Audit Office, as set out in the Public Audit (Wales) Act 2013.

The committee also considers any proposals for, and the progress of the devolution of fiscal powers to Wales as part of its responsibilities.

The committee may also scrutinise legislation introduced to the Assembly.

Committee Chair:



Simon Thomas AM
Plaid Cymru
Mid and West Wales

Current Committee membership:



Neil Hamilton AM
UKIP Wales
Mid and West Wales



Mike Hedges AM
Welsh Labour
Swansea East



Jane Hutt AM
Welsh Labour
Vale of Glamorgan



Steffan Lewis AM
Plaid Cymru
South Wales East



Nick Ramsay AM
Welsh Conservatives
Monmouth



David Rees AM
Welsh Labour
Aberavon

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Chair's foreword

The Auditor General for Wales has a vitally important role in the Welsh Public Sector; the Auditor General is the gatekeeper of the public purse in Wales, ensuring organisations operate efficiently in their management of public money and have robust operating arrangements in place to ensure the highest levels of integrity and governance.


The current Auditor General, Huw Vaughan Thomas, has been in post for the last 7 years and has indicated his intention to stand down slightly early, in July 2018. Huw was appointed at a difficult time for the WAO, but Huw has worked to make a fundamental difference to the organisational culture and has worked to restore public confidence in the WAO. I would like to thank Huw for his contribution during his time as Auditor General.

When Huw indicated his intention to stand down, we recognised the need to move quickly to recruit a new Auditor General whilst always observing the need for a process that would meet the legitimate expectations the people of Wales for robustness and transparency. It is also vital that the process is conducted in a way that removes it from any suggestion of political interference, as such we ensured two parties were represented on the appointment panel and we undertook a pre-nomination hearing of the cross party Finance Committee.

The Assembly's Standing Order 10.6 enabled us to take evidence from a preferred candidate for appointment to consider whether the Committee supports the appointment. The Committee firmly believes that a pre-nomination hearing ensures open and transparent scrutiny of the candidate identified as the most suitable from the recruitment process, providing the Committee, and ultimately the Assembly, additional confidence that the preferred candidate is suitable for nomination to the Crown for appointment.

When conducting this pre-nomination hearing Members of the Committee were keen to question the candidate on their previous experience and their aspirations for driving forward the Wales Audit Office.

The Committee has concluded that the preferred candidate is a suitable candidate for this post, and I look forward to working with Mr Crompton in the future.



Simon Thomas AM
Chair

Conclusion

CONCLUSION

On 31 January 2018 the Finance Committee held a pre-nomination hearing with Adrian Crompton, the interview panel's preferred candidate for the post of Auditor General for Wales. The Committee concluded that Mr Crompton is a suitable candidate for nomination to Her Majesty for appointment as the Auditor General for Wales.

1. Background

1.1. The Auditor General for Wales

1. The Auditor General for Wales (AGW) is a Crown appointment made on the nomination of the Assembly under Section 2 of the **Public Audit (Wales) Act 2013** (the Act). The current incumbent, Huw Vaughan Thomas, has held the position of AGW since 1 October 2010 and announced his intention to leave office on 20 July 2018.
 2. The AGW is the statutory external auditor of most of the Welsh public sector and is Chief Executive and Accounting Officer of the Wales Audit Office (WAO) (although not an employee). The AGW is a corporation sole.
 3. The WAO is comprised of a board, which includes a Non-Executive Chair, other Non-Executive members, an appointed employee member and two elected employee members. The AGW is also a member.
 4. As specified in the Act, the AGW is independent of the Welsh Government, the National Assembly for Wales and other audited bodies and is not subject to their direction or control.
 5. The main functions of the AGW are set out in the Government of Wales Acts **1998** and **2006**, the Public Audit (Wales) Acts **2004** and **2013**, the **Well-being of Future Generations (Wales) Act 2015** and other legislation relating to the audited bodies. In summary these functions are:
 - The audit of the accounts of the Welsh Government, its sponsored bodies, Welsh non-ministerial public bodies, Welsh NHS and local government bodies, and the National Assembly for Wales Commission;
 - Economy, efficiency and effectiveness examinations ('value for money studies') of Welsh public bodies and reporting the results of those examinations to the National Assembly for Wales;
 - Improvement assessments and inspections of local government bodies;
 - Examinations of most major Welsh public bodies' compliance with the sustainable development principle in setting and pursuing well-being objectives.
 6. The AGW works closely with the Assembly's Public Accounts Committee (PAC) and is required to take into account its views in determining how to
-

exercise functions in relation to value for money studies. The PAC considers accounts and value for money reports laid before the Assembly by the AGW.

7. The Finance Committee (the Committee) has oversight responsibilities in regard of the AGW and WAO (delegated to the Committee under Standing Order 18.10 and 18.11), therefore, the AGW is expected to appear before the Committee when required.

1. 2. Role and person specification

8. The appointment is for a single, non-renewable 8-year term of office, as required by section 2 of the Act.

9. In considering the recruitment of the AGW, the Committee considered the remuneration arrangements in accordance with section 7 of the Act. The Committee agreed to advertise the position with a salary of £142,000, which will be adjusted in line with arrangements for the bottom of the Permanent Secretaries pay band, as per the Senior Salaries Review Body annual report. The Committee will review this in 2 years to assess the effectiveness of this arrangement.

10. The job description stated that the successful candidate must have a proven ability to:

- provide strong leadership and demonstrate the effective management of a high profile public sector organisation;
- represent, influence and negotiate effectively at a senior level in order to ensure that their Office and organisation are regarded as credible, authoritative, accountable and transparent;
- demonstrate good judgment, consistency and firmness in dealing with sensitive and important matters, such as those that may arise from audits;
- develop and communicate effectively the strategic vision, aims and objectives of the organisation;
- develop, with a Board, the credibility, accountability and transparency of the work of their organisation;
- focus on long term quality service while balancing often conflicting or competing requirements of key stakeholders; and
- inspire confidence as Accounting Officer.

11. The person specification also stated that the successful candidate would need to be:

- visionary, building and inspiring teamwork to deliver the vision;
- strategic and forward thinking;
- a positive thinker and motivator with high personal impact;
- decisive and inclusive;
- able to adapt and a change leader;
- empowering, demanding high performance and recognising success;
- a great communicator, able to build loyalty and trust; and
- self-aware, emotionally intelligent, and diplomatic.

1.3. The Recruitment Process

12. The role was advertised on 9 October 2017 and the closing date for applications was 8 November 2017.

13. To encourage a strong and diverse field of candidates the role was advertised using a combination of hard print, electronic publications, social media and personal contacts. The advertisement was placed in a range of locations, including:

- Relevant public bodies' websites;
- Appropriate online advertising (e.g. Guardian Online, LinkedIn, Public Finance Online and ICAEW's website);
- Hard copy advertising in the Financial Times (this included postings on exec-appointments.com, a targeted LinkedIn campaign and a targeted twitter campaign).

14. Additional promotion was delivered via Social Media.

15. The window for applications was open for four weeks and candidates were required to submit a completed application form, political activity questionnaire and detailed CV. Eleven applications were received from two women and nine men.

16. A preliminary sift was undertaken on behalf of the full panel on 30 November 2017. The panel then agreed a shortlist of candidates, and five of the eleven applicants were selected for interview. The panel members were:

- Chair - Simon Thomas AM (Chair of the Finance Committee);
- Nick Ramsay AM (Chair of the Public Accounts Committee);
- Isobel Garner (Chair of the Wales Audit Office Board); and
- Caroline Gardner (Auditor General for Scotland).

17. Additionally, Manon Antoniazzi (Chief Executive and Clerk to the National Assembly for Wales) acted as an Independent Advisor to the panel.

18. Shortlisted candidates were given an opportunity to discuss the post with the incumbent Auditor General for Wales before their interview with the selection panel.

19. Interviews took place on 19 January 2018, at which candidates were questioned on the criteria set out in the job description. Psychometric and/or other testing was also conducted prior to the interview date to benchmark the candidates against senior peer groups and to help support the broader package of assessments.

20. The panel made a recommendation to the Finance Committee on its preferred candidate for nomination and the Committee underwent a pre-nomination process, including a pre-nomination hearing with the preferred candidate, Adrian Crompton on 31 January 2018.

21. In accordance with Section 2(3) of the Act, the Finance Committee has consulted with the Welsh Local Government Association (the WLGA) (as the body which represents the interests of local government bodies in Wales) prior to making a nomination for appointment to the Assembly. The response from the WLGA is attached at Annex B.

2. The preferred candidate

22. The Committee was provided with details of the preferred candidate, Adrian Crompton, on Friday 26 January 2018. Mr Crompton's CV is attached as Annex A.

23. The Committee undertook the pre-nomination hearing with a view to understanding the professional competence of Mr Crompton, how he is planning to undertake the role and the experience and expertise he would bring to the position.

24. During the hearing the Committee explored the following areas with Mr Crompton:

- his background and professional experience, and
- the work of the WAO, and his aspirations.

25. A transcript of the evidence session can be accessed on the **Finance Committee webpages**.

CONCLUSION

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Annex A: Career history – Adrian Crompton

May 2007 to date

Director of Assembly Business, National Assembly for Wales

- leadership of some 160 staff who provide the specialist parliamentary research, legal, procedural, communications and administrative support that the Assembly requires;
- personal responsibility for ensuring the effective conduct of all formal proceedings of the Assembly in its plenary meetings and committees;
- principal advisor to the Llywydd on the programme of legislative reform to increase the size of the National Assembly and fundamentally reform its electoral system;
- resource budget of around £7 million;
- member of executive boards within the organisation that provide strategic leadership, ensure good governance and decide the strategic allocation of all financial and personnel resource;
- numerous corporate responsibilities: for example, currently as chair of the principal change initiative, the *MySenedd* digital transformation programme;
- senior advisor to the **National Assembly for Wales Remuneration Board**, the independent body that sets the pay, pension and financial support of Assembly Members.

April 2014 to date

Global Partners Governance Associate

Spent 2014 working for Global Partners Governance, a social purpose company strengthening parliamentary democracy and political institutions in countries around the world. This work continues today, alongside role at the National Assembly, providing expert advice and support to senior politicians and civil servants, primarily in countries in the Middle East and North Africa – Sudan, Iraq, Egypt and Jordan. This expertise and practical support is at the heart of projects nurturing democratic transition in what are some of the most difficult and challenging political environments in the world.

September 2006 to May 2007

Head of the Members' Research and Committee Service, National Assembly for Wales

March 2004 to August 2006

Head of the Members' Research Service, National Assembly for Wales

July 1999 to March 2004

Committee Clerk, National Assembly for Wales

October 2002 to October 2003 (secondment)

Advisor to the University of London Constitution Unit

February 1998 to July 1999

Government statistician, Welsh Office/National Assembly for Wales

May 1988 to February 1998

Research Clerk, House of Commons Library Research Division

Other information

- University of Bath 1983-87. BSc Economics, 2:1.
- Industrial placement with IBM 1985-86.
- 1997 Industry & Parliament Trust Fellowship with Railtrack
- 2011 - 2017, a Board member of LINC Cymru, a socially responsible company providing social housing and care services for the elderly across south Wales.
- Member of the **Study of Parliament Group**, which brings together senior parliamentary staff and academics studying parliamentary government and political science.
- Member of the **Political Studies Association**, which promotes political engagement and research with politicians, academia, the media and other key opinion formers.

Annex B: Response from the WLGA

Ein Cyf /Our Ref:

ST/SS

Eich Cyf /Your Ref:

Dyddiad /Date:

22nd February 2018

Gofynnwch am/Please ask for:

Steve Thomas

Llinell uniongyrchol/Direct line:

029 2046 8610

Ebost/Email:

steve.thomas@wlga.gov.uk



Simon Thomas AM
Chair of the Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Simon,

Thank you for your letter setting out the appointment of Adrian Crompton as the new Auditor General for Wales. I have dealt with Adrian in his current role and have found him to be highly professional and capable. I am sure he will develop the role of the Auditor General in Wales and subject the public sector to scrutiny without "fear or favour", also his understanding of Welsh Government and National Assembly for Wales will be an asset to the organisation.

Local Government is the largest client of the WAO and we have worked closely with Huw Thomas over the years. We wish him a happy retirement.

As the largest client we also have concerns about the current focus of the WAO. For example, it is a widely held view across Councils that many of the national studies produced are neither timely or particularly insightful. Equally while the WAO may have trimmed its fees in recent years these reductions bear no relation to the financial cuts experienced by Councils. We hope that Adrian will engage with WLGA and Councils on these issues once he starts the role as Auditor General.

I hope these comments assist.

Your sincerely,

Steve Thomas CBE
Prif Weithredwr/Chief Executive

Steve Thomas CBE
Prif Weithredwr
Chief Executive

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Tŷ Llywodraeth Leol
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Welsh Local Government
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wlga.cymru
wlga.wales

@WelshLGA

**Croesawn ohebiaeth yn y Gymraeg a'r Saesneg a byddwn yn ymateb i ohebiaeth yn yr un iaith.
Ni fydd defnyddio'r naill iaith na'r llall yn arwain at oedi.**

**We welcome correspondence in Welsh and English and will respond to correspondence in the same language.
Use of either language will not lead to a delay.**