



Archwilydd Cyffredinol Cymru
Auditor General for Wales
Sir John Bourn KCB

3-4 Plas y Parc
Caerdydd CF10 3DP

3-4 Park Place
Cardiff CF10 3DP

Teleffôn/Telephone 02920 678545
Ffacs/Fax 02920 678555
E-bost/Email agw@nao.gsi.gov.uk

MS 29/6
Ms Siwan Davies
Clerk to the Audit Committee
National Assembly for Wales
Cardiff Bay
CARDIFF CF99 1NA

Ein Cyfeirnod/Our Reference

Eich Cyfeirnod/Your Reference

Dyddiad/Date

28 June 2004

Dear Siwan

Welsh Assembly Government's response to the recommendations of the Audit Committee report *Late payments to farmers in Wales*

Thank you for your letter of 12 May 2004 regarding the response from the Welsh Assembly Government to the Audit Committee's report *Late payments to farmers in Wales*. You sought the Auditor General's advice on the contents of the response and on any follow-up action that the Committee might take.

The Welsh Assembly Government has generally responded positively to the Committee's report, accepting fully five of the six recommendations that the Committee made. In particular, the Assembly Government has undertaken to publicise its targets for making CAP payments and report performance achieved (**recommendation 1**), and has appointed a qualified communications officer (**recommendation 5**) which should help to alleviate the problems the Assembly encountered in dealing with stakeholders in the farming community during the period under review. On **recommendation 6**, that the Assembly should normally set fixed budgets for projects, the Government refers to its new overarching IT contract, Merlin, under which each project will be individually assessed with a view to deciding on the most appropriate type of contract in each case. The Committee will recall that the Auditor General intends to start an examination of the Merlin contract later this year and shall be able to consider whether the arrangements in place are likely to deliver value for money.

Recommendation 4 was partially accepted. This recommendation concerned the level at which the Government pays compensation to its clients in cases such as this. The response explains that the current rate has been agreed by all UK agriculture departments, but that, in view of the Committee's concern, the Assembly Government will review the current levels of compensation with its counterparts later this year. This appears to be a reasonable approach in the circumstances; and the Committee might wish to receive an update from the Government on the outcome of these deliberations in due course.

I hope that you find this response helpful.

A handwritten signature in black ink, appearing to read "Helen Kirkby". The signature is written in a cursive style with a large, sweeping flourish at the end.

HELEN KIRKBY
Private Secretary to the Auditor General for Wales