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Ms Janet Davies AM
Chair of the Audit Committee
National Assembly for Wales
Cardiff Bay
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Dear Chair,

**WELSH ASSEMBLY GOVERNMENT RESPONSE TO THE AUDIT COMMITTEE REPORT
*WORK-BASED LEARNING***


The Clerk's letter of 12 December 2006 requested my advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report *Work-Based Learning*. The response is entirely satisfactory.

The Welsh Assembly Government's response welcomes the Committee's report and accepts all nine of the Audit Committee's recommendations. Three of these recommendations relate to learning lessons from the implementation of the Lifelong Learning Wales Record (LLWR) in 2004. The response confirms that the problems which arose at that time will be addressed when planning any similar future large-scale projects. This includes the importance of ensuring the participation of third-party providers in essential training for the operation of new systems (recommendations 1 and 2). There is also recognition of the need to ensure that error rates within data held and processed by the LLWR are tightly controlled and managed (recommendation 3).

The timing of the Committee's report has enabled it to have a significant influence on the control environment and performance standards that are currently being put in place by the Assembly Government for the next phase of contracting with training providers from 2007. This is shown in the responses setting out the actions being taken to address the other six of the Committee's recommendations,

relating to control and audit systems for work-based learning funding and future contract arrangements with training providers. For example, all providers with qualified audit opinions who subsequently fail to complete their self audits within agreed timescales are now placed automatically on escalation procedures (recommendation 7). The Assembly Government has confirmed that it will reinforce and make explicit the standards of performance and documentation expected from training providers, and it is also encouraging that the new contracts will include firm probationary arrangements (recommendations 4 and 8). The Assembly Government is additionally taking steps to improve the quality and delivery of training provision across the training provider network as a whole (recommendation 9).

The Wales Audit Office will continue to monitor the progress made by the Welsh Assembly Government in implementing the Audit Committee's recommendations, and will draw to the Committee's attention any areas where we think that further action by the Committee is merited.

Yon smids,


Jeremy Colman
Auditor General for Wales