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Mr David Melding AM  
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*De Chai,*

**ASSEMBLY GOVERNMENT RESPONSE TO THE AUDIT COMMITTEE REPORT ON  
*FUNDING FOR THE WALES MILLENNIUM CENTRE***

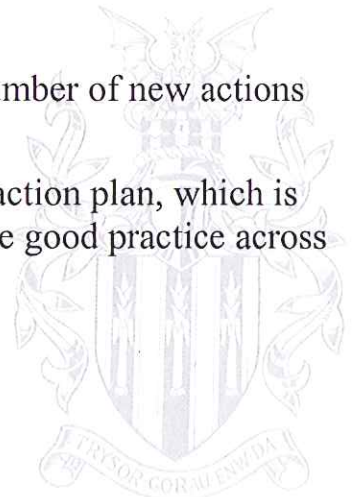
The Clerk's letter of 26 January requested my advice on the response by the Welsh Assembly Government to the Audit Committee's report on *Funding for the Wales Millennium Centre*.

The Audit Committee's report contained four recommendations, the first of which asked for a response to the eight recommendations contained in my own earlier report into this matter. There are thus eleven recommendations in total. The Assembly Government has responded positively to my recommendations and those of the Audit Committee, accepting all eleven recommendations in full.

The Assembly Government has already taken some action in response to the recommendations. The Permanent Secretary has issued guidance to all public bodies in Wales, drawing their attention to the conclusions and recommendations in my report.

The Assembly Government also proposes to undertake a number of new actions in response to the recommendations, including:

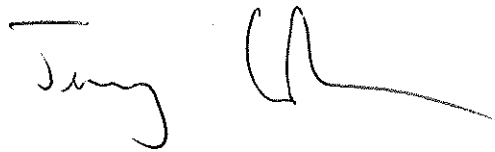
- developing a construction procurement strategy and action plan, which is intended to establish minimum standards and promote good practice across the public sector in Wales;



- reviewing grant conditions in projects where it is the funder of construction projects, to ensure compliance with good practice;
- rolling-out revised training on risk management later in 2009;
- updating guidance and training on grants management, including financial appraisal; and
- reviewing whether the responsibility for funding and monitoring the Wales Millennium Centre should transfer to the Arts Council.

I shall keep track of the Assembly Government's progress in implementing its proposed actions. I will, of course, draw the Committee's attention to any issues arising from this work where I consider further action is merited.

*Yours sincerely,*



**JEREMY COLMAN**  
**AUDITOR GENERAL FOR WALES**