

Mr Andrew Davies AM
Minister for Economic Development and Transport
Cardiff Bay
CARDIFF
CF99 1NA

Audit Committee Report on the Collapse of Antur Dwyryd-Llŷn Ltd

I am writing in connection with the Welsh Assembly Government's response to the Audit Committee's report on the collapse of Antur Dwyryd-Llŷn Ltd. That response accepted the Committee's recommendations with qualifications. The rejection or qualified acceptance of its recommendations is bound to be a matter of concern for the Committee.

The Committee understands that the detailed implementation of its recommendations is a matter for the Welsh Assembly Government. The Audit Committee would not normally wish to prescribe in detail how the Welsh Assembly Government should implement its recommendations, as the Committee's main interest is in the outcomes. The Committee therefore expects the Welsh Assembly Government to implement recommendations with due regard to proportionality and risk whether or not that expectation is made explicit in the Committee's report. For example, in the case of Antur Dwyryd-Llŷn – a company that was dependent on public money for its survival, and with mounting evidence of cash flow difficulties - the need for proactive monitoring would clearly be higher than for a more self-reliant company with a healthy balance sheet that was in receipt of relatively small amounts of public money.

The Welsh Assembly Government's response points out that, in implementing any recommendations, account must be taken of relevant statutory requirements – for example, the Data Protection Act in relation to the propriety of sharing information. Again, the Committee would never advocate non-compliance and would expect the Assembly Government to implement such recommendations with due regard to relevant statutory requirements. In those

cases in which statutory arrangements would frustrate a recommendation, the Committee would expect the Assembly Government to seek a way, if possible, of observing the spirit of the recommendation within the statutory framework.

The collapse of Antur Dwryd-Llŷn provided the Committee, not for the first time, with an example of public bodies not succeeding in effectively joining up their approach to delivering services through an independent agent. The Committee's recommendations were framed to reduce the risk of a similar occurrence in the future. The finer details of how a sufficiently joined up approach should be achieved in future must be a matter for the Assembly Government.

Our understanding from the Assembly Government's response is that a suitably proportionate approach will be taken to considering the propriety and practicalities of more collective risk management and information sharing with the wider public sector. In the light of the above comments, the Committee would consider that the response reflects a full and unqualified acceptance of the Committee's recommendations. I would welcome confirmation that this is also your view.

Janet Davies