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Mrs Janet Davies AM  
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Dear Chair,

**WELSH ASSEMBLY GOVERNMENT RESPONSE TO THE AUDIT COMMITTEE REPORT  
FUNDING FOR THE NATIONAL BOTANIC GARDEN OF WALES**

The Clerk's letter of 12 June 2006 requested my advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report, *Funding for the National Botanic Garden of Wales*.

The Welsh Assembly Government's response is positive and accepts the Audit Committee's recommendations. The Committee's recommendations were not limited to the organisations examined in its report, and the Assembly Government's response accepts them as they apply to the wider public sector that is accountable to the Assembly Government.

The response reasserts the Welsh Assembly Government's commitment to promoting the approach to risk outlined in the Treasury publication *Appraisal and Evaluation in Central Government*, commonly referred to as "The Green Book". The Green Book emphasises the importance of sensitivity analysis in appraising business cases, as well as collaborative appraisal. The Principal Accounting Officer, Sir Jon Shortridge, has written to all Assembly sub-accounting officers and to Chief Executives of Assembly-Sponsored Public Bodies, reminding them of the need to adhere to the Green Book.

The Welsh Assembly Government is also promoting the Office of Government Commerce "Gateway" procedures – which it has used in its own large scale capital projects – across the public sector, and is considering how Gateway Review principles can be built into future schemes funded by public money. The Gateway Review procedures require projects to be re-assessed at defined stages; such reviews would provide an opportunity to track and challenge changes to business plans and key forecasts, as the Committee had recommended.

In addition, the Welsh Assembly Government has provided my staff with a copy of the revised Risk Management Framework, referred to in its response. This document also addresses the Audit Committee's recommendations. In particular, it identifies the need for contingency planning, communication between partners and clearly identified ownership of risks. The Welsh Assembly Government intends to post the Framework on its Internet site and provide a copy as guidance to all Assembly-Sponsored Public Bodies.

The Committee's recommendations in relation to the need to manage risks better apply to many of the situations which the Wales Audit Office examines. While there is no need for the Committee to take any action at this stage, we will continue to monitor the progress made by the Welsh Assembly Government and other public sector bodies 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.

*Yours sincerely,*



**Jeremy Colman**  
**Auditor General for Wales**