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Dea Chair,

AUDIT COMMITTEE REPORT ON THE ADMINISTRATION OF GRANTS FOR EDUCATION SUPPORT & TRAINING (GEST) AND THE BETTER SCHOOLS FUND

The Clerk's letter of 24 August 2006 requested my advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report *Administration of Grants for Education Support and Training (GEST) and the Better Schools Fund*.

The response of the Welsh Assembly Government is positive and says that it has accepted all seven recommendations.

The only aspect of the response to which the Assembly Government has attached a caveat is in relation to recommendation 1, which is for a move to a three-year planning cycle. The Assembly Government has said the strength of the Better Schools Fund is that it has the flexibility to move funding from year to year in support of emerging priorities, and that this flexibility will need to be retained within an over-arching three-year planning cycle. Although there is merit in such flexibility, there is also a risk of it being taken so far as to undermine the benefits of a longer planning cycle set out in the Committee's report—greater planning certainty and reduced administrative effort. The Assembly Government will clearly need to strike an appropriate balance in its arrangements, and the Wales Audit Office will pay particular attention to the progress made in implementing this recommendation.

The timescales suggested for implementing the Committee's recommendations also appear reasonable, with action on some already underway. For example, it is pleasing to see that in seeking to secure training and professional advice on evaluation for its policy leads (recommendation 6), the Better Schools Fund team has already attended training provided by the UK Evaluation Society. However, I would suggest that on the final recommendation (recommendation 7), which includes making minimum standards of evaluation a condition of grant funding, the draft circular for the 2008-09 programme will need to be issued in June 2007, rather than in June 2008. My staff will raise this with Assembly Government officials.

I will, of course, monitor developments overall, and draw to the Committee's attention any areas where I consider that further action by the Committee is merited.

I hope that you find this response helpful.

Yours sincerely,



Jeremy Colman
Auditor General for Wales