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Jonathan Morgan AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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Dear Chair

ASSEMBLY GOVERNMENT RESPONSE ON WORK BASED LEARNING

The Clerk's letter of 22 February 2010 requested my advice on the response by the Deputy Minister for Skills to the Committee's request for further information relating to our follow-up report on *Work Based Learning*. The Committee had asked for specific examples of where lessons have been applied across the Assembly Government, how this was done and what evidence was available to demonstrate the dissemination of these lessons.

The context for the request was the Committee's concern that, as the Wales Audit Office report showed, the Assembly Government had not systematically applied the lessons learnt across the organisation from a previous audit of work based learning. In particular, while the key lessons learned had been identified by the Department for Children, Education, Lifelong Learning, and Skills (DCELLS) there was no formal mechanism in place, at that time, for sharing and applying lessons across the wider business.

The Deputy Minister's response describes the arrangements that the Assembly Government has now put in place to share lessons learned from audit. The response provides a detailed account of the Assembly Government's 'Enabling Government' agenda, which includes the management arrangements and business support processes. As set out in the Wales Audit Office report on Work Based Learning, these arrangements are intended to improve the sharing of lessons learned across the Assembly Government.

The Deputy Minister identifies two examples of the arrangements working in practice. The first example is the Wales Audit Office's annual management letter arising from our audit of their accounts. In that example, the recommendations and lessons were shared by the various Heads of Finance and progress in applying each of them is overseen by the Corporate Governance Committees of each department. The second example concerns the work of the Assembly Government's own Internal Audit Service. In that example, lessons and recommendations are shared and monitored through the departmental Corporate Governance Committees. Recommendations arising from thematic reviews that cover multiple departments are also considered by the main Assembly Government Corporate Governance Committee.

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In our view, the Deputy Minister's response is satisfactory in showing how the new arrangements should enable the Assembly Government to improve the sharing of lessons across the organisation. However, the response does not provide specific examples of how lessons learned by DCELLS or in work based learning have been applied to programmes and projects across the Assembly Government. In our experience, it can be difficult to provide definitive evidence of lessons from one programme being learned and applied in another. While some programmes may have avoided the historic problems experienced in work based learning, they may well have done so for a number of reasons that have nothing to do with actually learning the specific lessons from our work.

The Committee will, of course, wish to take its own view on whether the Assembly Government's response goes far enough in addressing the concerns which underpinned its request for further information. The Committee has the option of calling an Assembly Government witness to explain in more detail why the specific lessons highlighted by our original report on work based learning were not shared more widely. However, I suggest that there would be limited benefits to such an approach. The Wales Audit Office report shows that DCELLS officials set out the lessons in a paper for the Assembly Government's senior management team. That paper was for the senior managers to note. Officials could not provide us with further details on how those lessons were subsequently applied and it is unlikely that any new evidence on this point will have since emerged.

The Committee also has the option of writing to the Accounting Officer to request a formal response to the recommendations in the Wales Audit Office report. And, if the Committee has any residual concerns about whether the lessons from the 2006 audit report on work based learning have really been applied, particularly regarding the management of public funding to small private organisations, its letter could also request further assurance on that matter. However, the Committee will also have an opportunity to explore this issue in detail when considering our forthcoming report on *'The Management of Funding to Cymad Cyf'*.

The question of how the Assembly Government ensures that it learns and applies the lessons from earlier audit work – and indeed from its own general experience – has also featured in the Committee's consideration of our report on Home Oxygen Therapy Services. I suggest that the Committee might wish to look to the Wales Audit Office to test these arrangements in our routine follow-up of the actions taken by the Assembly Government in response to audit reports. The records maintained by Heads of Finance and by the various departmental Corporate Governance Committees will provide very helpful evidence for us to assess the rigour of these arrangements. I will, of course, draw the Committee's attention to any issues arising from this work where I think that further action by the Committee is merited.

Yours sincerely



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