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Ein Cyfeirnod/Our Reference

Eich Cyfeirnod/Your Reference

Dyddiad/Date

27 April 2004

Dear Adria

AUDIT COMMITTEE : Welsh Assembly Government's response to the recommendations of the Audit Committee report 'Compensating farmers for Bovine Tuberculosis in Wales'

Thank you for your letter of 17 March in which you ask for advice on the Welsh Assembly Government's response to the Audit Committee's report 'Compensating Farmers for Bovine Tuberculosis in Wales'.

The Welsh Assembly Government agreed with all eight of the Audit Committee's recommendations, and has responded positively to each. Many of the risks identified in the Committee's report should form part of the process of rationalising compensation arrangements across the range of notifiable diseases, which Defra is leading and in which the Assembly is participating. The Government undertook (under recommendation viii) to report back to the Committee on the outcome of this process by the end of this year.

The Welsh Assembly Government's response sets out the steps that it has already undertaken to achieve greater control over the process of valuing animals affected by bovine tuberculosis. We welcome the appointment of a liaison valuer, the increased communication with valuers and pedigree breeding societies, and the audit of a ten per cent sample of valuations. It would be helpful if the report to the Committee referred to in the preceding paragraph included some information about trends in valuation levels since the various controls were introduced, and specifically whether valuations are now more in line with market prices. The report might also usefully update the response to recommendation vii, where the Assembly Government reports that it is still considering whether to introduce thresholds above which valuers are required to provide more justification, in the light of other data. The National Audit Office Wales will follow-up these matters with Assembly officials.

On recommendation i, we note the statement that the SVS is confident that there is downward trend in the backlog of overdue tests. Published Defra statistics suggest that the number of overdue tests is now much higher than the number reported to the Committee when it took evidence on this subject in October 2003. SVS staff have explained to us that this is a short term trend, caused only by a dry autumn which led to

the testing season starting later than normal; SVS subsequently recruited additional veterinary officers to bring the figures down more rapidly.

Against this background there is no need for the Committee to take any further action at this point.

I hope that you find this response helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Helen Kirkby', written in a cursive style.

Helen Kirkby

Private Secretary to the Auditor General for Wales.