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National Assembly for Wales
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AUDIT COMMITTEE REPORT ON *THE NATIONAL ASSEMBLY'S NEW BUILDING: UPDATE REPORT*

Your letter of 21 May requests the Auditor General's advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report, *The National Assembly's new building: update report*.

The Welsh Assembly Government welcomed the Audit Committee's findings and has responded positively to the eight specific recommendations made by the Committee. The recommendations from the Committee's report were designed to illustrate that, even though this was a one-off project, there are valuable lessons to be learned by the public sector at large in undertaking major capital projects of this sort. In recognition of this, the response to recommendation (i) states that the Committee's report will be circulated throughout the Assembly and its sponsored bodies. The lessons learnt from the protracted differences in opinion over the Assembly building contract and subsequent adjudication should help to ensure that similar disputes will not arise in the future.

The Committee may wish to note in particular the Assembly Government's assurances in relation to recommendation (iv) on risk management, not only in regard to this project but throughout the Assembly. The development of a programme overseen by a Risk Improvement Manager specifically to handle all matters concerning risk management practice is welcome and should ensure that the handling of risk is a key consideration in all the Assembly's business.

The Committee will also wish to note that the Government supports recommendation (v), that all witnesses who appear before the Audit Committee should feel able to give full and frank answers to questions put to them; as well as writing to Assembly-sponsored bodies, the Permanent Secretary intends to raise this issue with all Accounting Officers at a meeting later this year. As the Committee's report concluded (at paragraph 11), if this were not the case the Committee would not be able to carry out its remit.

The National Audit Office Wales will continue to monitor the new Assembly building project. We will draw to the Committee's attention any areas where we consider that further examination by the Committee is merited.

I hope that you find this response helpful.

HELEN KIRKBY
Private Secretary to the Auditor General for Wales