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### **AUDIT COMMITTEE REPORT ON 'THE ARTS COUNCIL OF WALES: CENTRE FOR VISUAL ARTS (CVA)'**

Thank you for your letter of 18 November asking for advice on the contents of the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report 'The Arts Council of Wales: Centre for Visual Arts'.

In its report, the Committee made eleven recommendations to the Arts Council of Wales. The Welsh Assembly Government has responded positively to these and fully supported all eleven recommendations. The response provides assurances that the Arts Council has learnt the lessons from the Centre for Visual Arts project and that the Council's procedures are now more thorough and responsive to difficulties that may arise.

The response also sets out specific undertakings by the Arts Council. In particular, it has commissioned Deloitte & Touche to carry out an independent review of its grant monitoring procedures. This review has now been completed and concluded that the systems in place for monitoring projects are working well and that the Council's written procedures are, in the main, being followed. The review did highlight the scope for further improvement to the administration and monitoring of projects and provided a number of wide-ranging recommendations. The Arts Council proposes to strengthen its financial monitoring procedures, taking account of the recommendations by the Audit Committee and the Auditor General for Wales, as well as the review by Deloitte & Touche.

As signalled by the Auditor General for Wales in consulting the Audit Committee about his value for money proposals for 2003-04 and subsequent years, he plans to undertake a follow-up examination of the Arts Council of Wales to assess the extent to which the lessons arising from the difficulties experienced with the Centre for Visual Arts project have been learnt.

Subject to the views of Committee members, there is no need for the Committee to take any further action at this stage. Staff of the National Audit Office Wales, on behalf of the Auditor

General for Wales, will monitor progress with the implementation of the undertakings given by the Welsh Assembly Government and our planned follow-up work will provide a further opportunity for the Committee to consider progress.

I hope that you find this response helpful.

**HELEN KIRKBY**  
**Private Secretary to the Auditor General for Wales.**