



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Wales Audit Office / Swyddfa Archwilio Cymru

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Mr Darren Millar AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Dear Darren

QUERIES FROM PAC 27 SEPTEMBER 2011

At the PAC meeting on 27 September 2011, I agreed to provide you with the following information.

1. *You queried whether the savings planned as part of the consolidation of WAO office accommodation in Cardiff had been achieved.*

In 2006-07, the WAO took the decision to acquire a new building during 2007-08, on a leasehold basis. This was to replace the two existing Cardiff offices, and secure a number of financial, environmental and operational benefits.

The business case recognised that there would be some initial investment and increase in cost, in part for payment of liabilities and dilapidations at previous premises, as well as for the equipping of the new offices, but that net savings would be achieved over time.

Since moving to the new premises, we have realised efficiency savings of an average of some £157,000 per annum for running costs against our initial business case estimate of an average of £149,000 per annum, ie we have exceeded our total projected savings by some £32,000 to date, and the project has now broken even overall.

We have also made additional savings which were not included in our business case, such as for holding events and training in-house, which we would not have been able to do to the same extent in our previous offices, as well as extending the use of video conferencing for which the technology was not available at the time of developing the business case.

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2. *You requested information on the extent to which the three long term sickness absence cases that were highlighted at the meeting, and which have now been granted ill health retirement, contributed to the long term absence figures quoted in the annual report.*

These three cases, which were primarily due to non-work-related conditions, comprised 35.7 per cent of all working days lost to long term absence in 2010-11. While most organisations are likely to be able to cite similar examples, had these three cases been excluded from the analysis on page 19 of my annual report and accounts, the overall level of sickness absence would have fallen substantially from 11 days to 8.6 days per member of staff. This would then have been below the public sector average of 9.6 as set out in the CIPD 2010 annual survey of absence management trends.

3. *You requested a copy of our IT strategy which I have attached to this letter. The strategy covers the period 2009-2012, which corresponds with the duration of my corporate strategy. The ICT strategy is due to be updated following the issue of my new corporate strategy early next year, but the principles outlined in it are still very relevant to the service.*



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES

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