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Deu Darn

THE WELSH GOVERNMENT'S RESPONSE TO THE PUBLIC ACCOUNTS COMMITTEE'S REPORT ON THE REGENERATION INVESTMENT FUND FOR WALES (RIFW)

Thank you for forwarding to me the Welsh Government's formal response to the Public Accounts Committee's report on RIFW, together with the covering letter of 7 March 2016 from the Minister for Communities and Tackling Poverty.

I am pleased to note that the Welsh Government has accepted in full all 17 of the Committee's recommendations to it. (In addition, recommendation 8 within the Committee's report, which refers to monitoring action by its successor Committee in the Fifth Assembly, is a matter for the Assembly itself rather than for the Welsh Government). The Welsh Government's acceptance of the Committee's recommendations is particularly encouraging when one considers the gravity of the Committee Report's overall conclusions which reflected events since my own report was published, including evidence from subsequent onward sales of the assets by the purchaser.

I also note the specific references in the Minister's letter to:

- the First Minister's statement and apology to the National Assembly in its plenary session on 26 January;
- the Welsh Government's initiation of legal action against the Fund's Investment Manager, Lambert Smith Hampton (in direct response to recommendation 13); and
- the Welsh Government's commitment to keep under review whether further legal steps may be necessary.

The Welsh Government's recognition that it is vital for lessons to be learned and for practice to be improved is very important, as many of the recommendations within the Committee's report are of wider application to arms-length operations and the maintenance of good governance.

Clearly, your successor Committee in the Fifth Assembly will wish to scrutinise the effectiveness of the Welsh Government's actions in response to the report, in order to satisfy itself and also seek assurance on behalf of the Welsh public that the issues which arose with RIFW will not be repeated. I therefore suggest that it would help to facilitate that Committee's scrutiny if the Welsh Government could provide some more specific details on timescales and intended completion dates, as these are generally not included in the existing response (for example, see the responses to recommendations 2, 6, 17 and 18, none of which contain target completion dates). In addition, the Committee may also wish to write to the Additional Accounting Officer seeking some further details of specific actions that the Welsh Government intends to take, notably in respect of recommendations 4, 5, 12 and 18. My staff would be happy to support the Clerks in developing a suitable letter for the Committee Chair to send.

For my part, I intend to monitor closely the progress that the Welsh Government is making against each of the recommendations within the Committee's report, recognising that some of these may take considerable time to be completed (including in particular, the outcome of the litigation against Lambert Smith Hampton).



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES