Public Audit Committee

4th Report, 2013 (Session 4)

Annual Report 2012-13

Published by the Scottish Parliament on 11 June 2013
Public Audit Committee

Remit and membership

Remit:

The remit of the Public Audit Committee is to consider and report on—

(a) any accounts laid before the Parliament;
(b) any report laid before or made to the Parliament by the Auditor General for Scotland; and
(c) any other document laid before the Parliament, or referred to it by the Parliamentary Bureau or by the Auditor General for Scotland, concerning financial control, accounting and auditing in relation to public expenditure.

(Standing Orders of the Scottish Parliament, Rule 6.7)

Membership:
George Adam (until 4 September 2012)
Colin Beattie
Willie Coffey
Bob Doris (from 10 January 2013)
James Dornan (from 18 September 2012)
Iain Gray (Convener)
Mark Griffin
Colin Keir
Mary Scanlon (Deputy Convener)
Tavish Scott
Sandra White (4 September 2012 until 10 January 2013)
Humza Yousaf (until 6 September 2012)

Committee Clerking Team:
Clerk to the Committee
Fergus D. Cochrane
Assistant Clerk
Jason Nairn
Committee Assistant
Parminder Kaur
Public Audit Committee

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Introduction

1. This report covers the work of the Public Audit Committee during the parliamentary year from 11 May 2012 to 10 May 2013.

2. The Public Audit Committee’s work is mainly focussed on the scrutiny of reports produced by the Auditor General for Scotland (AGS) who is responsible for scrutinising the expenditure and performance of directorates of the Scottish Government and most other public spending bodies (with the exception of local authorities). Through this scrutiny the Committee helps to ensure that public funds are spent wisely and holds those who are charged with spending taxpayers’ money to account.

3. The current AGS, Caroline Gardner, started her term as AGS in July 2012 and her first appearance before the Committee was on 12 September 2012.

Inquiries

4. The Committee considered nine new reports from the AGS. These were all Section 23 reports\(^1\) which examined the economy, efficiency and effectiveness of the public sector. There were no Section 22 reports,\(^2\) which concern the audit of accounts of individual public bodies.

5. Of the AGS reports published in 2012/13 the Committee sought oral or written evidence on the following:

   **Cardiology services and health inequalities**

6. The Committee’s Cardiology services report commented on access to cardiology services by people in deprived communities and ethnic communities. It included a recommendation that the Scottish Government review whether GP

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\(^1\) Reports laid in the Parliament under section 23 of the Public Finance and Accountability (Scotland) Act 2000.

\(^2\) Reports laid in the Parliament under section 22 of the Public Finance and Accountability (Scotland) Act 2000.
numbers are adequate to meet the needs of patients in these communities given their higher levels of comorbidity.

7. Similar themes were raised in the AGS Health inequalities report, therefore the Committee took evidence from the Director General Health and Social Care and Chief Executive of NHS Scotland and the Chief Medical Officer of the Scottish Government, GP representatives, a health visitor, and NHS Greater Glasgow and Clyde. The Committee’s report highlighted issues the Health and Sport Committee may wish to pursue in its health inequalities inquiry.

Management of patients on NHS waiting lists
8. This AGS report aimed to identify whether NHS Lothian’s manipulation of waiting lists in 2011 was an isolated incident or an indication of widespread problems across the NHS. The Committee received oral evidence from the AGS, health board representatives, ISD Scotland and the Director General Health and Social Care and Chief Executive of NHS Scotland. The Committee’s report welcomed that there was no evidence of widespread manipulation of waiting lists and that, overall, the NHS is meeting waiting times targets. The Committee, however, made a number of recommendations, including that the Scottish Government should set out the core audit data that all health board IT systems must be able to record to provide assurances on the use of social unavailability codes. The Scottish Government will formally respond to this report in summer 2013. The Committee has also requested an update from the AGS on the Scottish Government and health boards’ progress towards implementing report recommendations in late 2013.

Managing ICT contracts
9. This report highlighted weaknesses in the management of three public sector information and communication technology (ICT) programmes. The Committee received evidence from the AGS, Registers of Scotland (RoS) and the Scottish Government. It wrote to the Scottish Government and RoS seeking assurances that it would improve the management of ICT contracts across the public sector, particularly given RoS’s role in collecting land and building transaction tax.

Reducing reoffending in Scotland
10. As this report raised issues relevant to a previous inquiry on An overview of Scotland’s criminal justice system, the Committee took evidence from the Scottish Government. The Committee referred the report to the Justice Committee highlighting that it may wish to pursue how measurement of the performance of Community Justice Authorities, their lines of accountability and the allocation of their funding could be improved.

Learning the lessons of public body mergers
11. This report reviewed mergers across the public sector. The Committee has agreed to take evidence from representatives from Skills Development Scotland SDS, merged colleges and the merged police force in late 2013, to ascertain whether lessons had been learned with respect to bodies already merged and those due to go through the process.

Other reports
12. The Committee also considered the following reports:
Engagement and innovation

13. The Committee has been more responsive in its approach to scrutiny of AGS reports, by inviting key witnesses to give evidence to the Committee immediately following the AGS on reports where it has done previous relevant scrutiny.

14. For its Cardiology services inquiry, the Committee held a meeting and fact-finding visits in Glasgow. It took oral evidence and engaged with those providing cardiology services to people in deprived and ethnic communities and users of these services.

15. The Committee received briefings from the Accounts Commission on reports highlighting issues across local government. This year it received briefings on Best Value in police authorities and police forces in Scotland and Best Value in fire and rescue services in Scotland. Following these briefings, the Accounts Commission provided legacy papers on key issues, as responsibility for auditing the merged police and fire and rescue boards will now fall to the AGS. From this current parliamentary year onwards, the Committee will have a role in scrutinising these reports.

16. The Committee set up a Twitter account in March 2013 and has 72 followers.

Bills and UK legislation

17. The Committee considered audit issues emerging from the Land and Buildings Transaction Tax (Scotland) Bill and Landfill Tax (Scotland) Bill.

Scottish rate of income tax

18. The Committee took evidence from key stakeholders on aspects of the proposed framework for auditing the Scottish rate of income tax, which was devolved to the Scottish Parliament under the Scotland Act 2012. The Committee then published an interim report and launched a call for evidence seeking views on key aspects of the audit arrangements. Following the call for evidence, the Committee will publish a proposed framework for auditing the tax.

Equalities

19. Audit Scotland ensures that its reports to the Committee follow its own guidance on how to build diversity and equality into national performance audits. Audit Scotland’s Project Management Framework requires it to consider any potential equalities issues at the scoping stage of each of its public reporting studies. One of the strategic themes underpinning its performance audit programme is having a user focus and, where relevant, it uses surveys or focus groups to get views from people using services, including those in hard to reach groups.
20. Audit Scotland briefings to the Committee reflect any particular impacts of policies on equalities groups. These have included issues such as health care, transport, justice and education which may have a disproportionate effect on the young, the elderly, those with disabilities or special needs or those from ethnic communities. This ensures that any potential equalities issues are able to be picked up by members in considering how to take forward the recommendations in AGS reports.

Meetings

21. The Committee met 19 times in this parliamentary year. All meetings were held in Edinburgh, apart from the 22 June 2012 meeting which was held in Glasgow City Chambers. All meetings were held partly in public and partly in private. The purpose of the majority of private items was to consider the approach to specific AGS reports or consider draft Committee reports.
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