Public Audit Committee

2nd Report, 2012 (Session 4)

Annual Report 2011-12
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
Colin Beattie
Willie Coffey
Murdo Fraser (Member and Deputy Convener until 16 November 2011)
Iain Gray (Member from 22 December 2011, Convener from 18 January 2012)
Mark Griffin (from 22 December 2011)
Hugh Henry (Member and Convener until 22 December 2011)
Colin Keir (from 15 December 2011)
Mark MacDonald (until 15 December 2011)
Mary Scanlon (Member from 16 November 2011, Deputy Convener from 23 November 2011)
Tavish Scott
Drew Smith (until 22 December 2011)
Humza Yousaf

Committee Clerking Team:

Senior Assistant Clerk
Jane Williams

Assistant Clerk
Jason Nairn
The Committee reports to the Parliament as follows—

**Introduction**

1. This report covers the work of the Public Audit Committee during the Parliamentary year from 11 May 2011 to 10 May 2012.

2. The primary focus of the Public Audit Committee’s work is the examination of reports produced by the Auditor General for Scotland (AGS). The AGS 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 and police and fire boards. Through scrutiny of these reports, the Public Audit 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, Mr Robert Black, announced his intention to retire in 2012. A motion to appoint a new AGS, Caroline Gardner, was agreed by the Parliament on 29 March 2012.

**Inquiries**

4. The Public Audit Committee considered 17 new reports from the AGS this year. Twelve of the reports were “Section 23” reports\(^1\) which examined the economy, efficiency and effectiveness of the public sector and 5 were “Section 22” reports\(^2\) which concerned the audit of accounts of individual public bodies. In addition, the Committee received briefings from the AGS on Audit Scotland’s forward programme of performance audits and Audit Scotland’s Annual Report 2010/11.

---

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

\(^2\) Section 22 reports are reports laid in the Parliament under section 22 of the Public Finance and Accountability (Scotland) Act 2000.
5. Of the AGS reports published in 2011/12 the Committee sought oral or written evidence on the following:

An overview of Scotland’s criminal justice system
6. The Committee’s report An overview of Scotland’s criminal justice system was published on 8 February 2012. The Committee made recommendations to the Scottish Government, the Scottish Prison Service and the Crown Office and Procurator Fiscal Service (COPFS) on Scotland’s reoffending rates and the efficient management of cases through the courts.

7. Responding to the report, the Scottish Government outlined work to reduce reoffending rates, including its aims to improve data collection and the effectiveness of services aimed at reducing women’s reoffending. The Scottish Government explained that the proposed Intermediate Outcomes Framework will also improve the accountability of Community Justice Authorities. COPFS explained the measures it was implementing to improve the tracking of offenders, victims and witnesses through the justice system, reducing churn and improving attendance at court. In its report, the Committee also suggested areas Audit Scotland may wish to consider including in its forthcoming performance audit report on reducing reoffending.

The role of Community planning partnerships in economic development
8. The Committee took oral evidence from the Scottish Local Authority Economic Development Group and the Scottish Government, at its meeting on 18 January 2012, regarding the report entitled The role of Community planning partnerships in economic development.

9. Using the evidence received, the Committee submitted a consultation response to the Local Government and Regeneration Committee’s (LGRC) inquiry into public sector reform and local government in Scotland. The Committee’s response recommended that the LGRC investigate as part of its inquiry:
   - the tension between local and national accountability of Community Planning Partnership (CPP) partners,
   - the role of CPP location directors at the Scottish Government in linking local and national priorities,
   - the effect of the enterprise reforms on the availability of CPP economic development resources,
   - how to improve performance measurement of CPPs at partnership and national level.

Cardiology services
10. The Committee began its inquiry into the report entitled Cardiology services, taking evidence from the AGS at its meeting on 29 February 2012. The Committee agreed to hold a committee meeting in Glasgow on 22 June 2012, to take evidence from charitable organisations, NHS Boards and the Scottish Government. The Committee agreed to focus its inquiry partly on access to cardiology services by those in deprived communities and from ethnic communities. The Committee also agreed to hold fact finding visits to inform its inquiry, meeting with patients, clinicians and those who provide cardiology support services. It anticipates publishing its inquiry report in the next parliamentary year.
Commissioning social care
11. The Committee began its inquiry into the report entitled Commissioning social care, taking evidence from the AGS and Accounts Commission on the report on 14 March 2012. The Committee took oral evidence from representatives of the care sector, local government and NHS Ayrshire and Arran at its meeting on 25 April 2012 and the Scottish Government at its meeting on 9 May 2012. The Committee has agreed to submit a response to the Scottish Government’s consultation on proposals for the integration of health and social care in Scotland.

Section 22 reports on the 2010/11 audits of Registers of Scotland, Crown Office and Procurator Fiscal Service and Disclosure Scotland
12. The Committee took evidence from the AGS regarding section 22 reports on the 2010/11 audits of Registers of Scotland, Crown Office and Procurator Fiscal Service and Disclosure Scotland at its meeting on 14 December 2011. The reports commented on delays or cancellation of ICT projects within those public bodies. The Committee corresponded with the Scottish Government and Accountable Officers on the planning originally undertaken for these projects. In the next parliamentary year, the AGS intends to publish a report examining further the lessons which public bodies can apply to improve the management of ICT contracts.

Other reports
13. The Committee corresponded with the Scottish Government and relevant Accountable Officers on issues arising in the following reports:

- Transport for health and social care
- Modernising the planning system
- A review of telehealth in Scotland
- Reducing Scottish greenhouse gases
- The 2010/11 Audit of the Scottish Government Consolidated Accounts
- The 2010/11 Audit of the National Library of Scotland
- Overview of the NHS in Scotland’s performance 2010/11
- Commonwealth Games 2014 Progress Report 2: Planning for the Delivery of the XXth Games

Major Capital Projects
14. The Committee continued to consider updates from the Permanent Secretary regarding the Scottish Government major capital projects programme. Following Committee consideration of an update at its meeting on 29 February 2012, the Scottish Government agreed to include in its future updates, progress with the hub initiative and how each major capital project is contributing to local economic development.

Networks
15. The Committee received inward visits of delegations from the Parliaments of Macedonia, Kosovo and Montenegro. The purpose of these visits was to exchange views and experiences of public audit scrutiny but also to enable the visiting delegations to learn about the Committee’s best practice in relation to its oversight and accountability role.
16. Whilst the Committee’s remit does not allow it to scrutinise Accounts Commission reports not produced in conjunction with the AGS, the Committee continues to receive briefings from the Accounts Commission on some reports which highlight issues which occur across local government. This year that included briefings on the reports *How councils work: an improvement series for councillors and officers* - Arm's-length external organisations (ALEOs): are you getting it right? and *An overview of local government in Scotland - Challenges and change in 2012.*

**Bills, Petitions and Subordinate Legislation**

17. The Committee did not consider any bills, petitions or subordinate legislation this parliamentary year.

**Equalities**

18. The majority of the Public Audit Committee’s work is based on reports produced by Audit Scotland on behalf of the AGS. Audit Scotland is committed to valuing diversity and promoting equality across the organisation and in its work. Audit Scotland addresses equality and diversity issues by ensuring that its reports to the Public Audit Committee follow its own guidance on how to build diversity and equality into national performance audits. Audit Scotland’s Project Management Framework also 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 Audit Scotland’s performance audit programme is having a user focus and, where relevant, Audit Scotland uses surveys or focus groups to get views from people using services, including those in hard to reach groups.

19. 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**

20. The Committee met 17 times in this Parliamentary year and all its meetings were held in Edinburgh. Most meetings were held partly in public and partly in private and one meeting was held entirely in private. The purpose of the majority of private items was to consider the approach to specific AGS reports and consider draft Committee reports.
Members who would like a printed copy of this Numbered Report to be forwarded to them should give notice at the Document Supply Centre.