



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

PUBLIC AUDIT COMMITTEE

Wednesday 28 April 2010

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PUBLIC AUDIT COMMITTEE
8th Meeting 2010, Session 3

CONVENER

*Hugh Henry (Paisley South) (Lab)

DEPUTY CONVENER

*Murdo Fraser (Mid Scotland and Fife) (Con)

COMMITTEE MEMBERS

*Willie Coffey (Kilmarnock and Loudoun) (SNP)
*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)
*George Foulkes (Lothians) (Lab)
*Bill Kidd (Glasgow) (SNP)
*Anne McLaughlin (Glasgow) (SNP)
Nicol Stephen (Aberdeen South) (LD)

COMMITTEE SUBSTITUTES

Derek Brownlee (South of Scotland) (Con)
Linda Fabiani (Central Scotland) (SNP)
James Kelly (Glasgow Rutherglen) (Lab)
John Farquhar Munro (Ross, Skye and Inverness West) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Mr Robert Black (Auditor General for Scotland)
Angela Canning (Audit Scotland)
Angela Cullen (Audit Scotland)
Caroline Gardner (Audit Scotland)
Dick Gill (Audit Scotland)
Barbara Hurst (Audit Scotland)
Mark MacPherson (Audit Scotland)
Claire Sweeney (Audit Scotland)

CLERK TO THE COMMITTEE

Jane Williams

LOCATION

Committee Room 4

Scottish Parliament

Public Audit Committee

Wednesday 28 April 2010

[The Convener *opened the meeting at 10:00*]

Decision on Taking Business in Private

The Convener (Hugh Henry): Welcome to the Public Audit Committee's eighth meeting in 2010. I remind committee members and members of the public to switch off all electronic devices. We have no apologies from committee members, but do we have an apology from Bob Black?

Caroline Gardner (Audit Scotland): That is right.

The Convener: Under agenda item 1, do we agree to take in private items 4 and 6?

Members *indicated agreement.*

Public Audit Committee Report (Response)

"The 2008-09 Audit of Registers of Scotland"

10:01

The Convener: Item 2 is consideration of a formal response from the accountable officer. Do members have comments?

Murdo Fraser (Mid Scotland and Fife) (Con): It helps to have the updated corporate plan from Registers of Scotland, in which we see how it proposes to take forward its operations and deal with the large surplus that it built up. I am happy to note the response.

The Convener: Does Audit Scotland have comments?

Caroline Gardner: We are comfortable with the recommendation in the clerk's note. We will monitor the situation through the annual audit process. If any concerns arise, we can report them to the committee through the section 22 reporting process in the usual way.

The Convener: Okay. Do we agree to note the response?

Members *indicated agreement.*

Section 23 Report (Response)

“Improving public sector efficiency”

10:02

The Convener: Item 3 is consideration of a response from the accountable officer. It is fairly woolly, but it is nevertheless a response. Do members have comments? I am interested in a couple of points, although they should not delay our taking a decision now. The answer to question 5 gives the cost of using temporary staff for a fairly minor post, whereas the concerns that have been articulated in the past year or two have been about more senior posts. I am interested to know the equivalent costs for more senior posts and how often those posts are filled in that way. We will write back to ask for that information.

The answer to question 5 also says that posts

“must be filled through a competition between several suppliers”.

It would be interesting to know who the suppliers are and whether an approved list exists—that relates to comments that Willie Coffey has made about who is used. Before suppliers are used, do they need to meet criteria? Does any supplier have former senior civil servants in senior management posts?

Murdo Fraser: The response contains an interesting revelation about the mechanism for appointing temporary staff—the accountable officer says that that must be done through competition. That is in stark contrast to the evidence that we have heard in several inquiries about the appointment of permanent staff, which we have been led to believe involves little competition—in fact, people are hand-picked from the ranks of the senior civil service and slotted into positions without open competition and without the ranking of candidates against price and quality criteria. It might be useful to ask why the arrangements for filling temporary positions, which one assumes are less important, are more rigorous than those for filling permanent positions, which is all done by a nod and a wink.

The Convener: Yes. Members have a letter before them that confirms that very point. It mentions an appointment being made in the new organisational structure for transport issues in Scotland rather than the job being put out to competition. Murdo Fraser has made a useful point. Should we hold the report open until we get information about that, or should we note the report and wait and see what other information comes back to us?

Willie Coffey (Kilmarnock and Loudoun) (SNP): The appointment of consultants on the

basis of previous good performance is good practice that we would wish to encourage and see developed throughout the public sector. My recollection is that that approach was not taken in relation to consultancy services in particular: we did not really look at past performance and make judgments on that basis. We have now noted that, but I am not entirely clear that there is a commitment to go down that route in future.

I draw members' attention to paragraph (e) on page 3 of paper 2. I do not have a particular concern, but want to raise the issue of validating and ensuring that any savings that are reported are calculated using robust methodologies. We can get lost and buried in the terminology, but all that is being said is that, no matter what mechanism is used, the methodology should be robust. We are not asking the public sector to drown itself in checking bureaucracies or to double up on reporting; we are simply asking that whatever methodology is used is robust and can stand the test of scrutiny, and that we can honestly and objectively say that there is a validation process. The issue is difficult to get to grips with across the public sector, but we are making progress with it.

The Convener: Yes. The Finance Committee is holding an inquiry into the efficient delivery of public services, and it would be useful for it to consider that matter. Does Audit Scotland have any comments to make on that? Willie Coffey has raised an important point.

Caroline Gardner: We completely agree with Willie Coffey's point. We did not suggest that two or more people should do the validating; rather, we suggested that there should be a clear audit trail underlying the statement of assurance that the efficiencies had been made. The audit trail should show that that information is in place and that the reported results are robust. We are not confident that such a process is consistently in place yet.

Bill Kidd (Glasgow) (SNP): The convener asked whether we should hold the report open. I think that we should, because that issue runs through the report. There are a number of paragraphs on how staff are recruited and how their costs are covered. Holding the report open until we receive a further response would be worth while.

The Convener: Okay. Do we know what the timescale is for the Finance Committee's inquiry?

Jane Williams (Clerk): I understand that the current inquiry is part of a budget strategy phase, with the outcome possibly before the summer recess.

The Convener: We could refer what we have to the Finance Committee and tell it that we are waiting for further information. That would at least

enable it to consider what we have at the moment if it wishes to do so. Do members agree?

10:08

Meeting continued in private until 11:14.

Members *indicated agreement.*

The Convener: That concludes the public part of the meeting. Agenda item 4 is consideration of the committee's approach to evidence taking on the Auditor General for Scotland's report entitled "Review of orthopaedic services", and item 5 is consideration of a draft report on the Auditor General's report entitled "Overview of mental health services". We have agreed to take those items and item 6 in private.

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