

AUDIT COMMITTEE

Tuesday 19 March 2002
(*Afternoon*)

Session 1

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AUDIT COMMITTEE

5th Meeting 2002, Session 1

CONVENER

*Mr Andrew Welsh (Angus) (SNP)

DEPUTY CONVENER

*Mr David Davidson (North-East Scotland) (Con)

COMMITTEE MEMBERS

*Scott Barrie (Dunfermline West) (Lab)
*Margaret Jamieson (Kilmarnock and Loudoun) (Lab)
*Paul Martin (Glasgow Springburn) (Lab)
Mr Lloyd Quinan (West of Scotland) (SNP)
Mr Keith Raffan (Mid Scotland and Fife) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Mr Robert Black (Auditor General for Scotland)

CLERK TO THE COMMITTEE

David McGill

SENIOR ASSISTANT CLERK

Ruth Cooper

ASSISTANT CLERK

Seán Wixted

LOCATION

Committee Room 1

Scottish Parliament

Audit Committee

Tuesday 19 March 2002

(Afternoon)

[THE CONVENER *opened the meeting at 14:01*]

The Convener (Mr Andrew Welsh): I welcome everybody to the fifth meeting in 2002 of the Audit Committee. I make the usual announcement about mobile phones and pagers: if you have them, please turn them off.

I have received apologies from Keith Raffan and Lloyd Quinan.

Item in Private

The Convener: Agenda item 1 is to decide whether to take item 6 in private. Item 6 is a review of the evidence that has been taken to date in our inquiry into the "Overview of the National Health Service in Scotland 2000/01". We have held three public evidence-taking sessions, and item 6 will allow us to consider that evidence in preparation for the production of a committee report. Is it agreed that we take item 6 in private?

Members *indicated agreement.*

Subordinate Legislation

**Public Finance and Accountability
(Scotland) Act 2000 (Economy, Efficiency
and Effectiveness Examinations)
(Specified Bodies etc) Order 2002
(SSI 2002/77)**

**Public Finance and Accountability
(Scotland) Act 2000 (Access to Documents
and Information) (Relevant Persons) Order
2002 (SSI 2002/78)**

The Convener: Under agenda item 2, we have before us two Scottish statutory instruments—SSI 2002/77 and SSI 2002/78. I refer members to the paper from the clerk. Are there any comments on the two orders?

Members: No.

The Convener: Are we content with the orders?

Members *indicated agreement.*

The Convener: I look forward to the end-product of the orders in future reports that come before us.

Moray College

The Convener: Agenda item 3 concerns governance and financial management at Moray College. The Audit Committee is pleased to note that all the recommendations that were set out in our report on Moray College have been accepted in full by the Scottish Executive. In particular, the committee's support of the Auditor General's recommendation that Scottish ministers review governance and accountability in the further education sector has been accepted.

A review of the FE sector will take place in spring of this year, with a view to decisions being taken in the summer of 2002. The review will cover specific points that were raised in the Audit Committee's report. Those points include whether the appointment procedures secure an appropriate mix on college boards; the training and induction of board members; and whether the Scottish Further Education Funding Council's powers should be extended to allow it to intervene directly in cases of poor governance. The committee will monitor the progress of the review and we await with interest the Scottish Executive's findings.

The Executive's response to the committee's first and second recommendations refers to draft guidance and self-evaluation frameworks for colleges. The committee may wish to have sight of those in due course, once they have been agreed. The committee may also wish to seek the Executive's opinion on how the guidance and frameworks will work.

The Executive's response to the committee's third recommendation refers to moves to instigate procedures for SFEFC to alert the Scottish Public Pensions Agency to cases of misconduct, when it is aware of them. The committee may wish to seek further information about that once the details have been worked out.

Finally, the committee may wish to ask to be kept informed of the review that the Executive will request of SFEFC on

"the early identification of financial underperformance and the provision of expert advice to colleges".

Are members agreed?

Members *indicated agreement.*

The Convener: In summary, the committee's recommendations have been accepted and we expect that the seventh recommendation, on learning the lessons from Moray College, will be delivered by the Executive. We will continue to monitor the progress of the review and await with interest the Scottish Executive's final findings.

Mr David Davidson (North-East Scotland) (Con): I would like to clarify something. Obviously, the committee is pleased that the Government is prepared to act on the report, but perhaps we should ask in advance for a minister to be available for any questions that we might have about the review.

The Convener: Do members think that the committee would be justified in questioning the minister? I am open to suggestions.

Paul Martin (Glasgow Springburn) (Lab): Sometimes, the committee criticises the Scottish Executive for not responding to documents, but this time the Executive has responded in full to every point that we made. We should recognise that. I hope that we will not need to seek discussions with ministers. Perhaps there could be informal rather than formal discussions. The committee could decide on that in the future. I am sure that the minister would be available, if that was required. We have always operated in that way.

Scott Barrie (Dunfermline West) (Lab): I do not know whether Mr Davidson meant that a minister should be on hand in case we wanted to ask questions. That would be inappropriate. As Paul Martin said, if we wanted to clarify something that could not be clarified in writing and if we thought that it would be better for the minister to come to the committee, we could notify the minister about that. That course of action has always been open to the committee.

The Convener: My understanding was that David Davidson intended that we could see a minister once we have seen the review. We will note David Davidson's suggestion, but we must wait for the review and the Executive's findings.

"Overview of Further Education Colleges in Scotland 1999/2000"

The Convener: The Scottish Executive has accepted in full the findings of the committee's "Report on Overview of Further Education Colleges in Scotland 1999/2000". However, the Executive pointed out:

"in respect of the conclusion at paragraph 18 of the Report, SFEFC wishes to make clear that its current systems in no way depend exclusively on the good will of colleges, although that ingredient will always be an important part of the overall process."

The committee was highlighting evidence that appeared to suggest that the Scottish Further Education Funding Council had no formal powers to intervene when things were going wrong and had to rely for the most part on persuasion, but I am happy to note the Executive's point.

There is some overlap between the findings in the report and those in the report on governance and financial management at Moray College. Overall, the department has taken the committee's concerns on board and the report's main points will be covered by the imminent review of the sector. The committee welcomes the Executive's response to the report and awaits the findings of the review.

The committee should also note that the Auditor General will report on the FE sector in late spring. Having worked at Westminster, I think that it is refreshing and a compliment to the committee, Audit Scotland and the Scottish Executive that our work has led to immediate action to improve the FE sector. I am sure that that will reap rewards for everyone involved. It is a compliment to the new system in Scotland that such reviews take place and that our findings will be implemented for the benefit of the FE sector.

Work Programme

The Convener: Item 5 is the committee's work programme from Easter until the summer recess. As a result of the meeting of the Parliament in Aberdeen in May, the committee's scheduled meeting on 28 May will be lost. Therefore, to ensure that the committee has enough time to complete its work programme before the summer recess, the clerks have provisionally scheduled a meeting for the afternoon of Wednesday 22 May.

I invite comments on the proposed work programme.

Scott Barrie: The work programme seems fine. Under the heading "Other Items", the programme mentions a

"Possible report on meeting of chairpersons of Audit/PAC committees".

Does the convener plan to meet the chair of the Westminster Public Accounts Committee soon?

The Convener: I asked for a meeting of the conveners of the audit committees of the Assemblies and the two Parliaments. That meeting was held in London last week. I hope that that meeting will be part of continuing consultation and communication. I will produce a report for the committee on the meeting. When the Parliament started, I wanted to find out whether the committee could learn any lessons from the Public Accounts Committee. The convener of the Audit Committee of the National Assembly for Wales also wanted to participate. From that came the useful idea of meeting to exchange ideas and to ensure that we learn from one another for our mutual benefit. I hope that the meetings will continue on an ad hoc basis. That is the basis of the possible report.

Scott Barrie: That is fine.

The Convener: I ask the Auditor General to comment on the work programme.

Mr Robert Black (Auditor General for Scotland): I simply draw members' attention to two novel items in the programme. The first is the presentation on community care on 30 April. Members might recall that when we talked about the longer-term work programme we discussed the likelihood that, during the next few years, there will be a programme of studies on community care and joint futures. It is appropriate to give an informal presentation to the committee on the overall community care system and where our studies fit into it. That is the reason for that suggestion for the work programme.

The second item is a briefing on 11 June on the planned introductory report on "Central Government (Scottish Executive)". There is a

similar reason for having that report. As the committee knows, our reports focus on particular sectors or, from time to time, particular agencies. In those reports, we frequently touch on governance and how performance is monitored. For example, that was a theme in the "Overview of Further Education Colleges in Scotland 1999/2000". It might be helpful to produce a general report that gives a briefing on the arrangements for accountability and performance review throughout the public sector. Such a report would stand the committee in good stead as it produces an increasing number of reports on particular parts of government.

The Convener: Are we moving into new territory in openness and accountability in government?

Mr Black: In the grand scheme of things—including the Scottish Parliament—that is true. I modestly suggest that the committee and Audit Scotland contribute to that. We discussed the proposal for the introductory report informally with the Executive, which agreed to lend us support to ensure that the information that we receive is up to date, accurate and appropriate.

Margaret Jamieson (Kilmarnock and Loudoun) (Lab): On 1 April, there will be significant changes in the delivery of community care and there will be further changes on 1 July. Will the presentation on community care incorporate those changes?

Mr Black: It is rather early to say. We will certainly do our best to take into account those developments and to indicate to the committee some of the areas to which we might turn our attention during the next year.

Mr Davidson: Is the Auditor General suggesting that there is an opportunity to review the areas of activity of Audit Scotland and the committee?

Mr Black: I am sorry, I do not fully understand the question.

Mr Davidson: Are we laying out areas where we have not trod in the past but where we might want to tread?

14:15

The Convener: I do not think that that was the intent of my question.

Mr Black: The report would not imply that we should head in that direction. The context report on how central Government manages accountability and performance would be helpful to us when we are considering our work programme over the next few years.

Mr Davidson: I am sorry, but my question was based on your comments in response to Margaret Jamieson's question about community care.

Community care is going to be delivered by areas where the remits on audit are different. Are we now going to consider new areas and possibly propose a remit to those who design our fate?

Mr Black: Forgive me for misunderstanding the question. It is true that I envisage that the forward programme of studies will contain one or two cross-cutting studies each year. There is a study on youth justice in the pipeline. We undertook a study in the run-up to devolution that considered residential and nursing home care. There was a recent report on home care for the elderly. Increasingly, such studies involve local government and the NHS and sometimes the private and voluntary sectors.

Margaret Jamieson: I ask the Auditor General for information on the further study on hospital-acquired infections. Audit Scotland published a report in 2001 called "A clean bill of health?" When will the next part of that investigation be published? I ask that because the Health and Community Care Committee will consider hospital-acquired infections tomorrow.

Mr Black: We produced a baseline report on hospital cleaning. That report did not name bodies but considered the range of performance that we found. The report was accompanied by some guidance to management on what seemed to work best. At that time, I gave an undertaking that we would report back to the committee in due course. It is in our work programme to make a further report to the committee in the autumn.

The Convener: As there are no further questions, I thank the Auditor General for his comments.

I seek the committee's agreement on our work programme for March to June 2002.

Members *indicated agreement.*

14:17

Meeting continued in private until 14:49.

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