

AUDIT COMMITTEE

Tuesday 16 April 2002
(*Afternoon*)

Session 1

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AUDIT COMMITTEE

6th 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 3

Scottish Parliament

Audit Committee

Tuesday 16 April 2002

(Afternoon)

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

Items in Private

The Convener (Mr Andrew Welsh): Good afternoon. I welcome everyone to the sixth meeting in 2002 of the Audit Committee and request that all mobile phones and pagers be turned off. I have received apologies from Margaret Jamieson, who says that she might be late. I hope that she will be able to attend the meeting.

The first item of business is to decide whether to take agenda items 4 and 5 in private. The purpose of item 4 is to allow the committee to prepare for its public consideration of reports on accounts at its next meeting, whereas item 5 is the committee's consideration of its draft report on its inquiry into the Auditor General for Scotland's report "Overview of the National Health Service in Scotland in 2000/01". The committee hopes to publish the report next week. Do members agree to hold those two items in private?

Members indicated agreement.

The Convener: I want very quickly to mention that I received a letter today from Malcolm Chisholm, the Minister for Health and Community Care, regarding the Audit Committee's third report in 2000, "The Scottish Ambulance Service: A Service for Life". Malcolm Chisholm states:

"The Ambulance Service submitted its Full Business Cases for operations (control) room changes and priority based dispatch to the Department at the end of January. Tomorrow, Tuesday 16 April, I shall be making a joint announcement with Owen Clarke, Chairman and Adrian Lucas, Chief Executive of the Scottish Ambulance Service, covering the approval of both Business Cases."

Those steps were recommended by the committee. I point out that the Government has accepted our recommendation in full and I wish the system success.

"Organ retention validation review"

The Convener: In his report "Organ retention validation review", the Auditor General outlines his recent validation exercise on organ retention by the NHS in Scotland. I refer members to the clerk's paper on the report. Members should note that the Auditor General's report suggests that resources within NHS trusts are now being used more efficiently in relation to organ retention. As the paper points out, there is little merit in the Audit Committee taking evidence on the report in the way that it would for other reports by the Auditor General. However, the committee might wish the Auditor General to confirm his findings to us. Does the Auditor General have any comments about the report?

Mr Robert Black (Auditor General for Scotland): The clerk's paper is an accurate summary of the position. However, I would be pleased to answer any questions.

The Convener: Is the committee satisfied with the report?

Members indicated agreement.

The Convener: Members might also wish to note that the Health and Community Care Committee has recently taken evidence on a petition about organ retention, and is currently awaiting the result of the Executive consultation to which it has contributed before it decides whether to take any further action on the issue. If we agree that the Audit Committee should not take evidence on the report, I suggest that we refer the report to the Health and Community Care Committee. I seek the committee's formal agreement to note the Auditor General's report "Organ retention validation review" and to refer it to the Health and Community Care Committee for its consideration. Are members agreed?

Members indicated agreement.

The Convener: Given that that option seems the most sensible in this case, I want to express my wish that the Audit Committee should have the opportunity to consider any report by the Auditor General in the first instance and to refer any reports on to other subject committees in that manner. It is clear that the Audit Committee's scrutiny role can run parallel to a subject committee's consideration of a subject and that it will always be appropriate for the committee to consider and refer on any report by the Auditor General. It is only sensible for committees to work together and to complement each other.

Parliamentary Audit Committees

The Convener: Item 3 is consideration of a paper on the meeting of chairpersons of the Public Accounts Committee of the UK Parliament and the Audit Committees of the devolved institutions. As members will see, the clerk and I attended a meeting in the House of Commons with the chairpersons of the PAC and the Audit Committees of the National Assembly for Wales and the Northern Ireland Assembly. That was the first meeting that involved all the conveners and chairpersons and it arose from correspondence late last year involving my counterparts and me. I had previously arranged a similar meeting in 1999, at the start of the Scottish Parliament, to exchange and receive ideas as our Audit Committee was developing.

The purpose of the recent meeting was to establish a relationship between our Audit Committee and the audit committees in London, Belfast and Cardiff to ensure that areas of common interest and best parliamentary practice could be discussed. Everyone who attended the meeting agreed that it had been a most useful experience and wished to build on the good start that had been made. The paper includes a summarised transcript of the meeting for members' information. The participants agreed that another meeting should be arranged in the next 12 to 18 months. It is my intention to host the meeting here in Edinburgh.

Mr Keith Raffan (Mid Scotland and Fife) (LD): This development is very positive. Last week, I attended the Commonwealth Parliamentary Association regional conference in Cardiff and had the opportunity to talk to Paul Silk, the Clerk to the Assembly. The convener will know from his Westminster experience that Mr Silk was a very senior and highly regarded clerk at the House of Commons and the Assembly is very lucky to have him.

Unfortunately the Assembly was not in session. However, I should mention that it does certain things better than we do. There has been a tendency for Assembly representatives to come up and look at us, and perhaps not an equal tendency for us to go down and look at it. The convener will obviously have—as I do—a good working relationship with Dafydd Wigley. Building up bilateral relations with Northern Ireland and Wales would still be a very positive development. The Scottish Parliament has not done that sufficiently on a number of fronts.

Furthermore, convener, you will know from your time at Westminster about the PAC's importance in the House of Commons. We have not quite reached that committee's eminence, and there is a

lot that we can learn from the way in which it operates. It is very powerful and has built up that power over time. Perhaps we can only aspire to such a position at this stage. As a result, it would be helpful not only for the convener but for a number of us to meet our Welsh, Northern Irish and UK Government counterparts, although I should add the usual rider that we would not want to involve the Parliament in excessive costs in doing so.

The Convener: The committee must be outward looking in all it does, and it must be willing to learn from others. Just as we recommend best practice to everyone who gives evidence to us, we should look to best practice. Part of the reason for the initial meetings was to see how we can make fruitful progress. I suggest that we make a start at the meeting in Edinburgh, as all members of the committee are invited to attend. That will allow members to talk to the conveners of the other committees.

The Public Accounts Committee is the senior Westminster committee. We can learn from it and from the two Assemblies. I certainly look forward to renewing my acquaintance with Dafydd Wigley. I suggest that, in conjunction with the clerk, we examine how we can further this issue, not only through the convener, but by involving other committee members.

Mr Raffan: If we go to Cardiff, Belfast or London as individuals, for reasons other than Audit Committee business, it would be useful to fit in meetings with our counterparts on the other committees. As an ordinary back-bench member of the Audit Committee, I would like to do that. That would make the most of those visits.

The Convener: Absolutely. One of the reasons why we had a formal meeting was to ensure that we had minutes and therefore could report back to our respective Assemblies and Parliaments, so that the good practice would be on record. I hope that any ideas from meetings of the sort suggested by Keith Raffan will be transmitted back to us, either in the informal way that Keith mentions or formally. I hope that that will be built on.

Mr Raffan: When the meeting takes place in Edinburgh, I hope that the Auditor General and his staff will be invited to at least some parts of it.

The Convener: I hope that the Auditor General will be present. He is most welcome to attend any such gathering. His presence will be useful for everyone concerned.

Mr David Davidson (North-East Scotland) (Con): I agree with Mr Raffan that we are in a learning mode—we should remain so for some time. This morning, when the convener of the Finance Committee talked about examining the models of activity of finance committees in other

countries and how they scrutinise budgets, I mentioned the papers that you had distributed for this meeting, convener, and suggested that the two conveners might liaise before either committee leaps into anything. Other countries, particularly in Europe, have joint committees for the finance and audit functions. Perhaps it would be appropriate for us to work, through the clerks, with the Finance Committee convener to develop contacts, as there are wider issues. Other countries examine matters slightly differently and that may be a good thing to look into.

The Convener: My focus is audit.

Mr Davidson: I appreciate that.

The Convener: I understand the connection between audit and finance. Perhaps the clerks will have a word with one another to see whether what David Davidson suggests can be progressed.

With regard to models in other countries and the learning process, I hope that we will make contact with the European Court of Auditors. When we started out, one of the committee's ambitions was to ensure that Scotland and our Parliament are up to date and are in the main stream of European ideas and thinking. I hope to arrange a meeting with the European Court of Auditors and to make initial contact. In future, that contact could be extended to involve the committee, but I would like to arrange the lines of communication first, as I have done with London and the Assemblies. Those are the trailers for forthcoming attractions. The committee is outward looking, as the Parliament must be. I hope that any lessons that we learn from such contacts will benefit the work that we do and therefore the people whom we serve.

Are there any other comments?

Mr Lloyd Quinan (West of Scotland) (SNP): I see at the end of the paper that there was a discussion on the relative sizes of the committees. I notice that despite the fact that we have considerably more power than the National Assembly for Wales or the Northern Ireland Assembly, we have the smallest Audit Committee. I do not want to go over all that old ground, but that point may have to be brought up in the next session.

The Convener: That is an issue for Parliament generally, rather than the committee. Your view may well apply to all committees, but the matter is decided elsewhere. Although we are the smallest Audit Committee, in many ways we were able to exhibit best practice, which others were interested in following. In fact, following its visit, the Nepalese Parliament delegation returned to Nepal keen to emulate the way in which our Finance Committee and Audit Committee work.

Mr Raffan: I support Lloyd Quinan on the point that he makes, because it is valid. It is not just a matter for the Parliament but could be examined by the conveners liaison group, on which you sit, convener. The point should be relayed.

I feel, as do many colleagues, that there was a premature restructuring of committees after just one year of the session. There was a big change in membership, which undermined the influence and experience of the committees and their ability to hold the Executive to account. A committee of 13 members may be too large, but the committee is too small at the moment. The issue should be re-examined, although not necessarily now. It should be looked at again in the next session.

14:15

The Convener: We are straying way beyond the scope of the paper.

Mr Raffan: I know, but it is not irrelevant.

The Convener: It may not be irrelevant, but it is not—

Mr Raffan: It is in the paper.

The Convener: The numbers of committee members are in the paper. There are other ways in which to raise such matters.

Paul Martin (Glasgow Springburn) (Lab): I ask you to confirm that all that the paper does is record the discussion that took place. There were no policy discussions at that meeting, so I do not agree with Keith Raffan that it is relevant to discuss this issue. The document records the discussion that took place, which was, "We have seven members on our committee and you have 11 and you have 4." There was no discussion of the rights and wrongs of that, as I understand it.

The Convener: That is an accurate reading of the minutes. Points have been adequately made on the record. If there are no other questions, as agreed under item 1 we will now go into private to allow the committee to prepare for its consideration of reports on accounts at its next meeting, and to agree the terms of its report on its inquiry into the Auditor General's report "Overview of the National Health Service in Scotland 2000/01". I will pause to allow the public and members of the press to leave the gallery.

14:16

Meeting continued in private until 15:09.

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