

AUDIT COMMITTEE

Tuesday 1 October 2002
(*Afternoon*)

Session 1

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AUDIT COMMITTEE

13th Meeting 2002, Session 1

CONVENER

*Mr Andrew Welsh (Angus) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Rhona Brankin (Midlothian) (Lab)

*Margaret Jamieson (Kilmarnock and Loudoun) (Lab)

Mr Lloyd Quinan (West of Scotland) (SNP)

*Mr Keith Raffan (Mid Scotland and Fife) (LD)

COMMITTEE SUBSTITUTES

Miss Annabel Goldie (West of Scotland) (Con)

Mr Duncan Hamilton (Highlands and Islands) (SNP)

Janis Hughes (Glasgow Rutherglen) (Lab)

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Mr Robert Black (Auditor General for Scotland)

CLERK TO THE COMMITTEE

Shelagh McKinlay

SENIOR ASSISTANT CLERK

Joanna Hardy

ASSISTANT CLERK

Seán Wixted

LOCATION

Committee Room 4

Scottish Parliament

Audit Committee

Tuesday 1 October 2002

(Afternoon)

[THE CONVENER *opened the meeting at 14:00*]

Interests

The Convener (Mr Andrew Welsh): Good afternoon. I welcome everyone to the 13th meeting of the Audit Committee in 2002. Before we start, I make the usual announcement that mobile phones and pagers should be switched off. We have received no apologies.

The first item on the agenda is a declaration of interests. I welcome our colleague Rhona Brankin to the committee and invite her to declare any interests that she might have.

Rhona Brankin (Midlothian) (Lab): I am not sure whether these interests are relevant, but I usually declare them. I am currently on unpaid leave of absence from the University of Dundee and am a member of the board of trustees of the Scottish Mining Museum.

The Convener: I again welcome you and congratulate you on an excellent choice of committee.

Rhona Brankin: Thank you very much.

“Overview of the National Health Service in Scotland 2000/01”

The Convener: We move to the second item on the agenda. We have received correspondence in relation to the Executive’s response to our report on the “Overview of the National Health Service in Scotland 2000/01”. Members will recall that, for the first time in three and half years, the Executive had rejected a recommendation in one of our reports. At the time, I undertook to write to the head of the health department, Mr Trevor Jones, to seek clarification, because members felt that there had been a misunderstanding by the Executive about the recommendation in question.

I am delighted to be able to inform the committee that we have received a reply from Mr Jones which states that, following my clarification of the situation, the Executive now accepts our recommendation on the development of reporting systems to ensure transparency in the use of non-recurring funding in the NHS. I am happy to report that that maintains our 100 per cent acceptance record on committee recommendations.

Mr Keith Raffan (Mid Scotland and Fife) (LD): Mr Jones’s reply accepting our recommendation is brief. That is fine. However, my only concern is that it also lacks clarification. He does not actually repeat that the health department will develop

“systems of reporting to ensure transparency”.

It would be quite useful to find out how the health department is getting on with that. After all, we asked it not just to look into or monitor the matter, but to develop a system that regularly does so.

The Convener: The point is well taken. That said, although I do not want to pre-empt any items that might come up during this meeting, it might well be that Mr Jones will appear before the committee. We can draw the matter to his attention at that time. If members have no other comments, I will move on.

The committee has also received a letter from Mr Frank Owens of the Scottish Pharmaceutical General Council on the Scottish Executive’s response to recommendation 8 in our report, which refers to the need for consultation during the “development of the new computerised payment system”.

Mr Owens alleges that the Common Services Agency’s payment service still contains “serious faults”.

The SPGC is clearly anxious that the committee should not receive any “false impression”. As its point is very specific, it should form part of the on-going dialogue between the SPGC and the Scottish Executive that we wish to take place. The SPGC also accepts that the problem is

"outwith the scope of the Committee's inquiry".

The situation is on-going and I have no doubt that Audit Scotland will consider it during its annual auditing scrutiny process. Therefore, I suggest that we note the SPGC's comments and return to the issue as part of our consideration of the next NHS overview.

Margaret Jamieson (Kilmarnock and Loudoun) (Lab): Because this area is causing concern, most of the accounts that have been submitted to Parliament are qualified. I am quite sure that the matter will come up in the Auditor General for Scotland's next overview report.

Mr Raffan: With the agreement of Mr Owen, we should copy the letter to the CSA, saying that it is a matter for concern and that we will follow it up the next time. The CSA should be aware that such serious and important points have been made.

The Convener: I am anxious that the committee should not be used as a conduit for interest groups that are in regular contact with the CSA. Instead, the matter should form part of the dialogue that we have recommended should take place between the authorities involved. We have placed the SPGC's letter on record and our concern has been noted.

Mr Raffan: It is not a question of the committee being a conduit—it is a question of being fair. We were obviously going to follow up the point at some stage. It is just as well that the CSA should be made aware of it now.

Mr David Davidson (North-East Scotland) (Con): After recently discussing the matter with some of the officers of the SPGC, I assure the committee that the council has made all its representations clear to the CSA and to the chief pharmacist in the health department. I agree with other members that the matter is causing a lot of unrest; indeed, the difficulty in question might arise in other parts of the NHS. Like general practitioners and dentists, pharmacists are contractors to the NHS. The committee must ensure that there are robust systems of making payments to contractors to the health service, particularly those who are under a regular contractual obligation to deliver front-line primary care services. We would be wise to take advice from the Auditor General on how we can regularly check that proper development is taking place.

Mr Robert Black (Auditor General for Scotland): I will note that and will report back to the committee in the future.

The Convener: I am in the committee's hands. Do members agree to note the SPGC's letter and the fact that it will form part of Audit Scotland's on-going overview, which will come before us at some point?

Members indicated agreement.

The Convener: As we agreed at the previous committee meeting, we will now move into private session.

14:07

Meeting continued in private until 14:17.

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