

AUDIT COMMITTEE

AC(2) 03-03(min)

MINUTES

Date: 25 September 2003
Time: 9.30am
Venue: Committee Rooms 3 & 4, National Assembly for Wales,
Cardiff Bay

Attendance

Members

Janet Davies (Chair)	South Wales West
Leighton Andrews	Rhondda
Mick Bates	Montgomeryshire
Alun Cairns	South Wales West
Jocelyn Davies	South Wales East
Christine Gwyther	Carmarthen West and South Pembrokeshire
Denise Idris-Jones	Conwy
Mark Isherwood	North Wales
Val Lloyd	Swansea East
Carl Sargeant	Alyn and Deeside

Witnesses

Steve Martin	Chief Executive and Accounting Officer of the National Council for Education and Training for Wales from October 2000 to April 2003, and current Chief Executive and Accounting Officer of the Higher Education and Funding Council for Wales
Peter Higson	Interim Chief Executive and Accounting Officer to the National Council for Education and Training for Wales since April 2003
Sir Jon Shortridge	Permanent Secretary and Principal Accounting Officer, National Assembly for Wales
David Richards	Principal Finance Officer, National Assembly for Wales

Officials

Sir John Bourn	Auditor General for Wales
Lew Hughes	Deputy Auditor General for Wales
Mike Usher	National Audit Office
David Powell	Assembly Compliance Office

Secretariat

Adrian Crompton	Committee Clerk
Liz Wilkinson	Deputy Committee Clerk

Item 1

Introductions, apologies, substitutions and declarations of interest.

1.1 There were no apologies or substitutions. Mick Bates would be leaving at 11 o'clock and Mark Isherwood would not be present for the afternoon session.

Item 2: Minutes of the 17 July meeting

Paper: AC(2) 02-03(min)

2.1 The Committee agreed the minutes of the previous meeting.

Item 3- ELWa- The National Council for Education and Training for Wales: Financial Management of Partnership and Innovation and Development Projects

3.1 The Committee took evidence from Steve Martin, Chief Executive and Accounting Officer for the Higher Education Funding Council for Wales and former Chief Executive and Accounting Officer for the National Council for Education and Training for Wales, Peter Higson, Interim Chief Executive of the National Council for Education and Training for Wales and Sir John Shortridge, Permanent Secretary, National Assembly for Wales in connection with the report by the National Audit Office on behalf of the Auditor General for Wales on 'ELWa- The National Council for Education and Training for Wales: Financial Management of Partnership and Innovation and Development Projects'.

The Committee adjourned from 11:21 until 11:33 and concluded the session at 12:30.

3.2 A verbatim transcript of Item 3 will be attached as Annex 1 to these minutes.

Action points:

- The Committee would be provided with a copy of the letter dated 15 March 2002 from Learn to Live Ltd to the National Council requesting the deferral of expenditure – **Peter Higson, National Council.**
- The Committee would be provided with a note on the total value of projects where weaknesses had been found in the Council's recent comprehensive review - **Peter Higson, National Council.**
- The Committee would be provided with a note setting out details of the weaknesses found, the corrective actions being taken and where the National Council considered that problems remained to be addressed – **Peter Higson, National Council.**

Item 4: Report to the Audit Committee of the National Assembly for Wales on the National Council for Education and Training for Wales – progress by further education institutions in achieving cost savings through improved procurement practice

4.1 The Committee agreed to defer taking evidence to a later date.

Item 5: Papers to note

Papers:

- AC(2) 03-03(p3) – Correspondence from the Minister for Education and Lifelong Learning to the Chair of the Audit Committee – reply to the Committee’s letter regarding the Welsh Assembly Government’s response to the Audit Committee’s Report on The Accounts of the National Council for Education and Training for Wales for the period ending 31 March 2002
- AC(2) 03-03(p4) – Correspondence from the Auditor General for Wales regarding the ability of Ministers to respond to questions relating to issues that are the subject of ongoing investigations by the Auditor General for Wales
- AC(2) 03-03(p5) – Correspondence from the Auditor General for Wales on the deferral of his value for money examination of the Home Energy Efficiency Scheme
- AC(2) 03-03(p6) - Correspondence from the Auditor General for Wales on the deferral of his value for money examination of the Effectiveness of Regional Selective Assistance in Wales

5.1 Papers AC(2) 03-03(p3), AC(2) 03-03(p5) and AC(2) 03-03(p6) were agreed by the Committee.

5.2 In respect of AC(2) 03-03(p4), the Auditor General for Wales reiterated that there was no formal protocol which prevented Ministers from responding to questions from Assembly Members in respect of matters that were the subject of an investigation by the Auditor General for Wales and the National Audit Office. He drew attention to the convention, which the Assembly had followed from Westminster, that after a report has been published, Ministers do not speak about it until the Audit Committee has had the opportunity to consider and make its report.

Item 6: Welsh Assembly Government oversight into Assembly Sponsored Public Bodies and their financial management

6.1 The Committee took evidence from Sir John Shortridge, Permanent Secretary, National Assembly for Wales and David Richards, Principal Finance Officer, National Assembly for Wales in connection with the report by the National Audit Office on behalf of the Auditor General for Wales on ‘ELWa- The National Council for Education and Training for Wales: Financial Management of Partnership and Innovation and Development Projects’.

6.2 A verbatim transcript of Item 3 will be attached as Annex 1 to these minutes.

Action points:

- The Committee would be provided with examples, covering a ten year period, of Accounting Officers of Sponsored Public Bodies in England and Wales who had been either dismissed or subject to disciplinary proceedings – **Permanent Secretary.**
- The Committee would be provided with a note on the framework within which the Assembly undertakes training and sharing of information/experience with sponsors – **Permanent Secretary.**
- The Committee would be provided with advice on any common factors between the matters contained within the AGW report considered at this meeting and those covered by the earlier AGW report on the National Council for Education and Training for Wales: Accounts for the period ending 31 March 2002 that is considered at its 23 January 2003 meeting – **Auditor General for Wales.**

The meeting closed at 15:15.