

AUDIT COMMITTEE

AC-01-03(min)

MINUTES

Date: 23 January 2003
Time: 14.00pm
Venue: Committee Room 2, National Assembly for Wales,
Cardiff Bay

Attendance

Members

| | |
|--------------------------|------------------|
| Dafydd Wigley (Chair) | Caernarfon |
| Eleanor Burnham | North Wales |
| Alun Cairns | South Wales West |
| Janet Davies | South Wales West |
| Janice Gregory | Ogmore |
| Jocelyn Davies | South Wales East |
| Alison Halford | Delyn |
| Ann Jones | Vale of Clwyd |
| Val Lloyd | Swansea East |

Witnesses

| | |
|--------------------|-----------------------------|
| Sir Jon Shortridge | Permanent Secretary |
| David Richards | Principal Finance Officer |
| Steve Martin | Chief Executive, NCETW |
| Richard Hirst | Director of Finance, NCETW |
| David Powell | Assembly Compliance Officer |

Officials

| | |
|----------------|----------------------------------|
| Sir John Bourn | Auditor General for Wales |
| Lew Hughes | Deputy Auditor General for Wales |
| Gillian Body | National Audit Office |
| Mike Usher | National Audit Office |
| Ian Summers | National Audit Office |
| Claire Bennett | Committee Clerk |
| Lara Date | Deputy Committee Clerk |

14.00 – 14.05

Item 1

Introductions, apologies, substitutions and declarations of interest.

- 1.1 The Chair welcomed everyone to the meeting.
- 1.2 Eleanor Burnham AM made a declaration of interest in relation to Item 2 of the agenda, as before joining the Assembly in 2001 she had been contracted as a teacher at the North Wales TEC to deliver a youth access programme. The

committee members noted the declaration and were happy for the meeting to continue.

14.05 – 15.30

Item 2

Evidence taking session – National Council for Education and Training Wales: Accounts for the period ending 31 March 2002

Paper: AC-01-03(p1)

- 2.1 The committee took evidence from Mr Steve Martin and Mr Richard Hirst from the National Council for Education and Training Wales (NCETW) and from the Permanent Secretary, Sir Jon Shortridge, and David Richards, the Principle Finance Officer at the National Assembly for Wales, in connection with the report by the Auditor General for Wales on the National Council for Education and Training Wales (NCETW) accounts for the period ending 31 March 2002.
- 2.2 The Chair noted that any matters of policy that arose from the report would be for the Education and Lifelong Learning Committee to address.

15.40 – 16.59

Item 2 (continued)

Evidence taking session – National Council for Education and Training Wales: Accounts for the period ending 31 March 2002

- 2.3 A verbatim transcript of this item will be attached as Annex A to these minutes.

Action points

It was agreed that the committee would be provided with a note from the Permanent Secretary giving confirmation of the following points:-

- What Cabinet Office guidance existed on the setting up of Non-departmental public bodies (NDPBs), including whether that guidance made recommendations about shadow-running.
- Details of correspondence from John Taylor to Neil Thomas regarding concerns over financial management in NCETW, and to what extent the warnings in that correspondence were taken into account.
- The Assembly's position regarding Work Connect (paragraphs 36 and 37 of the Auditor General's report) and whether this matter would be resolved by 31 March 2003.
- Assembly guidance (Management Statement and Financial Memorandum and other guidance) to ASPBs on the roles and responsibilities of the Chair of the ASPB.

It was agreed that the committee would be provided with a note from Mr Steve Martin of NCETW giving confirmation of the following:

- To what extent NCETW could demonstrate that the 21 contracts referred to in the Auditor General's report represented good value for money to the public purse.

16.59 – 17.23

Item 3

Papers to note

Paper: AC 01-03(p2) - Note from the Auditor General for Wales on NHS restructuring

- 3.1 At the previous meeting the Auditor General had been asked to provide a paper advising the committee on aspects of his review of NHS restructuring costs that it might usefully pursue. The paper identified three key financial management issues, and the Auditor General suggested that, as the director of NHS Wales was appearing before the committee at its 27 March meeting in relation to other items of business, the committee might wish to question her on NHS restructuring at that time.
- 3.2 The committee discussed the timing of its consideration of the item, and it was agreed that the 27 March meeting would be the most appropriate time.

Action point

- The committee would have the opportunity to question the Director of NHS Wales on aspects of the Auditor General for Wales' review of the management of NHS restructuring costs at the 27 March meeting.

Paper: AC 01-03(p3) - Auditor General for Wales' assessment of the Cabinet response to the Audit Committee report on 'Structural Funds - Maximising the benefits for Wales'

AC 01-03(p4) - Cabinet response to Committee report on the 'Structural Funds – Maximising the benefits for Wales'

- 3.3 The Auditor General noted that there appeared to be a lack of enthusiasm and commitment to the Cabinet's response to the committee's recommendations. He would be conducting a further study to follow-up the implementation of the committee's recommendations, as part of his value for money programme. The committee noted the possibility of the current structural funds round being extended for an extra year, and the importance of continuing to access all the available money.

Action point

- The AGW would be conducting a follow-up value for money study on the delivery of EU structural funds and would look specifically at action taken to implement the recommendations contained in the Committee's report.

17.23 – 17.25

Item 4: Minutes of the Previous Meeting

- 4.1 The committee approved the minutes of the last meeting.

17.25 - 17.30

Item 5

PRIVATE SESSION

Draft Committee report on 'OSIRIS: The PFI contract for information technology in the National Assembly for Wales'

Paper: AC 01-03(p5)

- 5.1 The committee resolved to exclude the public from the remainder of the meeting, to consider its draft reports on the above investigation, in accordance with Standing Order 8.21(vi):

A Committee may resolve to exclude the public from a meeting or any part of a meeting where:

(vi) the committee is deliberating on the conclusions or recommendations of a report it proposes to publish; or is preparing itself to take evidence from any person.

- 5.2 The committee agreed the draft report.
- 5.3 The next meeting of the committee would be on 27 February 2003 and would begin at 14.00.
- 5.4 The meeting closed at 17.30.