

AUDIT COMMITTEE

AC 03-03(min)

MINUTES

Date: 27 March 2003
Time: 09.10
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
Jocelyn Davies	South Wales East
Janice Gregory	Ogmore
Alison Halford	Delyn
Ann Jones	Vale of Clwyd
Val Lloyd	Swansea East

Witnesses

Ann Lloyd	Director - NHS Wales
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Carolyn Poulter	Primary Care Division - Head of Pharmaceutical Services Branch
Chris Brown	NHS Finance Division
Ian Gibson	NHS Finance Division

Officials

Sir John Bourn	Auditor General for Wales
Gillian Body	National Audit Office
Ian Summers	National Audit Office
Frank Grogan	National Audit Office
Mike Usher	National Audit Office
David Powell	Assembly Compliance Office
Claire Bennett	Committee Clerk
Lara Date	Deputy Committee Clerk

Item 1- (09:11 - 09:15)

Introductions, apologies, substitutions and declarations of interest.

1.1 The Chair welcomed everyone to the meeting. There were no apologies.

1.2. Janet Davies AM made an informal declaration of interest in relation to Item 2 of the agenda, as she held a small number of shares in two pharmaceutical companies. The committee members noted the declaration and were happy for the meeting to continue.

Item 2- (09:15 - 10.30)

Procurement of Primary Care Medicines

Paper: AC 03-03(p1)

2.1 The Committee took evidence from Ann Lloyd, Director - NHS Wales and Carolyn Poulter, Primary Care Division in the National Assembly for Wales, in connection with the report by the National Audit Office on behalf of the Auditor General for Wales on the 'Procurement of Primary Care Medicines'.

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

Action points

- It was noted that the incoming Committee would be signing off this report and might wish to hold a further evidence session on this subject with other interested parties.

Item 3 - (10:30 - 10:43)

Reducing lost income from prescription charges

Paper: AC 03-03(p2)

3.1 The committee took evidence from Ann Lloyd, Director - NHS Wales and Ian Gibson, from NHS Finance Division in the National Assembly for Wales, in connection with a memorandum from the Auditor General for Wales on progress in implementing the Committee's report on 'Reducing lost income from prescription charges'.

3.2 The Committee congratulated the team in NHS Wales for securing the savings achieved so far and noted that they looked forward to seeing further reductions in the level of fraud and error in prescription payments.

3.3 A verbatim transcript of this item will be attached as Annex B to these minutes.

Action points

- It was agreed that the Auditor General would continue to monitor progress in this area and would report to the new Committee on what further saving were achieved.

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Break - (10:43 - 11:00)

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Item 4 - (11:00 - 11:35)

NHS Wales Structural Change Programme

Paper: AC 03-03(p3)

4.1 The committee took evidence from Ann Lloyd, Director - NHS Wales and Chris Brown, from NHS Finance Division in the National Assembly for Wales, in connection with a memorandum from the Auditor General for Wales on the 'NHS Wales Structural Change Programme'.

4.2 A verbatim transcript of this item will be attached as Annex C to these minutes.

4.3 The Auditor General noted that the member of National Audit Office staff who was currently working with NHS Wales on its Structural Change Programme was working for the Assembly while that project was underway, and that there was no question of the independence of the audit function being undermined. The Committee endorsed this view and supported the principle of the secondment as a good way of sharing expertise.

Action points

- A note summarising the structural changes that underpin the revised budget and how these had been arrived at would be provided by Ann Lloyd to the Committee.
- It was agreed that the Auditor General would continue to monitor the restructuring programme carefully and would report on progress to the new Committee.

Item 5 - (11:35 - 11:37)

Outstanding work of Committee

AC 03-03(p4)

5.1 The Committee agreed the paper inviting the incoming Committee to take forward work on a number of outstanding items, and to continue monitoring progress on previously published reports.

Action points

- The paper would be brought to the attention of the incoming Committee.

Item 6 - (11:37 - 11:40)

Papers to note

Paper: AC 03-03(p5) - Request for information on the remuneration of chief executives of Assembly Sponsored Public Bodies

6.1 The Committee noted the paper on the remuneration of chief executives of Assembly Sponsored Public Bodies.

6.2 The Chair reported back on a visit to the Audit Committee in Scotland. He noted that it has been a very interesting visit, in particular the integrated audit arrangements in Scotland and the fact that local authority representatives had been witnesses at the evidence session he had attended.

Item 7 - (11:40 - 11:45)

Minutes of the Previous Meeting

Paper: AC 02-03(Min)

7.1 The committee approved the minutes of the last meeting that was held on 27 February 2003.

7.2 The Chair informed the Committee that he had written to the Auditor General asking him to consider issues arising from the payment of grant aid to LG, and the Auditor General would report back to the incoming Committee on the subject.

7.3 The Chair had also written to the Auditor General asking him to consider the issue of late payment of some agricultural grants and to identify what lessons might be learnt in that area. The Auditor General explained that work was ongoing and that a memorandum would be presented to the new Committee.

7.4 The Chair explained that he had written to the Auditor General asking for details of the irregular contracts that the National Council for Education and Training Wales had let. The Auditor General had made a list of the companies involved available to the Committee, and this information was now in the public domain. The Chair and Auditor General emphasised that there was no question of impropriety on behalf of the companies involved.

7.5 The Committee agreed that the Chair should write to the Minister for Lifelong Learning to get an update on progress with her office making the Bentley Jennison report available.

7.6 The Chair had written to the Auditor General regarding the Pop factory and the Auditor General advised the Committee that he would report back to the incoming Committee on that in the summer.

7.7 The Chair noted that this was the final meeting of the Committee in the first session of the Assembly. The Chair thanked Committee members for their contribution and for working in a non-partisan manner, and thanked the previous Chair, Janet Davies, for her work. The Chair thanked the Auditor General for Wales and the National Audit Office for their hard work and support, which was fundamental to the Committee's operation. He also thanked the Secretariat and the witnesses for their contribution to the Committee.

7.8 The Committee thanked the Chair for his contribution, and also thanked another member who was standing down, Alison Halford. The Auditor General for Wales thanked the Chair and the Committee for their commitment to audit work.

Action points

- The Auditor General would present a memorandum on the late payment of Agricultural grants to the new Committee.
- The Auditor General would make a future report to the incoming Committee on issues arising from the payment of grant aid to LG.
- The Auditor General would report back to the incoming Committee on the Pop factory in the summer.
- The Chair would write to the Minister for Lifelong Learning to get an update on progress with her office making the Bentley Jennison report available.

Item 8 - (11:50 - 12:13)

PRIVATE SESSION

Draft Committee reports:

AC 03-03(p6) - Continuing the regeneration of Cardiff Bay

AC 03-03(p7) - National Council for Education and Training Wales: Accounts for the period ending 31 March 2002

AC 03-03(p8) - The National Assembly's new building: update report

8.1 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.

8.2 Subject to some amendments the committee agreed the draft reports.

The meeting closed at 12.13pm.

Please click [here](#) for Annex A, Annex B, Annex C