

AUDIT COMMITTEE

MINUTES

Date: 25 January 2001

Time: 2pm

Venue: Committee Room 1, National Assembly Building

Attendance Members

Janet Davies (Chair)	SW West
Lorraine Barrett	Cardiff South and Penarth
Alun Cairns	South Wales West
Janice Gregory	Ogmore
Alison Halford	Delyn
Peter Law	Blaenau Gwent
Lynne Neagle	Torfaen
Owen John Thomas	South Wales Central
Dafydd Wigley	Caernarfon
Kirsty Williams	Brecon & Radnor

Officials

Sir John Bourn	Auditor General for Wales
Frank Grogan	National Audit Office
Ian Summers	National Audit Office
Dave Powell	National Assembly Compliance Officer

Russell Keith

Committee Clerk

Julie Bragg

Deputy Committee Clerk

Agenda Item 1: Evidence Taking Session

Papers: AC-01-01(p.1)

1.1 The Committee took evidence in connection with the National Audit Office report on behalf of the Auditor General for Wales on *Maximising Income from Prescription Charges* which was published on 30 November 2000.

Witnesses

Mr Phil Parry	Chairman, Welsh Central Pharmaceutical Committee
Mr Chris Martin	Vice-Chairman, Welsh Central Pharmaceutical Committee
Mrs Erica Barrie	Secretary, Welsh Executive of the Royal Pharmaceutical Society of Great Britain
Miss Ann Lewis	Secretary and Registrar, Royal Pharmaceutical Society of Great Britain

1.2 In accordance with Standing Order 12.7, Lorraine Barrett substituted for Ann Jones and Janice Gregory substituted for Lynne Neagle for this item. Owen John Thomas substituted for Jocelyn Davies for items 1 to 3 on the agenda.

1.3 A verbatim transcript of this item will be attached as an annex to these minutes.

Agenda Item 2: Access Rights of the Auditor General for Wales

2.1 Lynne Neagle and Kirsty Williams participated in items 2 to 4 on the agenda.

2.2 The Chair invited the Auditor General to outline the issues raised in the paper he had provided for the Committee. Sir John had produced the paper in response to concerns raised by members on the range and extent of access rights and materials he was able to bring to the Committee. In particular, he did not audit local authorities or health authorities and health trusts but did have access to the books and records of the health bodies.

2.3 Sir John had been appointed as auditor of all new bodies set up under the auspices of the Assembly since it was established. The Assembly had also done everything in its power to give the AGW access rights to information when requested. This meant that the Auditor General for Wales had greater powers

than he did in his role as Comptroller and Auditor General (C&AG) in England. The Auditor General was limited by restrictions imposed by the Companies Act 1989. This meant that he, like the Audit Commission, the C&AG and the Auditor General for Scotland, could not audit limited liability companies, even those established and held by the Assembly (although access rights did exist).

2.4 There was also scope for making statutory provision for the Auditor General's rights of access to major contractors, grant recipients etc. The Assembly had provided access to companies by agreement with the bodies concerned when the Auditor General had requested it, for example, in relation to Private Finance Initiative projects. Greater assurance could also be given on the use of public funds if his powers were increased to allow him to audit companies delivering public services for the Assembly, rather than his current powers to only have access to their records. Many of the National Audit Office staff were qualified to audit companies and their expertise was professionally recognised.

2.5 Lord Sharman was currently looking into the rights of access of the C&AG. Sir John considered that the same rights should apply throughout UK public sector audit functions. Sir John was a member of Lord Sharman's steering committee and earlier this week the Members of Parliament represented on this committee had agreed that the audit powers of public sector auditors should be extended. Sir John hoped that Lord Sharman would indicate his support in his forthcoming report.

2.6 Any changes that were proposed would require changes in legislation at Westminster. Changes to the Companies Act were not likely to occur before the end of 2001 as the proposed audit changes were part of a much wider review of company law. However, Sir John had informed the Department of Trade and Industry of his concerns regarding his audit powers. In relation to obtaining greater access rights in relation to contractors and grant recipients in Wales, an amendment to the Government of Wales Act would also be required.

2.7 Members agreed that they wished to support the case for extending the powers of access of the Auditor General and the Chair proposed making representations to the UK government to indicate this. Sir John agreed to advise the Committee further once the Sharman Report was published.

Agenda Item 3: Minutes of Previous Meeting

Paper: AC-09-00(min)

3.1 The minutes of the previous meeting were agreed.

3.2 Members did not wish to raise any issues in relation to the papers to note for this meeting.

Agenda Item 4: Draft Audit Committee Report on *Cardiff Bay Barrage*

4.1 The Committee resolved to exclude the public from this part of the meeting 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.

4.2 Alison Halford wished to record her concerns that she was excluded from consideration of the draft report in accordance with Standing Order 12.7. The Chair advised that this Standing Order was currently being revised and the requirement for members who were members of relevant subject committees to be excluded would shortly be removed. Other members who did not participate because of this provision were: Dafydd Wigley, Peter Law and Alun Cairns.

4.3 Members considered the draft report and agreed its contents.

4.4 The meeting closed at 4.20pm.