

# AUDIT COMMITTEE

AC-07-02(min)

## MINUTES

**Date:** 24 October 2002  
**Time:** 2.00 pm  
**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
Neil Jones	Principal Estates Surveyor, Estates Division
Nigel Towns	Acting Chief Executive, Dyfed Powys Health Authority

#### 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
Martin Peters	National Audit Office
Ian Summers	National Audit Office
Ceri Thomas	Assistant Assembly Compliance Officer
Claire Bennett	Committee Clerk
Lara Date	Deputy Committee Clerk

The Chair welcomed everyone to the meeting.

## 2.00 – 2.15 pm

### **Item 1**

#### **Continuing the Regeneration of Cardiff Bay**

1.1 The Auditor General for Wales gave a report on developments since the last Audit Committee meeting on 18 July 2002. The Committee was told that an agreement had been reached with Cardiff City Council for National Audit Office Wales staff to attend regular meetings with the Cardiff Harbour Authority. Attendance at those meetings had begun and gave the Auditor General for Wales access to all the books and records necessary for him to report in accordance with the section 165 agreement between the Assembly and Cardiff County Council. The Auditor General for Wales confirmed that he was satisfied with these arrangements.

## 2.15 – 3.15pm

### **Item 2**

#### **Evidence taking session - Sale of Talgarth Hospital**

2.1 The committee took evidence from Ann Lloyd, Director of NHS Wales, Neil Jones, Principal Estates Surveyor, Estates Division, and Nigel Towns, Acting Chief Executive of Dyfed Powys Health Authority, in connection with the report by the National Audit Office on behalf of the Auditor General for Wales on *The Disposal of the Mid Wales Hospital*, published on 16 October.

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

#### **Action point**

- It was agreed that the committee would be provided with a note to confirm how Powys NHS Trust had disposed of NHS-owned plant and equipment at Talgarth hospital.
- The Auditor General for Wales agreed that he would give further consideration to matters which arose in the committee's hearing and would provide a further memorandum to the committee if appropriate.

The committee agreed to break until 3.30pm

## 3.30 – 3.45 pm

### **Item 3**

## **Programme of Value for Money Examinations**

### **Paper: AC-07-02(p2)**

3.1 The Auditor General for Wales introduced a paper outlining the value for money examinations planned or underway for financial year 2002-2003 and a timetable of proposed value for money examinations for financial years 2003-2004, 2004-2005 and beyond.

3.2 The committee endorsed the planned value for money examinations, but hoped that certain examinations proposed beyond the 2003-2004 financial year might be given a higher priority in the timetable, while recognising that the final decision was one for the Auditor General for Wales. By category the examinations to be re-considered were:

- Health and Social Services: greater priority to violence in the NHS; access to dentists; mental health services. Some members suggested that these could be accommodated by giving a lower priority to NHS waiting lists and procurement, although this was not unanimous.
- Environment, Planning and Transport: quality of Welsh beaches; road safety campaigns.
- Education and Training: Teaching as a career in Wales: to include an examination of the available expertise and standard of teaching of Welsh in schools; capital funding for schools; Estyn – procurement of registered inspectors.
- Economic Development: Follow up on EU Structural Funds. It was also proposed that 3 pieces of work related to small businesses might be combined under one theme, such as an examination of the ‘business support network’.
- Agriculture and Rural Development: Rural Recovery Plan; review of the Sheep Annual Premium Scheme. It was noted that examining the Rural Recovery Plan earlier might mean delaying examination of compensation payments for tuberculosis.
- Culture, Sport and the Welsh Language: follow up to examination of the Arts Council.

#### Action points

- The Auditor General for Wales would consider the points raised and inform the committee of any proposals for re-prioritisation of examinations within the timetable and resources at his disposal.
- The Auditor General for Wales would inform the committee whether a future examination of NHS prescription exemptions was within his remit.
- The Auditor General for Wales would give the committee a note on what investigations had been conducted on hospital catering.

**3.45 – 3.55 pm**

#### **Item 4**

## **Draft Estimate of the Income and Expenses of the Auditor General for Wales**

Paper: AC-07-02(p3)

4.1 The committee was presented with the Auditor General for Wales's draft estimate of the income and expenses of his office for the financial year ending 31 March 2004, to carry out the forward programme of work presented to the committee.

4.2 The estimate was presented in both net resource and net cash terms, to reflect non-cash resources that were currently at his disposal and required for his work, such as the office in the Pier Head building.

4.3 The final net cash requirement included a sum of £100,000 for additional Assembly work requested by ministers and senior officials outside the value for money programme, for example in relation to NHS restructuring.

4.4 Having noted the potential savings of £40 million identified as a result of the Auditor General for Wales's examinations, the committee agreed to endorse his estimate for 2003-4.

**3.55 – 4.00 pm**

### **Item 5**

#### **Appointment of the auditor for the Auditor General for Wales**

Paper AC-07-02(p4)

5.1 The current auditors, Owens Thomas & Co, had completed their 3-year contract with the Assembly and the committee considered the extension of that contract by a further two years, which was at the option of the Assembly.

5.2 The Chair reported that he had met with Laurie Pavelin, Head of Financial Accountability Division, and with an accountant at Owens Thomas & Co, and it was felt that they had been efficient and thorough in their work. The Committee discussed the re-appointment, noting that there was value in retaining an auditor that had built up a body of knowledge about the work, while also acknowledging that the appointment needed to be kept under review to satisfy issues of propriety.

Action Point

- It was agreed that the committee would recommend that the Assembly extend the contract for a further two years, on the understanding that the appointment would be reviewed towards the end of the 5-year contract.

## **4.00 – 4.05pm**

### **Item 6**

#### **Minutes of previous meeting**

#### **Paper: AC-06-02(min)**

6.1 The committee considered the minutes of the last meeting. It was noted that under Item 4, committee member Val Lloyd had been described as a former councillor when she was in fact a serving councillor. With this amendment the committee resolved to agree the minutes.

## **4.05 – 4.10pm**

### **Item 7**

#### **Papers to Note**

#### **Title Paper reference**

Cabinet response to Audit Committee report 'Finances of NHS AC-07-02(p5)

Wales 2002'

Cabinet response to Audit Committee report 'Managing the estate AC-07-02(p6)

of the National Health Service in Wales'

Correspondence from the Assembly Compliance Officer AC-07-02(p7)

regarding The Audit Committee report: *Continuing the*

*regeneration of Cardiff Bay*

The committee noted the papers.

## Action Point

- The Auditor General for Wales would review the Cabinet responses and return to the committee with his comments and recommendations, including whether the committee should invite the Minister to provide further written clarification or to come before them to answer questions.

## **4.10 – 4.20pm**

### **Item 8**

#### **Draft Audit Committee Reports –**

##### **8.1 The Renewal and Disposal of Property held by the National Health Service in Wales**

**Paper:** AC 07-02(p8)

##### **8.2 European Structural Funds: Maximising the Benefits for Wales**

**Paper** AC 07-02(p9)

The committee resolved to exclude the public from the consideration of the draft reports 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 proposed to publish’*.

8.3 The committee agreed the draft reports with some minor amendments.

8.4 The meeting closed at 4.20pm.