

AUDIT COMMITTEE

AC-09-02(min)

MINUTES

Date: 19 December 2002
Time: 9.15 am
Venue: Committee Room 2, National Assembly for Wales, Cardiff Bay

Attendance

Members **Constituency**

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
Val Lloyd	Swansea East

Witnesses

Sir Jon Shortridge	Permanent Secretary
David Richards	Principal Finance Officer
Richard Wilson	Chief Estates Surveyor

Officials

Sir John Bourn	Auditor General for Wales
Lew Hughes	Deputy Auditor General for Wales
Gillian Body	National Audit Office
David Powell	Assembly Compliance Officer

Claire Bennett	Committee Clerk
Lara Date	Deputy Committee Clerk

9.15 – 9.20am

Item 1

Introductions, apologies, substitutions and declarations of interest.

1. The Chair welcomed everyone to the meeting. Apologies had been received from Ann Jones AM.
2. The Chair made two declarations of interest in relation to Item 2 of the agenda as his wife was a member of the Callaghan committee that had adjudicated the design competition for the new building, and he was on the steering committee for the new building. The committee members noted the declarations and were happy for the Chair to continue.

9.20 – 11.05am

Item 2

Evidence taking session – The National Assembly’s New Building: Update Report

1. The committee took evidence from the Permanent Secretary, Sir Jon Shortridge, and other officials in connection with the report by the National Audit Office on behalf of the Auditor General for Wales on the 'National Assembly’s New Building: Update Report'.
2. The Chair noted that the committee was considering a report which examined the previous handling of the project and that, in posing questions to the witnesses, all members should take care not to prejudice any future decisions concerning the new building, or to in any way influence the current tendering process for the contract to complete its design and build. It was also noted that the report made it clear that further legal action was a theoretical possibility.
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:-

- Whether the Assembly has any other contracts with the private sector, for example for road schemes, with similar conditions for the payment of fees as those contained in the original new building contract.
- The reason for claiming £2 million in losses for the building design fees, when those designs are still to be used for the new building.
- How the Richard Rogers Partnership’s design costs and fee rate compared with those of the other bidders at the design competition stage.
- Confirmation of whether the Assembly was required to go through the adjudication process before taking action through the courts.

11.05 – 11.15am

Item 3

Papers to Note

AC 09-02(p2) - Auditor General for Wales' assessment of the Cabinet response to the Audit Committee report on the Centre for Visual Arts

AC 09-02(p3) - Cabinet response to Committee report on the Centre for Visual Arts

1. The Auditor General for Wales (AGW) welcomed the fact that the Welsh Assembly Government had accepted all the committee's recommendations and noted that he would be monitoring their implementation.
2. The committee noted that the assets of the Centre for Visual Arts had included a desk worth several thousands of pounds. The AGW undertook to make enquiries with Cardiff City Council, now the owners of the property and its fixtures and fittings, and inform the committee of the whereabouts of the desk.

AC 09-02(p4) - Update from the Auditor General for Wales on work ongoing relating to hospital catering

3. The AGW informed the committee of work carried out by the Audit Commission on standards of hospital catering, and specific targets that had been set as a result.
4. The committee expressed concerned about the provision and suitability of hospital food, and the management and training of hospital staff in food handling.
5. It was noted that speedier progress in improving hospital catering was needed. The AGW informed the committee that he intended carrying out further work, including a survey of patients' views.

Action points

- The AGW would monitor the achievement of the targets on hospital catering and report back to the committee on this.
- The AGW would carry out study of hospital catering in 2004/5, including a patient survey, and report the results to the committee.

AC 09-02(p5) - Update from the Auditor General for Wales on savings from tackling prescription fraud

1. The Welsh Assembly Government had accepted the committee's report that some £15 million of savings could be made on prescription fraud. The Minister for Health and Social Services had reported that so far savings of some £7 million had been made. The AGW noted that it was unlikely that all the remaining £8 million could be recouped, but more follow-up work should be done to see how close NHS Wales could get to that figure.

2. It was also noted that the original figure for potential savings on prescription exemption fraud had been in a range of £15-30 million, that it was an important area in which savings could be made, and that training of pharmacists was still an area to focus on in order to prevent more losses in the future.

Action points

- The committee would invite the director of NHS Wales to attend a future meeting in 2003, when the AGW made a further report on the issue.

AC 09-02(p6) - Auditor General for Wales' revised Value for Money Programme

8. The AGW commended his revised Value for Money Programme to the committee.
9. Violence in the NHS had been included in the areas of work for the year 2003-2004 at the committee's request, and a planned study of the Jigsaw IT project had been re-phased until later as a result. A study of dentistry in Wales would also be considered after 2004.
10. The programme also included timely items such as flood protection and managing staff sickness, which could provide good pay-offs in savings.

11.15am

Item 4: Minutes of the Previous Meeting

1. The committee approved the minutes of the last meeting.

11.15-11.20am

Item 5: Any Other Business

1. A letter providing some analysis of the projected costs of NHS restructuring had been provided by the AGW to the Director of NHS Wales on 6 December, in response to a request from the Director of NHS Wales. The contents of the letter, and the reply from the Director of NHS Wales had been discussed in the Health and Social Services Committee and in plenary debate on 18 December.

Action point

- The AGW to provide a note on matters in his letter that were relevant to remit of the Audit Committee, to be considered at a meeting in the Spring term.

1. It was requested that when the committee came to consider Cardiff Bay again that it

should look at the recommendations in its previous report that the Cabinet had not accepted in its response.

Action point

- The National Audit Office would be provided with details of concerns related to the Cabinet response, and they would be considered when the draft Cardiff Bay report was brought to the Committee in the Spring term.
 1. The Chair thanked the Auditor General for Wales and his team for their work.
 2. The next meeting of the committee would be on 23 January 2003 and would begin at 14.00pm.
 3. The meeting closed at 11.20am.