

# AUDIT COMMITTEE

AC-08-02(min)

## MINUTES

**Date:** 21 November 2002  
**Time:** 1.30 pm  
**Venue:** Committee Room 1, 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
Alison Halford	Delyn
Ann Jones	Vale of Clwyd
Val Lloyd	Swansea East

#### Witnesses

Sir Jon Shortridge	Permanent Secretary
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Nigel Finlayson	Head, Business and Information Systems Division
Bryan Mitchell	Head of Group, Business and Information Systems Directorate
David Richards	Principal Finance Officer

### **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

### **13.30 – 13.45pm**

#### **Item 1**

#### **Introductions, apologies, substitutions and declarations of interest.**

1. The Chair welcomed everyone to the meeting. Apologies had been received from Janice Gregory AM who was unable to attend as she was unwell.

### **13.30 – 14.45 pm**

#### **Item 2**

#### **Evidence taking session - Osiris: The PFI contract for information technology in the National Assembly for Wales**

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 Osiris: The PFI contract for information technology in the National Assembly for Wales.

2.2 The committee agreed to break from 14.55 – 15.05pm

**15.05 – 16.00 pm**

**Item 2 (Continued)**

**Evidence taking session - Osiris: The PFI contract for information technology in the National Assembly for Wales**

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 on the following points:-

- whether the advice of consultants or any other professional bodies was sought in deciding how to award the original Osiris contract;
- confirmation of the components that were stripped out of the re-negotiated contract. Discussion focused on reference in paragraph 3.11 of the Report to SBS Head Office and staff bonus costs;
- a confidential note on SBS profit margins that flesh out details so far as possible, after consultation with Siemens;
- clarification of the date of the decision, taken by the I.T. Sub Committee of the House Committee, on terminating the Members Helpdesk service; and the date of its actual termination;
- further details of consideration of the need for a public sector comparator in assessing the original contract. If under prevailing guidance no comparator was recommended, then a note would be provided to this effect, giving details of any conventional investment appraisal that was carried out. If appropriate, the Auditor General for Wales would advise the committee on this point.

**16.00 – 16.20 pm**

**Item 3**

**Papers to Note**

1. The Chair reminded the committee that if it was dissatisfied with Cabinet responses it could write to the Assembly Government again with further suggestions. The implementation of the committee's recommendations could be monitored by the Auditor General for Wales, but ultimately the Government was responsible for making decisions

on matters of policy.

**AC 08-02(p2) - Auditor General for Wales' assessment of the Cabinet response to the Audit Committee report on the Finances of NHS Wales 2002**

**AC 08-02(p3) - Cabinet response to Committee report on the Finances of NHS Wales 2002**

1. The Cabinet response was considered too vague on a number of points.

**Action points**

- The AGW would provide the committee with a reply to the Cabinet response, noting that Cabinet's replies were in a general form and that the AGW had been asked to check that future outcomes were consistent with the committee's recommendations.
- The AGW would monitor the situation and progress would be reported to the committee in his next annual report on Finances of NHS Wales for 2003.

**AC 08-02(p4) - Auditor General for Wales' assessment of the Cabinet response to the Audit Committee report on the Managing The Estate Of The National Health Service In Wales**

**AC 08-02(p5) - Cabinet response to Committee report on the Managing The Estate Of The National Health Service In Wales**

1. The committee discussed the Cabinet's comments about annual budgets, and the status of indicative allocations.

**Action Point**

- With regard to its recommendation on better alignment of 3 year capital budgetary planning, the committee agreed that the AGW would monitor this to see what the outcome was, and would report to the committee in a year's time, with recommendations for further action if appropriate.

**AC 08-02(p6) - Auditor General for Wales' assessment of the Cabinet response to the Audit Committee report on Securing the Future of Cardiff Bay**

**AC 08-02(p7) - Cabinet response to Committee report on the Securing the Future of Cardiff Bay**

1. The committee agreed that no further action was to be taken on this response but work was in progress on this issue and the AGW would continue to exercise hard-won access to harbour authority records.

**16.20 – 16.30pm**

## **Item 4**

### **Minutes of previous meeting and any other business**

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

1. The minutes of the last meeting were considered. With regard to the disposal of the Mid Wales Hospital, the AGW would report the results of further research on some supplementary items at the committee's meeting in January. To allow sufficient time to be devoted to other areas of the committee's work, and bearing in mind the limits of the committee's powers, it would then be necessary to draw a line under that item and prepare the draft report for consideration at the committee's February meeting.

### **Action points**

The items being researched by the AGW for consideration before preparing the draft report were:

- Whether any further information might be available from a former official, referred to during the evidence session
- The significance of the changes in planning status and whether these changes were properly communicated to all interested parties, also the extent to which the impact of the changes was taken into account in selling the property, in particular but not exclusively, in relation to possible 'clawback' options
- The handling of a fax dated 17 May 1999, sent to the Office of the Secretary of State for Wales
- Allegations made in correspondence from the public that, during the time when patients remained in the hospital after it was sold, the purchaser received irregular payment in the form of rent.

1. The committee approved the minutes of the last meeting.
  2. The Chair thanked the Auditor General for Wales and his team for their work on the Osiris report.
  3. It was noted that the next meeting of the committee on Thursday 19 December would begin at 9.00am.
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3. The meeting closed at 16.30pm.

Please click [here](#) for Transcript

