



OFFICIAL REPORT
AITHISG OIFIGEIL

Public Audit Committee

Wednesday 23 June 2021

Session 6



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Pàrlamaid na h-Alba

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PUBLIC AUDIT COMMITTEE

1st Meeting 2021, Session 6

CONVENER

*Richard Leonard (Central Scotland) (Lab)

DEPUTY CONVENER

*Sharon Dowey (South Scotland) (Con)

COMMITTEE MEMBERS

*Colin Beattie (Midlothian North and Musselburgh) (SNP)

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Craig Hoy (South Scotland) (Con)

*attended

CLERK TO THE COMMITTEE

Lynn Russell

LOCATION

Virtual Meeting

Scottish Parliament

Public Audit Committee

Wednesday 23 June 2021

[Colin Beattie opened the meeting at 09:30]

Decision on Taking Business in Private

Colin Beattie (Midlothian North and Musselburgh) (SNP): Good morning and welcome to the first meeting in session 6 of the Public Audit Committee. I am the MSP for Midlothian North and Musselburgh and, as the oldest member of the committee, I have the pleasure of convening the meeting for the first three items of business. I welcome all members—I look forward to working with you.

Before we move to the first agenda item, I remind everyone present to switch their mobile phones to silent. I understand that no apologies have been received.

Item 1 is a decision on taking item 6 in private. I will assume that everyone agrees unless a member indicates otherwise. Does any member object to taking item 6 in private? I ask members to raise their hand only if they object.

Members are agreed to take item 6 in private.

Interests

09:31

Colin Beattie: Item 2 is for each of us to declare any interests that we have that are relevant to the work of the committee. Background information is provided in the declaration of interests paper, which is paper 1.

I will start by declaring my interests then ask members in alphabetical order to do the same. I declare an interest as a director and trustee of the National Mining Museum Scotland, in view of the fact that the committee has a remit in tourism. I have no other interests to declare.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I have no additional interests other than those in my entry in the register of members' interests, which are that I am a former councillor of East Ayrshire Council, I am a former employee of Learning and Teaching Scotland and I own a small number of shares in Kilmarnock Football Club.

Sharon Dowey (South Scotland) (Con): I own a heritable property. I have no other interests to declare.

Craig Hoy (South Scotland) (Con): I am an elected member of East Lothian Council and a board member of the South East Scotland Transport Partnership.

Richard Leonard (Central Scotland) (Lab): I do not have any declarable interests. However, for the record, I draw people's attention to my voluntary entry in the register of members' interests, which includes financial support given to my local Labour Party by Unite the union, the National Union of Rail, Maritime and Transport Workers, Unison, the Communication Workers Union, the Associated Society of Locomotive Engineers and Firemen and the Transport Salaried Staffs Association.

Convener

09:33

Colin Beattie: We move to item 3, which is the most important item. The committee's next task is to choose a convener. The procedure is explained in paper 2. The Parliament has agreed that only members of the Scottish Labour Party are eligible for nomination as convener of the committee. I understand that Richard Leonard is that party's nominee. Is that correct? No seconder is required.

Richard Leonard was chosen as convener.

Colin Beattie: I congratulate Richard Leonard on his appointment. I now vacate the chair and hand over to him.

The Convener (Richard Leonard): Thank you, Colin.

I thank members for their endorsement. I am honoured to be elected as convener of the committee. My role will be to work inclusively without fear or favour, to hold power to account, to promote the common good and the public interest, to be a guardian of openness, transparency and democracy, and through evidence and scrutiny to shine a bright light on public governance, public working practices, investment and outcomes on behalf of the people.

Deputy Convener

09:35

The Convener: The next item on the agenda is the election of the deputy convener. Parliament has agreed that only members of the Scottish Conservative and Unionist Party are eligible for nomination for that position. I understand that that party has nominated Sharon Dowey for the post.

Sharon Dowey was chosen as deputy convener.

The Convener: Congratulations on your election as the deputy convener of the Public Audit Committee, Sharon.

Legacy Paper

09:36

The Convener: The next item that we have to consider is the legacy paper, which was circulated in advance of the meeting.

I place on record our thanks to the session 5 Public Audit and Post-legislative Scrutiny Committee for its legacy report. I am conscious of the fact that two members of the committee in this session were members of that committee and that they played a part in putting together the legacy paper. It is clear that the legacy paper will be an important part of the consideration that we need to give to our work programme.

I invite any member of the committee who has any comments on, or who wishes to add anything in connection with, the legacy paper to indicate that they want to speak.

Willie Coffey: It is a pleasure to be back on the committee, particularly with my friend and colleague Colin Beattie. Both of us have given the committee a number of years' service, and I really enjoy the work that we do.

I have read through the legacy paper. From one session to the next, audit reports always seem to contain a number of recurring themes. One issue is following up on the work that we have done in the committee to try to engender a spirit of continuous improvement in the public sector.

Audit Scotland and the committee have done a lot of very good work, but I have sometimes felt that we have not seen the outcome of that work in performance improvement and how various public bodies in Scotland embrace audit to get that improvement. I have sometimes felt that public bodies have thought that we were there to punish them—in fact, that we were an instrument of torture. We are not. We are here to provide opportunities for continuous improvement and to help public bodies, and a lot of public bodies need to begin to embrace that.

At some stage in the work that we do, I would like to be able to see some evidence of continuing improvement from the bodies that we shine our gaze on. That would be a good development of the work that the committee can do in this session. I very much hope to see a little more of that.

The Convener: That is an extremely well-made point.

The legacy paper mentions the defensiveness of some of the accountable officers who have come before the committee. I hope that we see a change in approach from people who are brought before the committee to give evidence.

We have a job to do. We are here to serve the interests of Parliament and the people, and we will do whatever is required in order to do that. However, it is important that we have oversight of what happens in the future, not just oversight of an issue, or, sometimes, a crisis that has arisen. We need to have a longer-term reach.

Colin Beattie: I would like to look more closely at three areas in the legacy document. The first area is the committee's audit remit, which is an issue that has repeatedly come up. The remit is narrower than that of the equivalent Westminster committee. The approach that we can take is more passive; we are limited to what the Auditor General puts in front of us. I think that the committee should take a more proactive approach.

We should be able to initiate our own investigations, if necessary. That would not happen often but, where necessary, we should be able to do that. The Auditor General should be willing to put resources towards that, if such an investigation was required. It is not as though we would be launching an investigation every five minutes. However, there have been occasions when we have looked at stuff and might have got better results if we had taken a more proactive approach, with more drive and more push.

The second area is post-legislative scrutiny, for which we are no longer responsible. I think that that is the correct way forward and gives us a tight focus on what we need to look at. However, there was one piece of post-legislative scrutiny that we did—on the Control of Dogs (Scotland) Act 2010—that I would like to find some way to bring into the committee's work this session. There are ways in which to do that.

The evidence that we took showed that, each year, about 7,000 people are admitted to accident and emergency and require surgical intervention due to dog attacks. On some occasions, dangerous dogs have killed children. I have made the point before that, if drink driving had such an impact, we would have a policeman on every corner. However, because we are talking about dogs, we seem to sweep the matter under the carpet. We need to address the matter. We need to protect good, sensible dog owners and deal with those who are not controlling their dogs or are not fit to be dog owners.

The third area relates to the previous committee's investigation into Bòrd na Gàidhlig. I know that the Auditor General is to bring a report on the issue back to this committee, but a huge amount still needs to be investigated. There are serious, continuing issues. I urge the committee to follow up on that, ensure that we get to the bottom of everything and put in place proper steps to rectify the issues. Public money is being spent, but it is not clear that it is being spent well.

The Convener: I think that Bòrd na Gàidhlig is part of our continuing work programme. There are other public agencies, such as the Scottish Police Authority and a couple of national health service boards, that are also in the scope of our continuing work. It is absolutely essential that there is a seamless transition from the previous committee to this committee, to make sure that nothing slips through the net.

I heard your point about the post-legislative scrutiny function, which is no longer part of our remit. Perhaps we can have a look at how best the work that has been undertaken can be advanced, and whether it should be advanced by this committee or by another part of the Parliament.

One of the most telling points in the legacy paper was the continued demand for a power of initiative for the committee, so that we are not, as you described it, passive players, and that we can take the initiative ourselves. Under the current structure, there are ways in which we can do that, but I think that we should seek a more overt power to do that through the parliamentary opportunities that we have. We should try to secure that as early as possible.

Craig Hoy wishes to come in—over to you, Craig.

09:45

Craig Hoy: Thank you, and congratulations on being elected as convener.

From looking through the report, I picked up what I thought was a sense of frustration from your predecessor as convener, particularly in paragraph 4 of the foreword. It says:

"We kept seeing the same issues again and again across the public sector—leadership challenges, poor workforce planning, weak governance arrangements, failed ICT projects and an absence of key data making it impossible to determine whether policies and initiatives were actually making a difference to people's lives."

Maybe that is one observation that we should keep uppermost in our minds as we set out on the work programme.

I have a couple of points to make on the previous committee's recommendations, which might lead us towards ending the session without the same sense of frustration.

Paragraph 25 of the report states:

"The incoming Committee may also wish to consider inviting SPICe to prepare a briefing on mechanisms used in other jurisdictions to follow-up audit report recommendations,"

so that there is action beyond the identification of problems such as those that we will no doubt find.

Colin Beattie alluded to my next point, I think. Paragraph 64 states:

“The Committee recommends that the remit of the public audit committee ... is reviewed with a view to enabling its successor committee to freely initiate its own inquiries.”

I hope that we can do that.

My third observation is that we should consider paragraph 56. As we emerge from Covid, and given the huge amounts of public moneys that have been pumped into the economy,

“it will also be important that scrutiny of how public money is being used to support the economy and its recovery from COVID-19 examines the impact on inequalities, including regional inequality.”

I know that we will come to that in considering the work programme.

I thought that considering those three issues might mean that we do not end the session with the same sense of frustration that I picked up from our predecessor committee.

The Convener: There is a clear sense that we will be in very challenging times, especially for the public sector, and that organisations, from the national health service to the court system, will be under incredible strain. The Auditor General for Scotland has identified the importance of understanding the pressures that there will be to ensure that, despite those pressures, good governance, proper working practices, workforce planning and investments that are made are effective. We will return to that.

I was struck, too, by the sense that the previous committee understood that we are not dealing with people who come before us on a case-by-case basis. There are often common themes that run through things and systemic failures that need to be tackled. It is important that we, too, have the broader understanding that we are sometimes dealing with pretty fundamental failings in the way that organisations are approaching their remits and that those failings can be common across the public sector. We need to understand that there are, at times, common themes that we need to pursue, and we need to ensure that lessons are learned not just by the single organisation before us but throughout the public sector.

The recommendation that we consider international experience is really important. I am keen that we pursue that when we discuss the work programme.

Willie Coffey: Craig Hoy talked about following the public pound agenda. We know that, because of the impact of European Union withdrawal, we are not quite clear where the scrutiny gaze will fall. I hope that Audit Scotland will give us a little advice on that, too.

Previously, we had some ability to see what was happening in monitoring spend in Scotland from new European Union structural funds, for example, but I am not quite clear about whether we will have the same ability to look at things such as the United Kingdom Government’s levelling-up funds and the various other funds that may replace the structural funds. Perhaps we need to be a little clearer about what our role there is—if we have a scrutiny role at all. Substantial amounts of money will be spent, albeit by a different jurisdiction, and I hope that we will have the ability to shine a light on some of that, too.

The Convener: Again, that is a well-made point. There will be new funding instruments to support agriculture and replace EU structural funds, the European social fund and so on. Some of the details still remain to be seen, but I absolutely think that it should be the committee’s job to scrutinise how that funding is being applied and whether reforms or improvements could be made. It is important that we understand that a huge change is taking place as a result of the UK’s withdrawal from the European Union and what that means for the landscape that people face.

I thank members for their contributions. It is important that we got some of those points on the record in public session. As previously agreed, we will discuss our work programme in private. I think that we are all clear that the legacy paper from the session 5 committee will form an important starting point for us in considering what our work programme will be in the short-term and medium-term future.

I look forward to a constructive and productive working relationship with members, and I bring the public session of the meeting to a close.

09:51

Meeting continued in private until 10:30.

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