

40TH PARLIAMENT



Public Accounts Committee

Report 10

Report on investigative travel to London and Edinburgh

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Presented by  
Dr A.D. Buti, MLA

June 2019

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## **Public Accounts Committee**

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# Report on investigative travel to London and Edinburgh

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Report No. 10

Presented by

**Dr A.D. Buti, MLA**

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# Chapter 1

## Investigative travel to London and Edinburgh

### Introduction

1. In the first week of June 2019, the Public Accounts Committee and its secretariat travelled to London and Edinburgh for a series of meetings relating to its current inquiry and its ongoing work scrutinising agency responses to audit office reports.<sup>1</sup> Following a funding request submitted by the committee in April 2019, the Speaker of the Legislative Assembly approved an allocation of \$120,436 for the purposes of this travel. While the final figure is yet to be confirmed<sup>2</sup>, provisional estimates indicate the total cost of travel will be approximately \$102,000.
2. This report provides further detail on the rationale for our travel, a review of the outcomes achieved, and a tabular summary of our meetings.

### Rationale for travel

#### UK a leading jurisdiction in reforms relevant to current committee inquiry

3. The travel has provided an opportunity to obtain evidentiary material that is likely to prove critical in shaping the final recommendations that will emerge from our current inquiry into public sector contract management practices.
4. Throughout the early stages of the inquiry, we received 18 submissions, most of which came from the State's largest spending agencies. We also received submissions from the central agencies responsible for overseeing the State's current procurement and contract management policy framework, and from the Office of the Auditor General. We have now held ten public hearings where we have explored several of these agencies' submissions in depth.
5. The evidence we have received so far indicates that deficient contract management policies and processes are producing sub-optimal outcomes across many international jurisdictions. Public sector capacity to effectively manage contracts has also declined in an era where the building of public infrastructure, and delivery of key government services, is increasingly outsourced.

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1 Prior to the meetings in London and Edinburgh, three members of the committee, Dr Tony Buti, Mr Vince Catania, and Mrs Lisa O'Malley, undertook four days of self-funded travel in Belgium and the Netherlands to receive briefings on the inclusion of social benefits and dividends in government procurement practices.

2 The final cost of the travel will be included in the committee's annual report, which will be tabled between September and October 2019.

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6. Our inquiry's preliminary research identified the Government of the United Kingdom (UK) as one of the leading jurisdictions in implementing reforms to address these issues. At our first public hearing in March, the WA Department of Finance also confirmed that it has 'spent quite a bit of time looking at' the program of reform in the UK, which has been underway for over nine years.<sup>3</sup>
7. We noted similarities between some of the UK reforms and several initiatives the WA Government is now actively contemplating following the final reports of the Special Inquiry into Government Programs and Projects and the Service Priority Review. Hence, we saw great merit in meeting with some of the key civil servants managing the UK reforms, and some of the key bodies (including parliamentary committees and audit offices) scrutinising their overall effectiveness. Ultimately, our schedule of meetings provided a unique opportunity to learn first-hand about the implementation of some key contract management initiatives, their overall impact, and their potential applicability in WA.

### **An opportunity to learn about the work of PACs from counterpart committees and audit offices**

8. The prospect of meeting with the audit offices and clerks of our counterpart committees in London and Edinburgh also presented a rare chance to share knowledge on the general operations of public accounts committees. The UK Public Accounts Committee, in particular, has had a major influence on our approach to following-up performance audit reports from the Auditor General. The revised process we have adopted has already enabled us to review 25 such reports throughout the first 18 months of this parliamentary session. From this process we have tabled four concise reports<sup>4</sup> that were well-received by the Assembly and the Auditor General. Notably, the agencies we reviewed have accepted the majority of our reports' recommendations.<sup>5</sup> Given our drive to continually improve the approach we take to audit report oversight, the chance to compare processes with other jurisdictions was another major factor shaping our final itinerary.

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3 Miss Kate Ingham, Director, Strategic Advisory Services, Department of Finance, *Transcript of Evidence*, 20 March 2019, p. 25. The Department has also looked at reforms underway in New Zealand.

4 Public Accounts Committee (40<sup>th</sup> Parliament), *No more time to waste: The ongoing implementation of Western Australia's Waste Strategy*, 11 October 2018; Public Accounts Committee (40<sup>th</sup> Parliament), *Further along the path: The development and implementation of the Western Australian Bicycle Network Plan*, 1 November 2018; Public Accounts Committee (40<sup>th</sup> Parliament), *Setting the stage for improvement: Department of Education's management of student attendance*, 29 November 2018; Public Accounts Committee (40<sup>th</sup> Parliament), *Where to from here? The status of the Ord-East Kimberley Development Plan*, 21 March 2019.

5 The Government's responses to our four follow-up reports are available on our website ([www.parliament.wa.gov.au/pac](http://www.parliament.wa.gov.au/pac)) under the 'Reports' tab.

### Highlights of itinerary

9. Appendix One provides a tabular summary of our twelve meetings, including details of the entities and individuals with whom we met, and a summary of the topics discussed.
10. Among the most pivotal of our meetings were those held at Her Majesty's Treasury Building with the Civil Service departments and statutory authorities assigned to improve the quality of contract management and project delivery in the UK. These entities included the UK Cabinet Office's Infrastructure and Projects Authority (IPA), Government Commercial Function (GCF), and Government Commercial Organisation (GCO). The WA Department of Finance has indicated to us that it is continuing to refine its 'functional leadership' role around procurement and working to revise a whole-of-government policy framework to improve contract management.<sup>6</sup> The UK entities we met with on this day collectively perform very similar functions and offered valuable insights in helping us identify opportunities for policy transfer, which we will articulate in our final report.
11. We also dedicated one day to travelling to Oxford University to meet internationally renowned scholars at the University's Saïd Business School. The school partners with the IPA to deliver the Major Project Leadership Academy (MPLA), a leadership program designed to improve the capability of Civil Service staff delivering major government projects. In earlier evidence to our inquiry, the State Solicitor, Main Roads, and the Department of Finance all endorsed the idea of a centre of excellence for contract management and project delivery in WA. At Oxford, we learned more about the content and outcomes of the Saïd Business School's courses and discussed how some similar form of standardised upskilling regime might operate in WA.
12. At Westminster, we received briefings from two key parliamentary committees: the Public Accounts Committee (UK PAC), and the Public Administration and Constitutional Affairs Committee (UK PACAC). The UK PAC has conducted an ongoing series of inquiries into contract management and project delivery across the Civil Service over the last eight years. The committee's current Chair, Meg Hillier MP, has served on the committee throughout that time. Ms Hillier recently acknowledged that notwithstanding the program of reform, 'basic problems persist in how Government manages its contracts.'<sup>7</sup> We are currently seeking some follow-up information from Ms Hillier<sup>8</sup> around these issues, which we hope will contribute towards our final recommendations.

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6 Miss Kate Ingham, Director, Strategic Advisory Services, Department of Finance, *Transcript of Evidence*, 20 March 2019, p. 1.

7 House of Commons Committee of Public Accounts, *Third annual report of the Chair of the Committee of Public Accounts*, House of Commons, London, 4 July 2018, p. 19.

8 Ms Hillier was a late apology for our meeting due to an urgent item of business in the House of Commons.

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13. Our second meeting at Westminster was a highly productive discussion with the members and staff of the UK PACAC, which is currently conducting an inquiry into the UK Government's management of major projects. As part of its terms of reference, that committee is considering 'the strengths and weaknesses in the usual process by which contracts are awarded and managed' and the 'lessons to be drawn from particular examples of success and failure'.<sup>9</sup> It is also assessing the current performance of the IPA in overseeing the UK program of reforms around contract management and project delivery.
14. The UK National Audit Office (NAO) has worked closely with the UK PAC examining contract management and has recently published a Good Practice Contract Management Framework, and a more detailed guide to emerging best practice.<sup>10</sup> The briefing we received from the NAO was especially timely given the WA Department of Finance and the WA Auditor General have both recently advised us they are contemplating similar initiatives.

### **Summary of outcomes from investigative travel**

15. A number of themes emerged from the research we gathered during our time in London and Edinburgh, and now inform our current inquiry deliberations. We have already used this research in the first public hearing since our return, with the WA Auditor General. The knowledge we gained from meeting with the UK parties allowed us to pitch new and refined ideas to the Auditor General, and to test with her the applicability of these ideas to the terms of reference of our inquiry.
16. Over the next three months, we will conduct further public hearings where we will test some other theories we have drawn from our meetings in London and Edinburgh, and from our inquiry more broadly. We are confident this will lead to a concise set of recommendations that will complement the significant work the WA Department of Finance is undertaking to improve the outcomes associated with public sector contract management. While we are still in the process of formulating these recommendations, we thought it worthwhile to share some of the outcomes of our travel that we think will frame our final report.

### **Early phase reviews**

17. Several parties we met with identified the need to give more sustained attention to the earliest phases of the contract management process. Their key point was that early reviews of the contract document itself, and continual monitoring of the progress of a

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9 Public Administration and Constitutional Affairs Committee (UK), '[New inquiry launched on the Government's management of major projects](#)', 10 October 2018, accessed 24 June 2019.

10 See, UK National Audit Office, '[Commercial and contract management: Insights and emerging best practice](#)', London, November 2016; and UK National Audit Office, '[Good practice contract management framework](#)', London, December 2016.

contracted work or service, are crucial to identifying risks and financial red flags, and mitigating later problems. We heard of a number of high-profile UK projects whose unfolding difficulties could have been identified, avoided, or planned for, had that analysis been undertaken at the outset.

### **Capability building**

18. The UK parties also expressed general concerns that the Civil Service lacked the capacity to ensure consistently good contract management outcomes. They said that equipping senior civil servants with the necessarily skills to successfully manage large contracts, and then retaining these staff, were persistent problems. However, we also learned more of measures taken to implement robust and consistent training for senior responsible officers, and for civil servants whose work entails a contract management component. It was particularly interesting to hear how the UK reform program is seeking to promote procurement and contract management as dedicated professions rather than perfunctory processes associated with major public expenditure. This has resulted in higher retention rates among what is a growing cohort of better trained project and contract managers.

### **Active management of contracts**

19. An idea closely related to the issue of capability building, and raised by a number of UK parties, was that the Civil Service should look to reshape conceptions of what a contract manager's role should be. Rather than being about simply purchasing a good or service, successful contract management was, in this view, about developing ongoing and sustainable working relationships between governments and suppliers. It was thought that this approach would lead to more effective and productive communication, greater transparency, and a decreased likelihood of unforeseen problems arising.

### **Data capture**

20. The lack of relevant, recent, and reliable data needed to adequately measure the performance and results of contracts in the UK was a factor repeatedly brought to our attention. Not only were inadequate data capture systems risking ill-informed decision making, they also hindered the ability to test the performance of recently introduced training and capability measures. Finding ways to improve the quality of project and performance data was seen as an important and ongoing challenge for Civil Service departments.

### **Accountability mechanisms**

21. A further matter that arose in our discussions was the introduction of mechanisms to hold senior public servants more directly accountable for major capital projects and infrastructure and IT procurements. Measures have recently been taken in the UK to

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formalise an arrangement where senior responsible officers are answerable directly to Parliament, often via the UK PAC, for major projects they approve. This move was intended to encourage greater investment of resources in the early stages of a major contract or project to ensure the fundamentals are in place for successful contract management through to completion.

### **Social value**

22. Most parties agreed that the approach to large public contracts is, or should be, increasingly moved away from a sole focus on cost, to considerations of social value. While value for money remains a priority, we heard repeatedly that any definition of “value” in the context of major government contracts should reflect factors beyond the price of supplying a good or service. We received differing views on what delivering social value entailed, and the best method to achieve and measure this, but we note a consistently strong view among those we met with that major contracts should be set up to benefit local communities as a whole.

### **Acknowledgements**

23. On behalf of all members of the committee and the committee Secretariat, I would like to thank the Speaker for approving the proposal for investigative travel we put forward. Moreover, I would especially like to acknowledge and sincerely thank each of the individuals who shared their time and expertise so generously with us during our travels.
24. During our time on this committee we have come to appreciate the significance and complexity of many of the matters that public accounts committees are required to examine. For members like ourselves, most of whom have come to Parliament without experience in areas such as contract management, project delivery, and financial oversight, the chance to avail ourselves to experts in these fields was priceless. We are confident the information we have obtained during our recent travel will serve us all well for the remainder of this inquiry and our parliamentary careers.



DR A.D. BUTI, MLA  
CHAIR

## Appendix One

### Summary of meetings – travel to London and Edinburgh, 3 - 7 June 2019

Date and time	Meeting attendees	Summary of meeting
<p><b>Mon 3 June</b> <b>10am – 4pm</b></p>	<p><b>Saïd Business School, Oxford University</b></p> <ul style="list-style-type: none"> <li>• Matthew Conisbee, Client Director, Public Value</li> <li>• Dr Alexander Budzier, Fellow in Management Practice in the Field of Information Systems</li> <li>• Paul Emmett, Commercial Bid Manager</li> <li>• Adam Henderson, Commercial Bid Manager</li> <li>• Monika Szkudlapska, Client Engagement Manager</li> </ul>	<p>The Saïd Business School is the highly-ranked business school of Oxford University, founded in 1996. It has the largest intake of graduate business schools in the UK, 80+ faculty members, and offers 11 degree programs. We met with leading international experts to discuss research developments in the public delivery of major projects. Our meeting largely centred on ways the UK Civil Service is building specialist contract management skills of senior public servants. It was particularly valuable to discuss the School’s development of the Major Projects Leadership Academy (MLPA), a comprehensive and compulsory training program for UK leaders responsible for major public projects, and for enhancing capability and capacity across the Civil Service more generally. In recent months, a related program was introduced into Victoria and included participants from New South Wales and South Australia. We were afforded a unique opportunity to consider whether a comparable program might be suitable for Western Australia, and how this might differ from the UK and Victorian offerings.</p>

Date and time	Meeting attendees	Summary of meeting
<p><b>Mon 3 June</b> <b>4:30pm – 5:30pm</b></p>	<p><b>Blavatnik School of Government, Oxford University</b></p> <ul style="list-style-type: none"> <li>• Dr Mara Airoidi, Director of the Government Outcomes Lab</li> <li>• Andreea Anastasiu, Senior Policy Engagement Officer</li> <li>• Leigh Crowley, Project Associate (Go Lab)</li> </ul>	<p>The Blavatnik School of Government, founded in 2010, specialises in training future leaders in public policy. Dr Mara Airoidi and Ms Anastasiu of the Government Outcomes Lab spoke to us at length about their approach to providing rigorous and impartial policy advice to government agencies. The Government Outcomes Lab specialises in examining Social Impact Bonds, a form of payment-by-results contract, which aims to circumvent common problems civil servants face in commissioning projects to deliver improved social outcomes. The focus of our discussion was how best to measure the social impacts of decisions to undertake major public projects, and how major contracts can benefit the wider community.</p>
<p><b>Tue 4 June</b> <b>12pm - 1pm</b></p>	<p><b>UK Public Administration and Constitutional Affairs Committee (PACAC)</b></p> <ul style="list-style-type: none"> <li>• Sir Bernard Jenkin MP, Chair</li> <li>• Rt Hon David Jones MP</li> <li>• Kelvin Hopkins MP</li> <li>• Marcus Fysh MP</li> <li>• Eleanor Smith MP</li> <li>• Dr Phil Larkin, Committee Specialist</li> </ul>	<p>Described by UK PAC Chair, Meg Hillier MP, as their ‘sister committee’, the UK PACAC scrutinises the quality and standards of Civil Service agency administration. The PACAC is currently inquiring into the efficacy of the Civil Service and the delivery of major projects by the Government. The PACAC members and Dr Larkin shared their knowledge of lessons learned around the Government’s handling of major projects, informed by the recent collapse of the major Government contractor, Carillion. They emphasised the strengths and weaknesses of the way major public contracts are currently managed, the growing awareness of the need to consider social criteria in the decision to award large contracts, and how best to manage the allocation of risk once a contract is awarded. PACAC members made special mention of the pressure faced by UK civil servants to deal with large contractors, which in turn led to a narrowing of potential contract bidders.</p>

Date and time	Meeting attendees	Summary of meeting
<p><b>Tue 4 June</b>  <b>3:30pm – 4:30pm</b></p>	<p><b>UK Public Accounts Committee (PAC)</b></p> <ul style="list-style-type: none"> <li>• Laura-Jane Tiley, Second Clerk</li> </ul>	<p>The UK PAC, our counterpart committee, is one of Westminster’s busiest committees. Over the last three years the UK PAC has published a number of reports on matters relating to the management of major public contracts. We met with the Second Clerk of the UK PAC to discuss how the committee operates both in terms of researching and writing its substantive reports, especially its recent experience inquiring into contract management, and how it develops and maintains its close working relationship with the UK National Audit Office. We gained particular insights into how the UK PAC preserves both its record unanimity in often highly critical reports, and its high (over 90%) rate of government acceptance of report recommendations. We also learned more about how the UK PAC organises succession of its vast institutional knowledge.</p>
<p><b>Wed 5 June</b>  <b>9:30am – 11am</b></p>	<p><b>Infrastructure and Projects Authority (IPA)</b></p> <ul style="list-style-type: none"> <li>• Fiona Spencer, Director of Project Profession and Standards</li> <li>• Shona Henderson, Head of Transaction Services, Project and Structured Finance</li> <li>• Anne Turner, Deputy Director, Operations</li> <li>• Scott Dickson, Project Director</li> </ul>	<p>The UK Government’s Infrastructure and Projects Authority (IPA) works with government and industry to support the delivery of the most complex and risky major public infrastructure projects. The IPA also works with the Saïd Business School to deliver the above mentioned MPLA training program for senior government officers assigned to manage major projects. The IPA highlighted the necessary factors for success in such projects. We were told that the renewed focus on training and retaining senior contract managers across government allowed them to speak a ‘common language’ and develop the skills that are increasingly enabling departments to act as ‘intelligent clients’. IPA representatives emphasised that a focus on the early stages of a large contract was crucial to preventing or mitigating later problems. We were also told of recently introduced mechanisms that now make the senior responsible officers of major projects directly answerable to the Parliament, usually via the UK PAC.</p>

Date and time	Meeting attendees	Summary of meeting
<p><b>Wed 5 June 11am – 12pm</b></p>	<p><b>Government Commercial Function (GCF) &amp; Government Commercial Organisation (GCO)</b></p> <ul style="list-style-type: none"> <li>• Mark Roberts, Government Commercial Continuous Improvement Director</li> <li>• William May, Deputy Director Commercial Standards, Systems &amp; Insights</li> <li>• Josh Taylor, Head of Systems and Insights</li> <li>• Charlotte Davies, Commercial Business Partner</li> </ul>	<p>The Government Commercial Function (GCF), is a cross-government network of 4,000 commercial staff who procure goods and services for the government, and who support key commercial contracts. The GCF is supported by the Government Commercial Organisation (GCO), which recruits the 250-300 most credentialed senior commercial staff via robust assessment process administered by the <a href="#">Commercial Assessment and Development Centre</a> (ADC). Major GCF publications relevant to our inquiry include the recent <a href="#">Government Functional Standard</a>, designed to set consistent criteria for planning, managing and executing commercial activities, and ensuring effective contracts and relationships with suppliers. The GCF also published the <a href="#">Outsourcing Playbook</a>, which provides central Government departments with guidelines, rules and principles for the key stages of the procurement lifecycle. In the first of three sessions with GCF staff, we discussed these standards and guidelines, how they follow up agency compliance with them, and how they identify and train contract management leaders across government.</p>
<p><b>Wed 5 June 12pm – 1pm</b></p>	<p><b>Government Commercial Function (GCF) &amp; Government Commercial Organisation (GCO)</b></p> <ul style="list-style-type: none"> <li>• Marco Salzedo, Director of Commercial &amp; Contract Management Capability</li> </ul>	<p>Marco Salzedo provided further detail on the program of assessment that staff in the GCF and GCO must undertake through the ADC, and how this brings consistency to public sector contract management capability—allowing staff across government who manage contracts to ‘create a common understanding of common principles’. Mr Salzedo stressed the benefits of investment in adequate training, and noted that preventing even one contract variation through effective contract management can potentially save millions in additional costs.</p>

Date and time	Meeting attendees	Summary of meeting
<p><b>Wed 5 June 1pm – 2pm</b></p>	<p><b>Government Commercial Function (GCF) &amp; Government Commercial Organisation (GCO)</b></p> <ul style="list-style-type: none"> <li>• Clare Gibbs, OBE, Director-Outsourcing, Cabinet Office</li> <li>• James Steele</li> <li>• Matt Brown</li> </ul>	<p>In our third session with GCF representatives, we learned more about the recently released <i>Outsourcing Playbook</i>, which arose after public sector reviews identified a need for fundamental improvements in procurement, and a need for building commercial capability. The Playbook is a first step in a larger ‘journey’ toward improvement in these areas, but it raised important insights into the early identification of risks and financial distress, as well identifying and measuring the social value of contracts</p>
<p><b>Wed 5 June 3.30pm – 5.00pm</b></p>	<p><b>UK National Audit Office (NAO)</b></p> <ul style="list-style-type: none"> <li>• Joshua Reddaway, Director, Work and Pensions VFM and Head of Practice (Commercial and Contracting)</li> <li>• Dr Henry Midgley, Audit Principal (Parliamentary Relations)</li> </ul>	<p>The UK National Audit Office (NAO) supports the Parliament, working closely with the UK PAC in holding central government departments, agencies and other public bodies to account for spending public money and the delivery of services and projects. The NAO informed us that contracting as an industry in the UK has in recent years shifted from being about simply procuring a good or service, to the ongoing management of a process. We discussed the NAO’s numerous reports relating directly to contract management issues, and the standards they have developed to test what good contract management looks like. In doing so we benefitted from the NAO’s independent assessment of training programs such as the MPLA. As with other entities we met with, the NAO identified the need for the Civil Service to build better relationships with contractors, to develop the capabilities of senior contract managers, and to maintain a strategic overview of major projects. Besides matters directly relating to our current inquiry, we also gained insights into how we might further improve our working relationship with the WA Auditor General’s office.</p>

Date and time	Meeting attendees	Summary of meeting
<p><b>Thu 6 Jun</b> <b>9:30am – 11am</b></p>	<p><b>Institute for Government (IfG)</b></p> <ul style="list-style-type: none"> <li>• Nick Davis, Programme Director</li> <li>• Benoit Guerin, Senior Researcher</li> <li>• Sarah Nickson, Researcher</li> </ul>	<p>The Institute for Government (IfG) is a non-aligned UK think tank, founded in 2008, that aims to provide rigorous research, topical commentary, and public events to explore key political challenges facing the government of the day. The staff we met with are currently following-up a 2018 report on the history of outsourcing throughout the UK. Two key issues for them are: the decision to outsource in the earliest stage of the procurement process, and how this outsourcing is subsequently managed. The IfG drew our attention to what they describe as the consistently poor quality of data on major public contracts in the UK. As an independent body, the IfG were also in a strong position to offer their views on initiatives we had heard about during our travel including the MPLA training program, the attempts to increase the accountability of senior officers responsible for major contracts, and Social Impact Bonds. Consistent with other groups we met with, the IfG emphasised the importance of the early stages of contract development, of building the relationship between the government agencies and suppliers, of strengthening staff capability and expertise, and of embedding social value into contracts.</p>
<p><b>Fri 7 June</b> <b>10am - 12pm</b></p>	<p><b>Audit Scotland</b></p> <ul style="list-style-type: none"> <li>• Antony Clark, Audit Director</li> <li>• Peter Worsdale, Audit Manager (International Liaison / Accounts Commission)</li> <li>• Jillian Matthew, Audit Manager, Performance Audit and Best Value</li> <li>• Veronica Cameron, Performance and Best Value Audit</li> </ul>	<p>Audit Scotland produces a range of local and national reports on the performance of Scotland's public bodies. It undertakes audits on the way the Scottish Civil Service manages and spends money and publicly reports its findings and recommendations to the Public Audit and Post-legislative Scrutiny Committee (see below). Our conversation centred on the how Audit Scotland works with Parliament, and on relevant recent audits into capital projects and contract management. Audit Scotland takes a proactive approach to developing a strong working relationship with the Scottish Parliament and its committees, especially the Public Audit and Post-legislative Scrutiny Committee. We discussed several case studies of recent</p>

Date and time	Meeting attendees	Summary of meeting
		<p>Scottish infrastructure project successes and failures, and the factors that influenced the outcomes on these projects. Again, we heard of the importance of early reviews and problem identification, building staff capability, the need to capture better quality data, and the importance of building social value into contracts for major projects.</p>
<p><b>Fri 7 Jun</b> <b>2:15pm - 3:15pm</b></p>	<p><b>Public Audit and Post-legislative Scrutiny Committee (PAPLSC)</b></p> <ul style="list-style-type: none"> <li>• Lucy Scharbert, Committee Clerk</li> <li>• Nicola Hudson, Senior Researcher, Financial Scrutiny Unit</li> </ul>	<p>The Public Audit and Post-legislative Scrutiny Committee (PAPLSC), Scotland’s closest equivalent to the WA Public Accounts Committee, has, among other things, the following functions: considering issues arising from audits of the Scottish Government and public bodies’ accounts; scrutinising the financial performance of the Scottish Government and public bodies; and post-legislative scrutiny. In our discussion we heard how the PAPLSC’s work is primarily focused on scrutinising and following up the Auditor General’s reports. Particularly relevant to this committee, the Scottish Government provides the PAPLSC with biannual progress updates on major capital and Information Technology projects. Though a relatively recent initiative, these updates have proven to be very useful to the PAPLSC and have lifted the level of transparency and accountability around major projects. The PAPLSC’s Clerk and Financial Scrutiny Analyst also offered their views on the reasons behind the varying successes and failures of some of Scotland’s recent major projects.</p>



## Appendix Two

### Inquiry terms of reference

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#### Inquiry into public sector contract management practices

The Public Accounts Committee will inquire into and report on public sector contract management practices, with a focus on:

- a) the policy frameworks that currently govern public sector contract management in WA;
- b) the extent to which compliance with these frameworks is monitored and reported;
- c) the effectiveness of these frameworks in fostering robust contract management practices and capacity within agencies;
- d) the processes by which contract management expertise and good practice within individual agencies is identified, developed, and shared across the WA public sector;
- e) the processes and instruments available to ensure agencies can effectively allocate and manage commercial and performance risks on major contracts; and
- f) ways to improve or enhance contract management performance across the sector.

The Committee intends to report by Thursday, 28 November 2019.



## Appendix Three

### Committee's functions and powers

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The Public Accounts Committee inquires into and reports to the Legislative Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan Fund. Standing Order 286 of the Legislative Assembly states that:

The Committee may -

- 1 Examine the financial affairs and accounts of government agencies of the State which includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, order in Council, proclamation, ministerial direction or any other like means.
- 2 Inquire into and report to the Assembly on any question which -
  - a) it deems necessary to investigate;
  - b) (Deleted V. & P. p. 225, 18 June 2008);
  - c) is referred to it by a Minister; or
  - d) is referred to it by the Auditor General.
- 3 Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.
- 4 Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.
- 5 The Committee will investigate any matter which is referred to it by resolution of the Legislative Assembly.



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