

PUBLIC ACCOUNTS COMMITTEE

(22nd Meeting)

29th October 2007PART A

All members were present, with the exception of Connétable T.J. du Feu and Mr. C. Evans, from whom apologies had been received.

Deputy S.C. Ferguson, Chairman
 Senator L. Norman
 Connétable D.J. Murphy
 Deputy A. Breckon
 Deputy J.G. Reed
 R. Bignell
 A. Grimes
 M. Magee
 Advocate A. Ohlsson

In attendance -

C. Swinson, O.B.E., Comptroller and Auditor General
 P. Monamy, Clerk to the Public Accounts Committee

Note: The Minutes of this meeting comprise Part A and Part B.

Minutes and
 Notes.

A1. The Minutes of the meetings held on 30th July 2007 (Part B only), 3rd September 2007 (Part A only) and 10th September 2007 (Part A only); and the Notes of the meeting held on 20th August 2007, having been previously circulated, were taken as read and were confirmed.

Matter arising.

A2. The Committee noted the following matter arising from its previous Minutes and/or Notes -

Setting Accounting Standards for the States of Jersey: Treasury and Resources paper (Note No. 5 of 24th September 2007)- The Comptroller and Auditor General (C&AG) confirmed that in principle he was prepared to participate in the process proposed in the paper subject to some amendments to the proposed procedure. The C&AG would discuss these with the Treasurer of the States.

Comptroller and
 Auditor General:
 report.
 512/1(8)

A3. The Committee received an oral report from the Comptroller and Auditor General (C&AG) regarding the under-mentioned work currently in hand and noted that -

- (a) Confiscation Funds: The C&AG confirmed that his report on the two Confiscation Funds (Drug Trafficking Confiscation Fund and Criminal Offences Confiscation Fund) had now been issued. The Chairman indicated that whilst it was not proposed that the Committee would hold public hearings on the subject, it would present its comments on the C&AG's report to the States in due course. The C&AG confirmed that, meanwhile, the views of the Minister for Treasury and Resources and/or the Treasurer of the States on the report would be sought, although it was recognised that they had already provided input at the draft stage and were aware of the C&AG's recommendations. These

included that, henceforward, both Confiscation Funds should be audited on an annual basis, which work would be contracted-out by the C&AG to local firms;

- (b) 'Special Funds': As regards the compilation of a complete list of all 'Special Funds' held by the States, the C&AG reported that the accounts of such funds had not been subject to annual detailed audits or been published. A number of pieces of legislation and/or Acts of the States had been identified by the C&AG which, although requiring some action to be taken (e.g. auditing and/or presentation to the States), had not been rigorously adhered to, primarily on the grounds of the relatively high costs associated with involving the States' Auditors. The C&AG was investigating cost-effective means of dealing with these matters;
- (c) Previous C&AG recommendations: The Committee noted that there were presently no formal arrangements for monitoring progress on action required to be taken arising from reports published by the C&AG. It was suggested that a list of outstanding matters be compiled which could be updated regularly and presented at each meeting of the Committee. It was agreed that the C&AG should write to all Ministers with a view to identifying what progress had been made on C&AG recommendations to date affecting their respective areas of responsibility. The Committee further agreed that, at its next meeting, it would wish to examine a list of such recommendations and the progress made.

'Jersey Spending Review' project: note by C&AG. 512(3)

A4. The Committee, with reference to Item No. 2 of its Notes of a meeting of the Chairman and members held on 24th September 2007, received a note from the Comptroller and Auditor General (C&AG) regarding the 'Jersey Spending Review' project, which involved 3 Assistant Ministers undertaking an overall review of States' expenditure.

The Committee noted in outline the key projects which would be undertaken within the overall review of States' spending as a basis for preliminary planning and estimation of the cost of the planned projects. It was recognised that the purpose of each project would be to identify -

- (a) any savings in expenditure by the States that might be achieved by improving efficiency or effectiveness without significant impact upon the services provided by the States;
- (b) any savings in expenditure that might be achieved by reconsideration of the services provided by the States;
- (c) the steps that would be needed if the potential savings were to be achieved; and,
- (d) the costs that would be incurred in achieving these savings.

The Committee noted the provisional list of projects, with the programme of work consisting of 2 groups of projects: one focussed on the States' principal departments; and the other focussed on cross-cutting issues which affected all departments.

Through discussion with the Chief Executive of the States, the C&AG had been made aware that the Corporate Management Board (CMB) was keen to demonstrate that public expenditure was under control and that a high level of efficiency was being achieved. It was noted that, for its part, the CMB welcomed the proposal to review expenditure on a States-wide basis, and the C&AG confirmed that he was

generally content to undertake such a review. Meanwhile, it was recognised that the Chief Officers of the various departments would continue their ongoing exercise to examine ways in which cost-cutting could be undertaken. Thereafter, the C&AG would review their findings with a view to identifying existing services provided; giving consideration as to how a restructuring of the provision of services might be achieved; and indicating which services might no longer need to continue to be provided by the States, and whether they should be discontinued or out-sourced.

It was recognised that the outcome of the review would be a factor to be taken into account in considering the 2009 Business Plan. Given the extensive nature of the work to be undertaken, it was accepted that the C&AG would contract elements of the work out to others, as appropriate. It had been agreed with the CMB that the C&AG's report would be published in the usual format in due course.

The Chairman outlined the desirability of establishing a 'consultancy' or similar group comprising 3 members of the Committee, together with the above-mentioned 3 Assistant Ministers. The group would support the C&AG's initiatives to review the efficiency and effectiveness of States' expenditure and would act in an advisory capacity. **The Committee approved the proposal to establish such a group and appointed the Chairman, Deputy Reed and Mr. Magee as members. It was further agreed that the group should meet on a more frequent basis than the monthly Committee meetings, and that its first meeting should be held as soon as possible.**

The Chairman was requested to write to the 3 Assistant Ministers accordingly, and the Comptroller and Auditor General was requested to take the necessary action.

'Away Day'
proposed.
512/1(14)

A5. The Committee, with reference to Item No. 3 of its Notes of a meeting of the Chairman and members held on 24th September 2007, further considered the possibility of holding an 'away day' meeting at which the work of the Comptroller and Auditor General (C&AG) and the Committee would be reviewed, and the Committee's operation and future programme assessed and discussed.

In view of the decision regarding the establishment of a 'consultancy' group to support the major review of the efficiency and effectiveness of States' expenditure, it was considered that further discussion regarding an 'away day' for the Committee should be held in abeyance.

Next and
subsequent
meeting dates.

A6. The Committee, having noted that its next meeting was scheduled for Monday, 26th November 2007, agreed that its subsequent meeting should be held on the revised date of Monday, 10th December 2007.