

Public Accounts Committee

MEETING

Record of Meeting

Date: 23RD November 2009

Meeting 21

Present	Senator B.E. Shenton (Chairman) Connétable J.M. Refault (Vice-Chairman) Senator J. Perchard Senator A. Breckon Mr. M. Magee Mr. P. Ryan Mr A. Fearn (absent for Agenda items 1-7)
Apologies	Connétable S.Crowcroft Mr. K. Keen
Absent	
In attendance	Mr C. Swinson O.B.E, Comptroller and Auditor General (C&AG) Mrs. M. Pardoe, Public Accounts Committee Officer

Ref Back	Agenda matter	Action
	<p>1. Records of Meetings</p> <p>The records of the meeting held on the 19th October were agreed as a true account of events and were accordingly signed.</p>	
<p>Item A5 21.09.09</p>	<p>2. Matters Arising</p> <p>The Committee noted that the Draft Budget Statement 2010 was due to be debated on the 8th November 2009. It was discussed whether the budget was within the scope of the Committee, or if it was only spending that was relevant. The C&AG advised that examining the budget with a view to efficiency in public spending was indeed within the remit of the Committee.</p> <p>Senator A. Breckon advised that he had lodged an Amendment to P.179 (Budget Statement 2010) in his own name, proposing an increase in the fees the Financial Services Commission charged for registration, to bring them in line with other jurisdictions.</p>	
<p>Item A3 19.10.09 512/4(8)</p>	<p>3. Draft Treasury Re-structuring Plan</p> <p>The Committee noted the latest correspondence from Mr. I. Black, Treasurer of the States, and was pleased to observe that the Committee's formal comment regarding the above Plan had been well received. It was felt that the discussion relating to this Plan had improved the relationship between the Committee and the Treasury.</p>	
<p>Item A4 19.10.09 512(6)</p>	<p>4. Review of the Report of the C&AG Entitled 'Energy from Waste Plant: Review of Currency Exchange Risks'</p> <p>All present agreed that the Treasury's implementation of a stop loss policy at the Committee's insistence was a highly positive outcome of this review. However, it was observed that from an external point of view, it still appeared that nobody had been made accountable for the mistake regarding the foreign exchange risk. It was noted that this fact could reflect badly on the Committee, and that it could potentially convey the</p>	

	<p>overall impression that nobody in the States was accountable.</p> <p>It was considered that there was still confusion regarding who has the responsibility to take a plan forward, once it has been approved by the States. The Committee expressed an overarching concern that the problem of confusion over accountability in general remained a significant problem, and a that a crisis caused by such confusion could easily happen again.</p> <p>The correspondence from Mr W. Ogley, Chief Executive, in respect of the above review was noted. This correspondence indicated that accounting officers were answerable to their respective Ministers and not to the Chief Executive.</p> <p>It was observed that in the private sector, salary was commensurate with responsibility. However it was conceded that the private sector worked very differently, so that comparisons were problematic. It was also noted that it was not necessarily individuals who were at fault but the system that they were forced to work within.</p> <p>Discussions continued under the B Agenda.</p>	
Item A5 19.10.09	<p>5. Financial Report and Accounts 2008</p> <p>The Committee were pleased to note the timely submission of written evidence from Messrs.T. Allen and M. King, Chief Law Officer and Chief Officer for Economic Development respectively, in regard to the above.</p>	
Item A6 19.10.09 512(3)	<p>6. States Spending Review – Emerging Issues – Report by the Comptroller and Auditor General</p> <p>The Committee noted that the date of January 15th 2010 had been finalised for the public hearing for the above review, and that Messrs. J. Richardson, M. Lundy and R. Pearson had been booked to attend. The C&AG confirmed that he would be present at the hearings and that he would de-brief the Committee beforehand. Having noted that witnesses had the right to receive a written outline of questions in advance of the hearing, it was agreed that a discussion finalising these questions should be placed on December's Agenda.</p> <p>It was recalled that the scoping document and terms of reference for the review had been circulated and agreed by electronic mail.</p> <p>The Committee noted the correspondence sent to various Departments in light of this review, previously approved via electronic mail, and further noted the responses to date. It was noted that the only outstanding response was from Mr. S. Austin-Vautier – Chief Officer Home Affairs, who had sent a 'holding reply' only.</p> <p>The issue of saving money within Education was briefly discussed, in that there appeared to be too many sixth forms in the Island considering the small population, especially when viewed against a background of falling pupil numbers.</p> <p>It was considered that the response from the Met Office was inadequate, and the Committee continued to be minded that privatisation was the best option, despite opposition from the Department. The Officer was requested to arrange a fact finding visit to the Met Office with a Member of the Committee, yet to be decided.</p>	<p>MP</p> <p>MP</p>

	Discussions continued under the B Agenda.	
Item A9 19.10.09	7. Lord Portsea Gift Fund and Other Special Funds Report / Financial Management in the States / Public Finance Law	
Item A1 28.10.09	It was noted that the Committee's Amendment to Proposition P.174 regarding funding for H1N1 (due for debate on 1 st December 2009) had been lodged 'au Greffe' on November 13 th 2009.	
Item A8 19.10.09 512/5(8)	<p>8. Sickness Levels in the Public Sector</p> <p>The Committee received an oral update from the Vice-Chairman with regard to the above. The Vice Chairman reported that he had attended a meeting with Ruth Davies, Director of Human Resources on November 13th 2009, and the Committee recollected that notes from this meeting had been previously circulated by electronic mail.</p> <p>The Vice-Chairman informed the Committee that in general the meeting had been disappointing, as the impression given was that sickness absence was by no means a priority. There appeared to be almost a refusal to acknowledge that a problem could exist. The system of data collection was still inadequate (although improved since 2006), and it appeared that management issues also needed to be addressed. The meeting had revealed that sickness absence did form a part of the 'Modern Manager' training programme but there appeared to be little recognition of the fact that the issue could not be addressed in a 'one off' fashion and required continuous efforts.</p> <p>It was explained that following changes in 2004, Human Resources had been centralised under the Chief Ministers Department, although it was accepted that good management is not necessarily an HR matter, and could often be down to individual Departments. It was considered that even if it was the case, there needed to be instructions from the centre guiding those managers how to manage effectively.</p> <p>Mr. P. Ryan recalled that in 2002 Jersey Post underwent sweeping changes in regard to the management of sickness absence. These measures were very successful and halved absence levels within two years.</p> <p>The Committee continued to be minded that a comparison between the public and private sector was a valuable exercise, albeit one carried out with caution given that exact comparisons could be problematic. For example, manual States workers were more vulnerable to injury.</p> <p>It was considered that it could also be useful to recommend that sickness figures be published on a quarterly basis. Not only would this potentially highlight under-performing Departments, but could also help to identify trends and problems. Underlying causes for absence could be wider than health issues, and could include bad management or wider social issues.</p> <p>After discussions, it was agreed that regardless of whether it was proved that there was a problem with sickness absence or not, the evidence was certainly required.</p> <p>It was decided that the findings and comments of the Committee to date should be compiled as an interim report and presented to the States, with a view to re-examining the subject and holding public hearings in 2010. The Officer was authorised to take the necessary action.</p>	MP

Item B1 29.06.09	<p>9. Court and Case Costs</p> <p>The Committee recognised that in the United Kingdom, it was standard practice to expect the user to contribute to court and case costs (on a means tested basis), whereas in Jersey this was not practiced, resulting in a considerable drain on public funds.</p> <p>It was noted that the previous Solicitor General had been against the idea of user pays, as he considered it the duty of Government to prosecute and that therefore the cost should be borne by the States. Furthermore, it had been suggested by the Viscounts Department that to seek to recover court costs would be an administrative burden. The Committee was sceptical, as it considered that surely it was necessary to seek costs from the individual in any event, so it would not involve any more work to obtain court costs as well.</p> <p>It was agreed that this issue should be placed on the next Agenda.</p>	MP
	<p>10. Administrative Matters</p> <p>The Officer was requested to obtain a copy of the latest report from the Fiscal Policy Panel and circulate to Members.</p>	MP
	<p>11. Future Meetings</p> <p>The Committee noted that its next meeting was scheduled for the 14th December 2009 in the Blampied Room, States Building</p>	

Signed

Date:



14/12/09

Chairman, Public Accounts Committee