

# Corporate Services Scrutiny Panel

## Finance Sub Panel

### Record of Meeting

Date: **25th March 2008**

Meeting Number: **3**

Present	Deputy P J D Ryan, Chairman Connétable D Murphy Connétable P Hanning
Apologies	Deputy R Le Hérisier
In attendance	R. Mann, Adviser M. Haden, Scrutiny officer

Ref Back	Agenda matter	Action
	<b>Record of meeting on 7th March 2008</b> - approved as true record	
	<p><b>Sub Panel priorities</b></p> <p><b>Financial forecasting:</b> It was agreed that the Sub Panel's role was not to check the accuracy of the figures in the financial forecasts but to assure themselves firstly that confidence could be placed in the process and secondly that there were provisions in place to mitigate potential risks highlighted in the forecasts.</p> <p>It was acknowledged that the purpose of the forecasts was to enable States members to take long term strategic decisions about sustainable levels of public spending. Therefore it was important to ensure that the forecasting process was not susceptible to any short term political agendas.</p> <p>Further consideration was given to the suggestion that the Sub Panel engage independent expert advice to assist in auditing the process. It was recognised that this could be expensive and that it would be necessary to give careful consideration to the added value obtained in comparison to the Sub Panel itself acting as an independent monitoring body and being seen to ask pertinent questions in a public context. It was suggested that a suitable local expert might be engaged for between 5 - 8 days at a possible cost between £3,000 and £5,000.</p> <p>It was agreed to defer further consideration of this question pending a meeting to be arranged with the Treasury and Resources Minister following his meeting with the forecasting group.</p> <p><b>Pay policy: de-coupling the impact of GST from pay awards</b></p> <p>The Sub Panel considered ways in which further research could be carried out into the impact on pay awards of introducing new taxation. It was decided however that this would be duplicating the proper role of the Minister himself to justify the States policy. The</p>	

	<p>Sub Panel's role was to ensure that a communication was in place and to pose questions about its effectiveness.</p> <p><b>Mitigating risks</b></p> <p>The Sub Panel noted the draft risk register prepared by its adviser based on the Sub Panel's own scope and information presented to date. It was intended that as work progressed the form would be used to record concerns and areas where members were satisfied that controls/mitigations were in place where they related to risks.</p> <p>It was suggested that this task which had been identified as an area for development at the meeting with the Minister on 7th March might properly belong to the PAC rather than Scrutiny. It was recognised then that while Scrutiny would initiate the work responsibility might be transferred in time.</p>	
	<p><b>2009 Business Plan presentation</b></p> <p>The Sub Panel noted the Council of Minister's request for Scrutiny to consider and report by the end of April on the following issues:</p> <ul style="list-style-type: none"> <li>• Whether as a principle that States spending limits from the 2008 Business Plan should be increased in the light of new pressures and priorities</li> </ul> <p>And as a result of this conclusion</p> <ul style="list-style-type: none"> <li>• If the principle of a contingency provision would be appropriate</li> <li>• Which, if any, of the additional spending initiatives and pressures identified would be considered of sufficient priority to merit increasing spending levels.</li> </ul> <p>It was agreed to seek clarity from the Chairmen's Committee about responsibility for co-ordinating a response from Scrutiny on the first two issues.</p> <p>It was also agreed that the Sub Panel's priority issues identified above were long term matters on which the Sub Panel would report later in the year rather than as part of a Scrutiny submission at the end of April.</p>	PR

Initialed.....

Date.....