

Public Accounts Committee

Record of Meeting

Date: 9th July 2012

Meeting No: 7

Present	Deputy T. Vallois, Chairman Senator S. C. Ferguson, Deputy R. Rondel Mr S. Haigh
Apologies	Deputy S. Pitman
In attendance	Mrs K. Tremellen-Frost, Scrutiny Manager. Mr M. Robbins, Scrutiny Officer

Ref Back	Agenda matter	Action
	1. Records of Meetings The Committee approved the record of its meetings of 11th June 2012.	MR
	2. Conflict of Interest: Lime Grove Senator Ferguson declared a conflict of interest on the issue of Lime Grove due to the censure motion (P61/2012) she had lodged "au Greffe" on the Minister for Treasury and Resources. She intended to take no part in any discussion on that subject notwithstanding the fact that it was likely that the projet would be withdrawn.	
	3. Comptroller and Auditor General. On Friday 29th June 2012, the Comptroller and Auditor General resigned following a challenge by a witness to his report, "Report on the proposed acquisition of Lime Grove House and the conclusions on issues considered during the enquiry". The Comptroller and Auditor General considered that the issues raised by the report itself had been obscured and it was unacceptable that the discharge of his responsibilities had become a public issue. This had led to his decision to resign with immediate effect. The Committee expressed its gratitude to the Comptroller and Auditor General in his absence for the support and advice he had given during the life of the Committee. It required that a letter be sent expressing those views. The Committee recalled that the process of recruiting a replacement Comptroller and Auditor General fell to the Chief Minister and the Chairman of the Public Accounts Committee and that in the first instance an interim appointment for six months was being investigated with the National Audit Office. It was noted that the Director of Human Resources had been of the	MR

	<p>understanding that the preferred format was for a service agreement with the National Audit Office whereby reports would be commissioned on a requirement basis.</p> <p>The Committee strongly opposed this notion and reminded itself that the position of the Comptroller and Auditor General had to remain completely independent from the Executive with total autonomy on the subjects reviewed. The commissioning of reports was totally contrary to the concept for independence required to maintain transparency and accountability of the public finances of the Island.</p> <p>It was further noted that the Public Finance (Jersey) Law prescribed the appointment, duties, administration, reports and powers of the Comptroller and Auditor General. Any changes to the office would need changes to the relevant legislation.</p>	
	<p>4. Constitution of the Committee.</p> <p>The Committee recognised that this was an appropriate time to look at its own constitution.</p> <p>Consequently, the Chairman had decided to defer the nomination of the new independent members to the States from 11th July until September and the Chairman had contacted the successful candidates and explained the deferment. On consideration of whether other members of the public could be invited to apply, it was agreed that it was inappropriate to renege on the robust recruitment process which had been undertaken with the guidance of the Appointments Commission.</p> <p>The Committee was advised that separate approaches had been made to the Chairman suggesting that the Treasury Department or Minister for Treasury and Resources had an interest in the reorganisation of the Committee, suggesting that the Committee needed a Chief Officer and could be restructured as a Board accountable to Treasury, although this had not been officially verified. The Committee was vehemently against these proposals, maintaining that complete independence from the Government was paramount.</p> <p>The main purpose of the Committee was to bring the reports of the Comptroller and Auditor General into the public domain and to hold those responsible for spending public money to account. It was agreed that there was an opportunity to make the Committee stronger and more readily capable of meeting its remit.</p> <p>It also noted that, following the attendance of one member of the Committee and the officer at the Commonwealth Parliamentary Association Westminster workshop for Public Accounts, there was evidence that the Committee was well placed to have met its terms of reference in a manner that many legislations in the world were aiming to emulate. Jersey was near the top of the 'best practice' ladder in areas of transparency and public accountability because the Public Accounts Committee had:</p> <ul style="list-style-type: none"> • Advice from an independent Comptroller and Auditor General, • It was independent from the government • It had its reports presented to the States and made public, • It contained independent members and • Held its hearings in public. 	

	<p>The Chairman had circulated an email to all States Members relating to the role of the Committee in which she had requested any views on restructuring be forwarded to her. The Committee would meet to discuss the options available and in order to allow time for other States Members to respond to the email, the meeting was to be held on 30th July 2012.</p> <p>The Committee also considered taking the opportunity of the current situation by undertaking a body of work on the Code of Practice which related to the PAC.</p>	MR
	<p>5. Lime Grove</p> <p>The Committee recognised that it was not appropriate to follow up the report by the Comptroller and Auditor General, "The proposed acquisition of Lime Grove House", until allegations questioning the integrity of the report had been resolved. However, it was agreed that it was important that the Committee started the work immediately it was appropriate to do so.</p>	
<p>Item 6 11.06.12 512/14</p>	<p>6. Review into the Bus Contract.</p> <p>The draft report, "Management of Bus Contracts: Review of the report by the Comptroller and Auditor General" was circulated. The Committee agreed that members would read the draft and any amendments were to be sent to the officer for the preparation of a final draft. The completed draft was to be circulated electronically when ready.</p>	All /MR
<p>Item 7 11.06.12 512/15</p>	<p>6. Compromise Agreements: Review of the C&AG Reports</p> <p>The Committee noted the presentation on 6th July 2012 of its Compromise Agreement report entitled: "Compromise Agreements: Follow up on the investigations of the Comptroller and Auditor General." The recommendations were circulated to the relevant departments in line with paragraph 11.15 of the Code of Practice, separately to the report, on the approved template with a request for a response within six weeks, that being by the 20th August 2012.</p>	MR
	<p>8. Future Meetings</p> <p>The Committee agreed that the next formal scheduled meeting was to be at 12.30 pm on Monday 17th September 2012 in the Blampied Room of the States Buildings.</p>	MR