

PUBLIC ACCOUNTS COMMITTEE

(23rd Meeting)

26th November 2007PART A

All members were present, with the exception of Connétable T.J. du Feu, Connétable D.J. Murphy, Deputy A. Breckon and Advocate A. Ohlsson, from whom apologies had been received.

Deputy S.C. Ferguson, Chairman
 Senator L. Norman
 Deputy J.G. Reed
 R. Bignell
 C. Evans
 A. Grimes
 M. Magee

In attendance -

P. Monamy, Clerk to the Public Accounts Committee

Note: The Minutes of this meeting comprise Part A only.

Comptroller and Auditor General: unable to attend through illness.

A1. The Committee noted that Mr. C. Swinson, O.B.E., Comptroller and Auditor General, was unable to attend this meeting because of illness.

Minutes.

A2. The Minutes of the Meeting held on 29th October 2007 (Part A and Part B) and the Notes of a meeting held on 24th September 2007, having been previously circulated, were taken as read and were confirmed.

Drug Trafficking and Criminal Offences Confiscation Funds: report by CAG.
 512/2(6)

A3. The Committee, with reference to its Minute No. A3(a) of 29th October 2007, recalled that the views of the Minister for Treasury and Resources and the Treasurer of the States had been sought on the report of the Comptroller and Auditor General (CAG) on the Drug Trafficking Confiscation Fund and the Criminal Offences Confiscation Fund.

It was agreed that the formulation of the Committee's comments on the report would be held in abeyance until such time as responses had been received from the above-mentioned Minister and/or the Treasurer of the States. The Chairman indicated that in any event some of the recommendations which had emanated from the CAG's report had already been incorporated in the plans for a further Civil Assets Confiscation Fund in the recent Law brought to the States on 20th November 2007

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

A4. The Committee, with reference to its Minute No. A5 of 29th October 2007, agreed that further consideration should be given at its next meeting to the desirability of holding an 'away day' meeting at which the methodology for follow-up work on reports and recommendations could be discussed. It was noted that there should be a theme and an agenda for the 'away day.' It was suggested that it might be useful to consider such issues as the methodology for following-up report and recommendations.

The Committee agreed that it was not feasible for the 'away day' to be held before Christmas 2007 and therefore likely that consideration would be given to arranging for it to be held at the end of January/beginning of February 2008. This would depend on the progress of the Spending Review.

States of Jersey
Accounts for
2006:
further public
hearings.
512/1(10)

A5. The Committee, with reference to its Minute No.B1 of 29th October 2007, recalled that it had envisaged that further public hearings would be held in due course on issues arising from the States of Jersey Accounts for 2006, at which the Treasurer of the States and Accounting Officers from a number of major spending departments would be interviewed.

It was further recalled that the Comptroller and Auditor General (CAG) had been asked to provide an explanation to the Treasurer of the States of the Committee's aims and objectives in relation to the States' Accounts 2006, prior to pursuing arrangements for a further hearing or hearings. In view of the present indisposition of CAG, it was agreed to await his return to health, and also to link discussion of the States' Accounts 2006 with the summary of any action which remained outstanding from recommendations made by CAG in reports he had issued to date.

Summary of
findings and
recommendations
in reports
published by
CAG:
Spring 2006 -
Autumn 2007.
512/2(7)

A6. The Committee, with reference to its Minute No. A3(c) of 29th October 2007, received a briefing paper, dated November 2007, prepared by the Comptroller and Auditor General (CAG) summarising the findings and recommendations in reports published by him during the period Spring 2006 to Autumn 2007.

The Committee noted that the briefing paper did not include observations made in reports that were not published, including private briefings to the Committee such as those on a review of arrangements surrounding the appointment of Accounting Officers and the effectiveness of the States' internal audit arrangements. It was recalled that the private briefings to the Committee had, for example, covered subjects and issues which had arisen from the audit and publication of the Annual Report and Accounts of the States and of the various Social Security Funds. It was recognised that the paper reproduced the findings and recommendations sections of the reports as they had been published, except in the case of the report on control of aggregate expenditure where the whole report had been reproduced as no recommendations had been made.

The Committee noted that the paper referred to the following reports -

- (a) Sickness Absence Levels (May 2006);
- (b) Jersey Child Care Trust (September 2006);
- (c) Battle of Flowers (October 2006);
- (d) 2007 Property Plan (November 2006);
- (e) Jersey Financial Services Commission (February 2007);
- (f) Control of Aggregate States' Expenditure (March 2007);
- (g) Overseas Aid Commission (March 2007);
- (h) Jersey Opera House (September 2007); and
- (i) Confiscation Funds (September 2007).

Additionally, it was further noted that under-mentioned reports were currently in preparation -

- 1. Public Employees Contributory Retirement Scheme;
- 2. Teachers' Superannuation Fund;

3. Review of the Planning and Environment Department; and
4. Review of the Department for Education, Sport and Culture.

The Committee noted that any further comment on the “Sickness Absences Levels” report awaited information regarding the implementation of a new computer system, which the States’ Human Resources Director had recently indicated was likely to be installed in January 2008.

Following the recent appointment of Director, States’ Property Holdings Department, it was considered that it might be appropriate for Mr. David Flowers to be invited to outline to the Committee in due course the current position and way ahead for the future.

It was recognised that the recommendations arising from the review of the Jersey Opera House were for consideration by the Trustees of the Phoenix Trust, which was a private Trust and quite separate from Jersey Opera House Limited and, as such, were matters entirely within the discretion of the Trustees.

As referred to in Minute No. A3 above, it was recalled that it had been agreed that the formulation of the Committee’s comments on CAG’s report on the Drug Trafficking Confiscation Fund and the Criminal Offences Confiscation Fund would be held in abeyance until such time as responses had been received from the Minister for Treasury and Resources and/or the Treasurer of the States.

It was noted that there needed to be a formal framework for follow-up so that recommendations made by the Committee in its reports did not get forgotten. The Chairman noted that the Draft Code of Practice for Scrutiny Panels provided for the Minister to reply to the recommendations made by a Scrutiny Panel within a fixed period of time and it was suggested that perhaps a similar provision should be extended to the reports of the Public Accounts Committee.

The Committee, having noted the content of the above-mentioned briefing paper, asked to be provided with a report which summarised the recommendations emanating from reports issued by the Committee so that these could be followed-up with the relevant departments.

‘Jersey Spending Review’ project: progress.
512(3)

A7. The Committee, with reference to its Minute No. A4 of 29th October 2007, received an oral report from the Chairman regarding the progress being made on the ‘Jersey Spending Review’ project.

The Committee noted that the Comptroller and Auditor General (CAG) had engaged the services of an officer from the National Audit Office (NAO) who was presently working alongside CAG at Morier House. It was explained that a ‘Departmental Projects Report’ prepared by CAG was presently in draft and that it was envisaged that each project would commence with a standard ‘pack’ of material including the relevant sections of the current Strategic Plan and key policy documents, etc. In addition, it was noted that the relevant Scrutiny Panels were in the process of producing reports indicating appropriate areas for examination as part of the review.

It was further noted that Chief Officers had produced some initial lists of prospective reductions within their departments. It was recognised that the review would also take into account the savings of £35 million which had been announced by the Council of Ministers, as well as the information which had been provided through review work undertaken by Mr. Kevin Keen.

It was recalled that CAG had already carried out a review of the Department for Education, Sport and Culture, and also the Planning and Environment Department; and that a review of the Law Officers’ Department was planned for the near future.

Additionally, it was intended that a team would be brought in shortly to review the Health and Social Services Department. Work was also to be undertaken in various cross-cutting expenditure areas, such as I.T. infrastructure and overhead costs.

The Committee, having accepted that work on the review was inevitably taking up a significant amount of the time available to CAG, agreed that it was important for the Committee to pursue the matters covered by the review. The Chairman reported that the 3 Assistant Ministers who were initially to have participated in a working group with 3 members of the Committee, had subsequently withdrawn from such involvement. However, it was confirmed that the 3 members of the Committee appointed for the purpose, namely, the Chairman, Deputy Reed and Mr. Magee would where appropriate consider the reports to be produced under CAG's remit prior to their referral to the Committee.

The Chairman reported that details of the amount and source of the necessary funding to meet the cost of the review were in the process of being finalised. It was hoped to complete the major review before the debate on the 2009 Business Plan. It was recognised that the basis for the 'Jersey Spending Review' was rather different to that for the 'Service Reviews' which had previously been undertaken by the departments themselves, particularly since an improved financial management system ("JD Edwards") had been put in place.

The Committee noted the position.