

PUBLIC ACCOUNTS COMMITTEE

(40th Meeting)

10th November 2008PART A

All members were present, with the exception of Senator L. Norman, Deputy A. Breckon and Messrs. R. Bignell, C. Evans and A. Grimes, from whom apologies had been received.

Deputy S.C. Ferguson, Chairman
 Connétable D.J. Murphy
 Deputy J.G. Reed
 Deputy R.G. Le Hérisier
 M. Magee
 Advocate A. Ohlsson

In attendance -

P. Monamy, Acting Clerk to the Public Accounts Committee
 Miss A-C. Heuston, States Greffe

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

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| Comptroller and Auditor General: unable to attend. | A1. The Committee noted that Mr. C. Swinson, O.B.E, Comptroller and Auditor General, was regrettably unable to attend the meeting. |
| Minutes. | A2. The Minutes of the Meeting held on 27th October 2008 (Parts A and B), having been previously circulated, were taken as read and were confirmed. |
| Current projects. 512/1(24) | A3. The Committee received an update from the Chairman summarising the conclusions from Reports of the Public Accounts Committee up to December 2007 and noted the under-mentioned points to follow up - <ul style="list-style-type: none"> (a) in relation to the "Report on the Property Plan" it was noted that Mr. D. Flowers, Director, Property Holdings Department, had been considering methods of enabling more efficient use of office space among States departments. Concerns were raised regarding the suitability of certain buildings for conversion into office space; the methods used in order to assess whether a building had reached the end of its useful life; and the saleability of property in the current financial climate. It was agreed that this matter would not be pursued until the release of the property report by Property Holdings. Following the suggestion that the Waterfront Enterprise Board (WEB) should come under Property Holdings, it was also agreed that the Comptroller and Auditor General's (CAG's) report into the corporate governance of WEB, which was due to be published shortly, could link into any hearing that might be held by the Committee on the subject; (b) with reference to "Comments on Ministerial Decision MD/TR/2007/0057: Review of the Public Finances (Jersey) Law 2005", it was noted that Senator T.A. Le Sueur, Minister for Treasury and Resources, intended to bring an amendment to the Public Finances Law to the States in 2009 and that this would provide an opportunity |

for the Committee to consider any other possible amendments to the said law in due course;

- (c) in relation to the financial accountability of Overseas Aid Commission funding, it was agreed to recommend that the re-constituted Committee should pursue the matter;
- (d) with regard to “Comments on the report of the Comptroller and Auditor General on the Jersey Financial Services Commission”, it was noted that alignment of the strategic plan of the Commission with the operational management plan had been delayed. There had also been a delay with the delivery of an effective IT strategy. The Committee considered that communication with all stakeholders needed to be improved and examination undertaken by the Committee as to how the Commission was funded;
- (e) in relation to the grant-making procedures of the Economic Development, Education, Sport and Culture, and Health and Social Services departments, it was acknowledged that the CAG would receive a copy of the internal audit programme at the beginning of 2009 and would keep the matter in mind; and
- (f) it was agreed that relevant figures should be requested by the Committee in relation to the management of sickness absence within the States of Jersey, and that the report given to the Corporate Management Board in May 2008 would be followed up.

Consideration was then given to the Committee’s under-mentioned reports of 2008, as outlined by the Chairman -

- (i) **P.A.C.4/2008 – Report on the Accounts of the States for the year ended 31st December 2008.** The Committee was of the opinion that the points raised had been partly covered by the amendments to the Business Plan and would be addressed by the CAG’s programme, and should therefore be followed up on an ongoing basis following each report from the CAG;
- (ii) **P.A.C.3/2008 – Report on MD-PH-2008-0020 – 26.03.08 – St. Helier Yacht Club surrender and renewal of lease.** It was agreed that this matter should be discussed at such time as a hearing was held with Mr. D. Flowers, Director, Property Holdings Department;
- (iii) **P.A.C.2/2008 – Report on the States’ £35 million expenditure reductions.** It was agreed that the Committee should carefully observe any reductions in expenditure to ensure that these were genuine efficiencies;
- (iv) **P.A.C.1/2008 – Comments on the reports by the CAG on the Public Employees Contributory Retirement Scheme (PECRS) and the Teachers’ Superannuation Fund (TSF).** It was considered that such pensions should not be unduly generous in comparison with those in the UK and that a capital value should be put on the pension scheme.

The Committee then received an oral update from the Chairman regarding the under-mentioned current projects -

- (A) it was noted that a joint project between the Committee and the CAG was underway to carry out a review of States’ insurance by an insurance expert;

- (B) it was agreed that a hearing should be held as soon as possible into the level of support being received by the Director of Strategic Procurement, Ms. C. Hastings, from the Treasury and other States Departments. It was agreed that the Committee should write to the Director to request a progress update, with copies to Mr. B. Ogley, Chief Executive, and Mr. I. Black, Treasurer of the States. The Acting Clerk was directed to take the necessary action;
- (C) it was noted that the CAG would undertake a review of the Health and Social Services hospital staff organisation chart;
- (D) work was reported to be ongoing in relation to the amendment of the Public Finances (Jersey) Law 2005 and the associated expansion of the remit of the CAG;
- (E) it was agreed that the Committee should await the findings of a report by the CAG regarding the corporate governance of the Waterfront Enterprise Board before discussing whether other matters in relation to WEB should be considered by the Committee. Having declared an interest, Advocate A. Ohlsson did not participate in discussions in relation to this matter;
- (F) the Committee noted that tenders would be invited for the bus service contract in 2009 and would need to be examined by the Committee to determine whether value for money was being achieved;
- (G) it was agreed that the Committee should continue to observe the manner in which the States handled IT projects; and
- (H) the Committee established that the implementation of Generally Accepted Accounting Practices (GAAP) as the basis for financial reporting by the States would continue to be monitored.

The Committee recognised that this was its final meeting as presently constituted, and therefore considered the structure, administration and approach of the Committee to date, as well as its relationship with the CAG.

- (1) Concern was expressed regarding the size of the Committee, and it was agreed that it should be reduced by 2 persons (one member of the States and one non-States-member) resulting a reduction in quorum to 4.
- (2) Initial consideration was given to forming a sub-group or sub-panel and the appointment of a dedicated officer to support the Committee, however, this matter was deferred for further discussion when the CAG was able to be present.
- (3) With regards to the Committee's relationship with the CAG, it was acknowledged that, while the Committee provided comment on the reports of the CAG, it also compiled its own reports and suggested matters for the CAG to investigate.

Historical child abuse investigation: budgetary control.
839/41(9)

A4. The Committee received an oral report from Deputy R.H. Le Hérisier concerning budgetary control in relation to the ongoing historical child abuse investigation.

Concerns were expressed regarding a perceived lack of budgetary control, however it was agreed that an investigation could not be carried out at present because of possible pending prosecutions. Instead, it was agreed that the Committee should write to the Chief Officer, Home Affairs Department, to ask whether he felt that

financial protocols were in line with recognised standards and whether financial directions were being followed in relation to the enquiry.

The Acting Clerk was directed to take the necessary action.

Vote of thanks.

A5. The Chairman extended her thanks to Deputy J.G. Reed in his capacity as Vice-Chairman, and to all other members of the Committee for their contribution; and members reciprocated.