

Public Accounts Committee

Record of Meeting

Date: 7th January 2013

Meeting No: 18

Present	Deputy T. Vallois, Chairman Senator S. C. Ferguson, Deputy R. Rondel Deputy G. Baudains Mr S. Haigh (To item 9)
Apologies	Mr I. Ridgway Mr J Mills
In attendance	Deputy J. Le Fondre Deputy J. Young Mr M. Robbins, Officer to Public Accounts Committee

Ref Back	Agenda matter	Action
	1. Records of Meetings The records of the meetings held on 10th, 18th and 21st December 2012 were approved.	MR
	2. Gigabyte Jersey The Committee discussed the £41 million investment in Gigabyte Jersey and the relatively small number of people who were understood to have taken up the service. It was considered that a review would establish whether value for money had been achieved. As taxpayer's money had been invested in this scheme, it was agreed that the Committee was to refer the topic to the new Comptroller and Auditor General on appointment.	
	3. Doctors Rebates The review into the rebate system for referrals made by Doctors had not been scoped and it was decided to defer that review until March.	MR
Item 5 10.12.12	4. Comptroller and Auditor General: Recruitment The Chairman gave an oral update on the progress of the recruitment of a new Comptroller and Auditor General, informing the Committee that P138/2012, which recommended the new Comptroller and Auditor General to the States for approval, had been lodged 15 days late and therefore would not be debated until 29th January 2013. This meant that the new Comptroller and Auditor General was not expected to take up the post until March 2013. The Chairman provided information relating to the applicants for the post and it was decided that the Committee was to provide a comment endorsing the proposition for the new post holder. It was also agreed	

	that the Chairman was to request that the States suspend Standing Order 26 (3A)(a) which required a four week lodging period for P138/2012, allowing it to be debated on 15th January 2013.	TV
Item 9 10.12.12	<p>5. Grants and Subsidies</p> <p>The Committee noted an update relating to the review into grants and subsidies. Following the meeting in December 2012, arrangements had been made with the lead member to consider the scoping documents, terms of reference and a timeline at the beginning of January 2013. In view of the recognised workload associated with starting numerous reviews at a similar time, along with the lead member being out of the Island during the interim period, the timing had fitted very well with the overall project planning for all the reviews. It was expected that the scoping would be completed within two weeks.</p> <p>It was understood that the Education and Home Affairs Scrutiny Panel were considering a review into aspects of higher education grants. This was to be checked to ensure that there was no duplication of effort.</p>	<p>JM / MR</p> <p>MR</p>
	<p>6. JT Preference Shares</p> <p>The Committee discussed the redemption of the States 9 per cent Preference Shares in the JT Group Limited. It was understood that they were worth £30 million but that there was an intention to dispose of them for £20 million. There was a question as to whether the sale was 'value for money' for the taxpayer. The Committee recalled that this had been discussed during the Medium Term Financial Plan debate in the States and required the transcripts of the debate be circulated.</p> <p>As the Committee was at full capacity with reviews at that time, it was agreed that the Chairman would discuss the matter with the new Comptroller and Auditor General when she took up her appointment.</p>	<p>MR</p> <p>TV</p>
	<p>7. Energy from Waste Plant</p> <p>The Committee noted correspondence which had been sent from Deputy J. Young to the Chairman relating to the cost of running the new Energy from Waste Plant and associated costs. It was understood that waste was now costing £146 per ton to process. The Committee was also informed that initial quotes for the building of the plant had been received for £66 million but that the accepted quote from a different provider had cost £108 million. Due to the current commitments of the Committee, the Chairman was to discuss this with the new Comptroller and Auditor General when she took up her appointment.</p>	
Item 1 18.12.12	<p>8. Procurement</p> <p>The Committee noted that the scoping documents and the one term of reference had been sent to the Chairmen's Committee for approval. The aim of the review was to examine, at high level, whether the Procurement Unit was achieving the strategic objectives initially laid out for it and whether what was being provided was value for money. If not, why not.</p> <p>It was agreed that a briefing from the department head would assist the Committee in preparation of its questions for a public hearing. The facts and figures needed to be obtained from the Department. The Committee recognized that unless there was evidence to support allegations, Members were to avoid making accusations of wrongdoing</p>	MR

	<p>within the procurement process and that at this point there was no evidence to support any such allegations.</p> <p>This review was to focus on the measurement processes within the unit.</p> <p>Hearings were to be arranged for the middle of February 2013.</p>	MR
	<p>9. Machinery of Government Review</p> <p>The Committee welcomed Deputy J. Le Fondre and Deputy J. Young who gave a presentation on the work of the Machinery of Government Review Sub-Committee. The Chairman and Deputy Baudains declared an interest as they were serving on the Sub-Committee.</p> <p>The presentation reflected the contents of the interim report dated 18th December 2012 on the subject. The presentation presented considerations, in principle, of States Members sitting as non-executive members of Ministerial boards.</p> <p>The Committee agreed that the outstanding problems included:</p> <ul style="list-style-type: none"> • the quality of leadership • the powers of the Chief Minister • collective responsibility • corporate sole and • the Troy Rule <p>It was considered that the report had not dealt firmly enough with any of these items.</p> <p>The Committee was particularly concerned that the matter of Scrutiny had been dealt with in the report as an inconsequential 'bolt on' to Ministerial Government, rather than as an integral and indispensable part of the machinery of government. The report also failed to deal with the framework of the role of Ministers or other Members of the States.</p> <p>It was agreed by all that following the publication of the Electoral Commission Final Report, should there be a move towards the reduction of States Members to 42, the recommendations within the Machinery of Government report would be unlikely to work as proposed.</p> <p>The Committee thanked the Deputies for their attendance.</p>	
Item 11 10.12.12	<p>10. Property Holdings</p> <p>The Committee recalled that it had agreed to extend the initially proposed review into Lime Grove House: failure to acquire for use of Police Headquarters into a review into Property Holdings. The Committee was reminded of the observations by the former Comptroller and Auditor General in his reports relating to Lime Grove House dated May 2012 and that it was the role of the Committee to follow up the Comptroller and Auditor General's recommendations. It was recognized that this matter was of significant interest to the Committee and therefore it was decided that all members of the Committee must be present to discuss the subject. The matter was deferred to the next meeting.</p>	MR
Item 10 10.12.12	<p>11. Financial Report and Accounts 2011.</p> <p>Further amendments were discussed to the draft report. It was agreed</p>	

	that the Chairman was to meet with the officer to conclude the drafting process. A discussion was held in relation to the section relating to grants following the suggestion that the whole section should be significantly shortened and left to the proposed review into grants and subsidies to deal with. This was not agreed. The report was to remain as per the draft.	MR
Item 1 18.12.12	12. Canbedone Productions Limited Grant Following an update of the review, the Committee agreed to hold Public Hearings from 12 noon on 25 th January 2013. Full files of documentation were to be provided to Members.	MR
	13. Future Meeting The Committee agreed that the next scheduled meeting was to be at 12.30 pm on Monday 4th February 2013 in the Blampied Room of the States Buildings.	MR