

PUBLIC ACCOUNTS COMMITTEE

(14th Meeting)

19th March 2007PART A

All members were present.

Deputy S.C. Ferguson
 Senator J.L. Perchard
 Connétable D.J. Murphy
 Deputy A. Breckon
 Deputy J.G. Reed
 R. Brignell
 A. Grimes

In attendance -

C. Swinson, O.B.E., Comptroller and Auditor General
 P. Monamy, Clear to the Public Accounts Committee

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

Minutes: format
 under Code of
 Practice on
 Public Access to
 Official
 Information.
 512/1(7)

A1. The Committee, having considered the format in which its Minutes were to be produced having regard to the provisions of the Code of Practice on Public Access to Official Information, concluded that wherever possible its Minutes should be produced under 'Part A' of the said Code of Practice, namely that in accordance with the presumption of openness maximum disclosure would be allowed. It was further agreed that, if necessary, Minutes of discussion of items which included information that was exempt from disclosure would be recorded under 'Part B' of the Code.

Notes of
 inqurate
 meeting held on
 29.03.07.

A2. The Notes of the meeting of the Chairman and members of the Public Accounts Committee held on 29th January 2007, having been previously circulated, were taken as read and were confirmed.

Review of the
 first 12 months of
 Ministerial
 government:
 P.P.C. Sub-
 Committee -
 comments.
 465/1(77)

A3. The Committee, with reference to item A3 of the Notes of a Meeting of the Chairman and Members held on 26th February 2007, considered a request from the Privileges and Procedures Committee for the collective views of the Public Accounts Committee on any matters covered by the "Review of the first 12 months of Ministerial government."

The Committee recognised that it was not as close to the practicalities surrounding Ministerial government as were the Scrutiny Panels. However, it was accepted that there was merit in the Committee maintaining a separate identity to Scrutiny generally. It was accepted that whilst it was only possible for the Committee to measure against expectations expressed, there was now a stronger theme around such issues, which were taken far more seriously than hitherto. It was clear that the Committee's involvement tended to be on the basis of a historical examination of a given scenario. Although some matters were no longer submitted to detailed consideration by the States, this was as a consequence of the now 'sharper' focus and streamlined decision-making process under the new system of government. In particular, it was considered that the advent of the Comptroller and Auditor General had raised the profile of certain issues and the Committee agreed that it was

essential that it should follow-up those matters upon which it had expressed an interest.

The Chairman undertook to convey members' views to the Privileges and Procedures Committee in due course.

Parish of St.
Helier: proposed
review of
registration fees.
512/1(9)

A4. The Committee received an oral report from the Chairman regarding an approach from St. Helier Town Hall suggesting that the Public Accounts Committee might review the proposed increase in the registration fees for births, marriages and deaths.

The Committee concluded that fee levels was not a matter which it would wish to consider in isolation and, in any event, was not a matter within its remit. It was agreed that it would be preferable for the Parish to approach the Internal Audit Department at Treasury and Resources seeking a review of the joint operation of the St. Helier and the States Registrar's departments. It was further suggested that the States Computer Services Department might be able to advise the Parish on an economic programme to achieve the computerisation of the Registrar's systems, which were understood to be entirely manual and paper-based.

The Chairman undertook to respond to the Parish of St. Helier in due course.

Comptroller and
Auditor General:
report.
512/1(8)

A5. The Committee received an oral report from the Comptroller and Auditor General regarding the under-mentioned work currently in hand and noted that -

- (a) two reports had been issued, one regarding the Jersey Financial Services Commission (JFSC) and the other on the Jersey Overseas Aid Commission (JOAC). It was noted that there were differences in approach as between the JFSC and the United Kingdom Financial Services Authority. It was noted that there might be merit in discussions being held between the JFSC and the industry. It was recognised that there was scope for further use by JFSC of information technology, with the Commission's website considered to be somewhat more difficult to use than that maintained by competitive jurisdictions, namely Guernsey and the Isle of Man. As regards the JOAC report, this had been published as a note rather than involving an oral exchange of views at a hearing which might then have been reported on. It was recognised that an anomaly existed whereby the Public Finances (Jersey) Law 2005 did not encompass the JOAC and that, consequently, there was no Accounting Officer for the Commission. It was agreed that JOAC needed to be brought within States' financial controls;
- (b) a further brief paper (comprising statistical information only) was to be published on 20th March 2007 which would compare actual government expenditure with what had been planned for the period, and which would also compare movements in governmental expenditure with the Jersey Retail Price Index (RPI). The Committee noted that this information would demonstrate that in the early years after 2000, States' budgeting had become tighter (in 2000, actual expenditure had been below the level of planned spending), although in 2006 it had once again risen above RPI, which happened to correspond with the advent of the Council of Ministers under the new arrangements. The Comptroller and Auditor General indicated that, as a consequence of the recent changes arising from the move to Ministerial government, it had been difficult to produce information regarding trends in expenditure. Consequently, it appeared that lessons remained to be learned by the Council of Ministers. Whereas it was considered that most expenditure had already been thought out at officer level (notably the Corporate Management Board), the

Committee recognised that a hearing was not to be held prior to the publication of the States Accounts for 2006 in due course;

- (c) a paper would be published shortly in relation to Nursery Education, the States' approach to which subject had commenced in 1983. The Committee noted that the policy stance of the former Education, Sport and Culture Committee had been based on the creation of further public demand for such services without future expenditure having been forecasted;
- (d) various exercises which would be completed by the end of March 2007 included –
 - (i) corporate governance at the Jersey Opera House;
 - (ii) capitalisation funds, in respect of which expenditure criteria were to be re-examined. In particular, expenditure relating to the Law Officers', Viscount's and Judicial Greffe Departments was to be studied, given that some posts were currently being funded on a time-limited basis. It was noted that the Criminal Offences Confiscation Fund and the Drug Trafficking Confiscation Fund were the largest of the funds to be examined, although there were some 152 other funds which would also be examined in due course. In addition, sums of money were also held by the Viscount pending the direction of the Royal Court as to their disposition. The Committee noted the circumstances in which information previously provided had been incomplete, arising from a lack of knowledge of the former "Millennium" financial information system. Some issues had also arisen regarding the investment of assets, given that under the Public Finances (Jersey) Law 2005 such investments should be in cash deposit accounts;
- (e) another exercise in the course of progress was a review of the major States' pension schemes, including the Public Employees Contributory Retirement Scheme (PECRS) and the Teachers' Superannuation Fund. The Committee agreed that it might wish to consider the conclusions arising from this work in due course;
- (f) an exercise due for completion in June or July 2007 was a major review of the Planning and Environment Department - which was to be the first department to undergo such examination. The capability of the department to deliver those policies with which it was charged would be assessed;
- (g) the annual report of the Comptroller and Auditor General was in the course of preparation, and it was noted that this would include reference to the implications arising from those reports issued during the year which had commented on various matters. It was agreed that the publication of the annual report could act as a platform from which discussion might be launched with the States Treasury regarding the progress being made towards the introduction of Generally Accepted Accounting Practice (GAAP) for the States Accounts in future. Rather than producing a separate annual report for the Public Accounts Committee, consideration would be given to including in the annual report of the Comptroller and Auditor General a comment on each of the topics covered. The Committee considered that there would be merit in the production of a quarterly report by the Chairman, which report would be referred to the Comptroller and Auditor General for comment prior to publication.

Property Services
Department:
information on
processes and
procedures
adopted for the
disposal of
property.
1446/4(2)

A6. The Committee considered the frustration expressed by a number of members regarding the actions of the Property Services Department, including the recent proposals for the disposal of certain sites throughout the Island - including Mont Mado quarry, the former Jersey College for Girls site and the former Sunshine Hotel site.

It was agreed that it would be useful for the Committee to be provided with any checklist of processes and procedures followed by the department when a property was identified for sale, as well as an outline of the thought processes underlying the procedures - including a note on obtaining commercially realistic valuations.

The Chairman undertook to write to the Director of Property Holdings accordingly, and also to enquire as to the progress being made with the overall establishment of the Jersey Property Holdings structure.