

Public Accounts Committee

MEETING

Record of Meeting

Date: 25th January 2010

Meeting 26

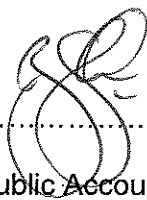
Present	Senator B.E. Shenton (Chairman) Connétable J.M. Refault (apologies for Agenda items 1-3) Senator J. Perchard Senator A. Breckon Mr. M. Magee Mr. K. Keen Mr A. Fearn
Apologies	Mr. P. Ryan
Absent	
In attendance	Mr C. Swinson O.B.E, Comptroller and Auditor General (C&AG) Mrs. M. Pardoe, Public Accounts Committee Officer

Ref Back	Agenda matter	Action
	1. Records of Meetings The records of the meeting held on the 1 st and 14 th December 2009 and 1 ^{3th} January 2010 were agreed as a true account of events and were accordingly signed.	
Item A7 14.12.09	2. Matters Arising The Committee noted that Connétable S. Crowcroft had officially resigned his position on the Committee on 13 th January 2010 due to the pressure of other work commitments. The Committee agreed its work programme for 2010.	
Item A3 14.12.09 1446/1(40)	3. H1N1 Influenza pandemic funding The Committee noted a letter from the Director of Finance and Information, Health and Social Services, dated 18 th December 2009, which provided a breakdown of spending on the H1N1 pandemic. The Committee remarked that the extra £4 million voted to pay for pandemic precautions was not only out of proportion to the scale of the problem, but also involved clever accounting where it seemed that everyday hospital supplies had been purchased with pandemic funds. The Committee considered a draft letter to the Treasurer of the States, requesting more details regarding the proposed audit of spending on the pandemic. It was agreed that the letter would be sent to the Treasurer forthwith.	
Item A2 14.12.09	4. Interview panels The Committee recalled that the Greffier had advised that the idea of small 'interview panels,' discussed at the last meeting, was not viable because under Standing Orders it was essential that the Committee was quorate at all meetings including public hearings.	
Item A5	5. Financial Report and Accounts 2008	

23.11.09 512/3(8)	The Committee considered the draft report and agreed that after the addition of an executive summary, the final draft would be agreed by electronic mail with a view to publication in February 2010.	
Item A8 14.12.09 512(3)	<p>6. States Spending Review – Emerging Issues – Report by the Comptroller and Auditor General</p> <p>The Committee noted the visit to the Meteorological Office by the Chairman, Senator J. Perchard and Mr. A. Fearn, and further noted a follow up letter sent by the Committee to the Chief Officer of Planning on the 25th January 2010, approved by electronic mail.</p>	
Item B5 15.01.10 512(14)	<p>7. Structural deficit</p> <p>The Chairman recalled that in 2004, his father, Senator R. Shenton, had asked a question in the States asking about a fiscal deficit. The reply stated that a fiscal strategy group had been established and that a fundamental spending review had been proposed. The Committee commented that in 2010, little seemed to have moved on in this regard.</p> <p>It was noted that the situation had changed since 2004, with the introduction of GST for example. It was observed that not only had public expenditure risen, tax income had decreased, exacerbating the problem.</p> <p>The Committee stated that it did not have any confidence in the Council of Ministers to cut spending. It was noted that part of the problem was that spending plans had not been adhered to in the past. For instance, if spending had been in line with what had been outlined in the 2006-2011 Strategic Plan, then the present situation would have been much better. Therefore it was noted that it was not just targets that were required, but the discipline to keep to those targets.</p> <p>It was noted that in the business world, savings tended to be achieved in a 'cut deep, cut once' manner and that this was perhaps preferable to 'death by a thousand cuts.'</p> <p>Members remarked that there were no incentives for individual Ministers to make savings. The scale of the savings required would entail what some might see as drastic measures such as cutting health services or closing schools. Few, if any, Ministers would not want to be associated with such unpopular decisions as individuals, even if they favoured spending cuts as a collective.</p> <p>It was noted that the annual report by the Fiscal Policy Panel recommended that the States should not commit to expenditure in the medium term. The Officer was requested to investigate the possibility of inviting the Fiscal Policy Panel to a private briefing with the Committee.</p>	
	<p>8. Future Meetings</p> <p>The Committee noted that its next meeting was scheduled for 22nd February 2010 in the Blampied Room, States Building</p>	

Signed

Date:



22/2/2010

Chairman, Public Accounts Committee

25th January 2010