

PUBLIC ACCOUNTS COMMITTEE

(12th Meeting)

29th January 2007PART A

All members were present.

Senator J.L. Perchard
 Connétable T.J. du Feu
 Connétable D.J. Murphy
 Deputy A. Breckon
 Deputy J.G. Reed
 R. Bignell
 C. Evans
 M. Magee

In attendance -

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

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

Minutes.

A1. The Minutes of the meeting held on 4th December 2006, having been previously circulated, were taken as read and were confirmed.

Battle of Flowers
 report by Internal
 Audit

Department:
 Hearing of issues
 on the funding of
 the 2006 event.
 530/6(13)

A2. The Committee, with reference to Note No. 2 of the notes of its inquorate meeting held on 13th November 2006, considered a draft transcript of the Hearing on issues surrounding the funding of the 2006 Battle of Flowers, which had been held on 4th December 2006. The Committee recalled that the Hearing had separately interviewed Messrs. W.D. Ogley, Chief Executive, Chief Minister's Department and M. King, Chief Executive, Economic Development Department.

Having noted that a version of the draft transcript of the interview with Mr. Ogley had been annotated by Mr. Ogley with suggested amendments, the Committee agreed that it was minded not to adopt those amendments on the basis that the transcripts of such Hearings should be essentially verbatim records.

The Committee asked for a verbatim transcript of the Hearing to be circulated to members in time for the next meeting.

States Property
 Plan:
 Hearing.
 1447/1(8)

A3. The Committee, with reference to Note No. 1 of the notes of its inquorate meeting held on 13th November 2006, considered a draft transcript of the Hearing on the States Property Plan, which had been held on 11th December 2006. The Committee recalled that the Hearing had jointly interviewed Messrs. W.D. Ogley, Chief Executive, Chief Minister's Department and E.H. Le Ruez, Director of Property Holdings.

The Committee recognised that, ideally, there should be regular updated valuation of properties so that accurate figures could be incorporated in the annual accounts of the States. In the absence of accurate valuations, it appeared that there was a tendency to re-state what had gone before, without careful review, and therefore little incentive for individual departments to reduce the extent of accommodation which they occupied.

The Comptroller and Auditor General suggested that, historically, States' procedures designed to restrain costs had been ineffective. There appeared to have been little resolve to make savings, except when crisis loomed which directly affected a particular area. Whilst it was noted that the Property Plan would examine in detail at the inefficiencies surrounding the use of property throughout the States, there was recognition of the need for a realistic approach in this area.

The Committee welcomed confirmation that the proceeds of sales of capital assets would not be applied to revenue expenditure, but would be credited to the Land Acquisition Vote and thence to the Consolidated Fund in order that it might represent a part of the funding of the States' planned capital expenditure. However, although it was recognised that Social Housing properties were not encompassed by the Jersey Property Holdings proposals, the Committee expressed concern that the Minister for Housing had proposed the sale of some housing stock to contribute towards the revenue cost of undertaking a back-log of outstanding maintenance works on some of the remaining social housing properties. However, the Comptroller and Auditor General emphasised that there was a rationale for that proposal, given that the Property Plan had different objectives to those relating to social housing. The Committee agreed that, as a matter of principle, the proceeds of the sale of capital assets should not be used to meet revenue expenditure and expected that this principle would be followed in all of the States' dealings with property irrespective as to whether they fell within the remit of Jersey Property Holdings.

The Committee also welcomed the explanation which had been given by the Chief Executive, Director of Property Holdings in relation to the expectation that, although it would be possible for the Minister for Treasury and Resources to proceed with the disposal of property under the Standing Orders of the States of Jersey, such transactions - particularly in relation to significant property disposals - would be referred to the States Assembly for debate.

The Comptroller and Auditor General undertook to produce a report for the Committee on the 2007 Property Plan for consideration at its next meeting.

Annual Report
on the work of
the Public
Accounts
Committee:
preparation.
512/1(6)

A4. The Committee was advised by the Comptroller and Auditor General that the annual report on the Committee's work, which was envisaged under Standing Order 143(d), was in the course of preparation and would be available for the Committee's consideration shortly.

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

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

- (a) a report on the Financial Services Commission would be finalised shortly;
- (b) a report on States' control of aggregate public expenditure was being prepared;
- (c) a report on the long-term control of nursery education costs in order to address increasing revenue expenditure in that area was being prepared;
- (d) discussion had been held with the Chief Executive and the Director of Human Resources, Chief Minister's Department regarding 'Capability Reviews', whereby the Comptroller and Auditor General's programme for 2007 included the first of what would be a series of in-depth reviews of departmental capabilities and efficiency.

With regard to the work being undertaken in groups, the Committee was advised that a group had met the Managing Director and Finance Director of Jersey Post for discussion of the accounts of the business for 2005.

In addition, it was noted that 5 areas of investigation were to be incorporated into a single report of the Comptroller and Auditor General in due course, prior to the production of the Report for 2006.