

**STATEMENT TO BE MADE BY THE
CHAIRMAN OF THE PUBLIC ACCOUNTS COMMITTEE
ON WEDNESDAY 16TH NOVEMBER 2016**

Travel and Accommodation Expenses Review

Sir,

The Public Accounts Committee has reviewed the use of public money for travel and accommodation expenditure incurred by senior officers of the States of Jersey.

The spending of public money should require the highest levels of probity, hence the need for stringent codes of conduct and Financial Directions.

There was justifiable public concern when it appeared that expenditure for some international trips may not have been procured with due regard for the use of public funds. Members will know that The Chief Ministers Department (CMD) conducted its own review which concluded that there was no widespread misuse of procedures, but that improvements could be made.

The PAC agrees that there has not been widespread misuse, however it concludes that the CMD investigation did not go far enough to identify or highlight the instances of seemingly blatant disregard for the spirit of the code of conduct by certain officers. My Committee believes that the culture of some Departments pushes the boundaries of what the public would consider acceptable conduct.

The PAC explored Chief Officers' attitudes to the guiding principles of the Code of Conduct, namely:

***“Does the action feel right? Could it be justified to those outside the States?
Could I be compromised in my dealings with others as a result of my intended
action? Could such purchases be considered extravagant or wasteful of public
resources?”***

There is a belief in some Departments that they do not need to strictly adhere to the guiding principles of the Code of Conduct, simply because the Island receives a good return of investment after officers have attended global networking events. However, the PAC believes there should be no exception to striving for best value for the public purse.

The PAC concludes that expensive business-class or fully-flexible tickets are rarely justified. It found that a minority of officers made little or no attempt to seek more cost effective options. It is difficult, if not impossible, to justify the expenditure of certain trips, which unfortunately undermines the very hard work done by other departments to always act in the best interests of the public.

The PAC was particularly concerned that in one Department, a high-cost itinerary was undertaken over three consecutive years with little or no exploration of real savings.

The PAC also discovered that there were 1.5 million loyalty points centrally accrued on States business, which Officers had little or no knowledge of how to redeem for the benefit of the public.

Furthermore, the PAC was shocked to discover that there was no robust procedure in place to redeem personal airline loyalty points accumulated by individual officers. The most worrying consequence is that this leaves officers vulnerable to accusations of impropriety.

The PAC also noted evidence concerning the use of the centralised booking system. The core reasons for having a central booking system is to reduce officer time and resources, provide value for money and a clear audit trail. When asked if the system provided these benefits, the majority of officers said it did not and expressed a low opinion and lack of trust in the system. In fact, one officer went further and blamed the high cost of trips on the system providing limited options. When challenged, he advised that he had sought cost differentials between flight options, that is, between a fully flexible flight and a business class ticket.

The PAC considers that comparing fully-flexible flights to business class flights is like deciding whether to purchase a Rolls Royce or a Bentley, whereas most Chief Officers would explore the price differentials of reasonably-priced cars.

The PAC concluded that, although the booking system may have faults, it cannot and should not be blamed for an officer's overriding duty to secure value for money.

It is not the PAC's function or intention to 'name and shame' Departments, in fact it wishes to commend the CMD for already taking action to address some of the weaknesses identified. It considers this to represent behaviour that a learning organisation should adopt. However, it does not want the CMD to write a whole new set of Financial Directions or a raft of prescriptive directives, which could then be interpreted in different ways by different departments. Rather, the PAC urges the CMD to adopt a common-sense, principles-based culture, embodying the best practice of the majority of Chief Officers.

We hope that the report and the recommendations contained within it will reassure the public that the tax-payers' funds which are spent on trips, are undertaken with full and careful consideration of best value for money.

I would like to thank my Committee and its officer for their hard work, and I commend all the Departments for their cooperation.