

Chairmen's Committee

Record of Meeting

Date: 10th July 2012

Present	Deputy T.A. Vallois, President Deputy S.G. Luce, Vice-President Senator S.C. Ferguson Deputy J.M. Maçon Deputy J.H. Young Deputy K.L. Moore
Apologies	
Absent	
In attendance	Mrs. K. Tremellen-Frost, Scrutiny Manager

Ref Back	Agenda matter	Action
03.07.12 Item 4 1443(1)	<p>1. Public Accounts Committee [PAC] and Comptroller and Auditor General: retention of independent status</p> <p>The Committee considered the current situation following the resignation of the Comptroller and Auditor General's on 29th June 2012.</p> <p>Article 41(5) of the Public Finances (Jersey) Law 2005 permitted the Chief Minister and the Chairman, Public Accounts Committee [PAC] to appoint a person to carry out the duties of the Comptroller and Auditor General whilst the office was vacant.</p> <p>The Chief Minister and Chairman, PAC had agreed that an approach would be made to the National Audit Office [NAO], London to identify whether there was any possibility of a contract of employment with an individual from the NAO on an interim six-month basis. This would create time during which a proper appointment process in accordance with Article 41 (3) of the Public Finances (Jersey) Law 2005 could be undertaken to fill the post on a fulltime basis. This Article made it incumbent on the Chief Minister and Chairman, PAC to take into account the views and recommendations of any body or person appointed by the States to advise on the appointment of senior employees of the States, namely the Appointments Commission.</p> <p>The Committee considered informal suggestions which had been made to some individual Members that there was now an opportunity to re-examine matters pertaining to the structure of PAC. This included the suggestion of maybe the possibility of more integration with the Treasury Department and the requirement for a Chief Officer specifically for the PAC.</p> <p>The Committee considered the possible ramifications of these suggestions and also considered the foundations upon which the office of the C&AG and the role of PAC had been established. It was noted that both the offices of the C&AG and the PAC had been established in</p>	KTF

	<p>accordance with a study and subsequent report undertaken by the Institute for Public Finance. That report recommended that it was fundamental to introduce a Nation States audit structure in order to ensure best practice. The implications of this were that it would need to establish the role of an official and independent States Auditor who would have a comprehensive audit remit and would report to a PAC equally independent from the Executive.</p> <p>The Committee noted that this independent status of both roles was an important area in the principles of the Lima Declaration of Guidelines on Auditing Precepts which had been accepted by the Congress of the International Organisation of Supreme Audit Institutions (INTOSAI). It was on the basis of these good practice principles that Jersey had established offices of the C&AG and a PAC which were independent from the Executive.</p> <p>Given the above, the Committee agreed that it was imperative to maintain good practice and that it would consequently be inappropriate for the role of either the C&AG or the PAC to be amended in any way which may remove this important independent status. This would not preclude the Committee, however, from considering any proposals which may be forthcoming from the Minister for Treasury and Resources which would not impact on this independent status.</p> <p>With regard to the suggestion of a Chief Officer for the PAC function, the Committee, having considered what additional value this might bring to the work and function of the PAC, concluded that it was not necessary. There would also be a matter of the accountability structure as it would be wholly inappropriate for an officer working to support the PAC function to be accountable to the Chief Executive of the States given the importance of remaining independent from the Executive.</p>	
512/1(40)	<p>2. Public Accounts Committee: general matters regarding work programme and status</p> <p>The Committee noted that the appointment of the independent members had been deferred until September as the PAC was currently unable to undertake any work during the summer recess as i) it was now unable to follow up the C&AG report on Lime Grove given the recent challenges to the report's credibility and ii) the lack of availability of Accounting Officers and some PAC Members at mutually convenient times during the summer recess meant an inability to start a review of the Report and Accounts.</p>	
512/1(41)	<p>3. Public Accounts Committee: PAC Code of Practice</p> <p>The Committee noted that although the PAC Code of Practice overlapped by way of processes and procedures with the Scrutiny Code of Practice, that there were areas specific to the Pac which separated it in some ways from the main Scrutiny Code of Practice. Currently this was included in Section 13 of the Code for practice.</p> <p>In view of the fact that the responsibility for updating the Code of Practice was a responsibility of the Committee, it gave some consideration as to whether it might be preferable to separate the two, thereby giving more clarity and separate status to the PAC section without separating it totally from its related scrutiny function.</p>	