

Public Accounts Committee

MEETING

Record of Meeting

Date: 19th October 2009

Meeting 19

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

Ref Back	Agenda matter	Action
	<p>1. Records of Meetings</p> <p>The records of the meetings held on the 15th and 21st September 2009 were agreed to be an accurate record of events and were accordingly signed.</p>	
Item A2 21.09.09	<p>2. Matters Arising</p> <p>The Committee welcomed Senator J. Perchard as a new Member.</p>	
Item A3 21.09.09 512/4(8)	<p>3. Draft Treasury Re-structuring Plan</p> <p>The Committee noted that their comment regarding the above Plan was approved via electronic mail and formally submitted to the Treasury on October 12th 2009.</p> <p>The Committee recalled that Mr Fearn had met with Mr. J. Neilson, the Interim Finance Manager of the Treasury on the 7th October 2009, and informal meeting notes were circulated. Mr Fearn explained that Mr Neilson had been contracted from the United Kingdom on an initial short term month long contract in order to examine how the Re-structuring Plan would be implemented, and that his initial work involved familiarising himself with how Jersey operated as a jurisdiction, as well as engaging with the main stakeholders in the Plan.</p> <p>It was observed that the Corporate Services Scrutiny Panel would now be considering the Treasury Re-structuring Plan moving forward, as it was under their remit.</p>	

<p>Item A4 21.09.09</p>	<p>4. Review of the Report of the C&AG Entitled 'Energy from Waste Plant: Review of Currency Exchange Risks'</p>	
<p>512(6)</p>	<p>The Committee noted that the Treasurer of the States had issued a formal response to the above report on the 6th October 2009, and that he had accepted all of the Committee's recommendations in regard to the Treasury. It was observed however that the Committee was still awaiting a response to the recommendations pertinent to the Council of Ministers and the Privileges and Procedures Committee. It was noted that the Treasurer had also responded to the Committee's request for detailed information regarding the closing position since the foreign risk variables had been closed down.</p> <p>The Committee were of the opinion that the most positive outcome of the above report was the implementation of a stop loss policy (at their insistence) and that as a result public funds had been protected. It was noted that this success would be reported in the forthcoming 'Scrutiny Matters' newsletter, due to be published in November 2009.</p>	
<p>Item A5 21.09.08 512/3(8)</p>	<p>5. Financial Report and Accounts 2008</p> <p>The Committee noted that the requests for written information from Messrs.T. Allen and M. King, Chief Law Officer and Chief Officer for Economic Development respectively, in regard to the above, had been approved by electronic mail and posted out on Friday 16th October 2009.</p> <p>It was agreed that once the above responses had been received, the Committee's report on the Financial Report and Accounts 2008 could potentially be completed and presented to the States by the end of 2009. The officer was authorised to take the necessary action.</p>	<p>MP</p>
<p>Item A6 21.09.09</p>	<p>6. States Spending Review – Emerging Issues – Report by the Comptroller and Auditor General</p> <p>It was agreed that this would be the next review undertaken by the Committee. It was recalled that a draft response to the Council of Ministers Report (in itself a response to the above C&AG Report) had been circulated amongst the Members with the eventual aim of a Committee Report on the issue. The main observation was that the executive responses from the majority of Departments were inadequate and lacking in detail, the response from the Education Department being the cause of most concern, not least because it appeared that political decisions were being made at officer level within their response. Moreover, it was agreed that the Council of Minister's response was not written in a 'can do,' positive manner.</p> <p>A link was made with the Treasury Re-structuring Plan, which pledged to challenge costs. It was considered that the Corporate Management Board had a duty of care to challenge such inadequate responses to the C&AG's proposals.</p> <p>It was agreed that it would be appropriate to investigate the similar cost cutting exercise underway within the UK public sector. The officer was authorised to undertake this initial research.</p> <p>It was observed that an independent agency undertook a report in Guernsey to examine public expenditure. Surprisingly, it was noted that Guernsey's per capita spend is lower than Jersey's, which was</p>	<p>MP</p>

	<p>considered surprising considering the differences in scale.</p> <p>The Committee commented that the recent zero ten situation and the concerns regarding tax revenue were probably the Treasury's current priority.</p> <p>The officer was requested to arrange some potential hearing dates in regard to this forthcoming report.</p>	MP
<p>Item A4 17.08.09 512(5)</p>	<p>7. Procurement</p> <p>The Committee received an oral update from the Vice-Chairman with regard to the above. It was noted that the questionnaire was now interactive and online, and would be promoted in the upcoming Scrutiny Matters newsletter. It was agreed that once the questionnaire responses had been received the Committee would discuss potential witnesses.</p>	
<p>Item A6 10.03.06 512/1(15)</p>	<p>8. Sickness Levels in the Public Sector</p> <p>The Committee received an oral update from the Vice-Chairman with regard to the above. Concern was expressed that the public sector in Jersey was often compared to the public sector in the United Kingdom, when the two were not necessarily comparable. The Committee was minded that there was more value in comparing the public sector in Jersey with the private sector in Jersey. Whilst it was appreciated that direct comparisons were not always possible, the Committee was of the opinion that in some sectors (such as the manual building trade), valuable comparisons could be made. Moreover, it was noted that similar surveys had been conducted by recruitment agencies and this type of data did exist. It was proposed that a questionnaire could elicit useful information regarding sickness levels from the private sector.</p> <p>It was also considered that the problem of high sickness levels was often a management issue, whereby sickness levels were not always regarded as a priority.</p> <p>The Committee was informed that the previous Public Accounts Committee had last received correspondence regarding this issue in February and March of 2008, from then Chief Minister Senator F. Walker and Chief Executive Mr. W. Ogleby respectively. The correspondence had explained that a new HR information system was to be established in May 2008. This new system was to be a replacement for the payroll system and would also link directly in to the JD Edwards suite. One of the advantages of the new system was a simpler and more centralised system for recording sickness levels. Mr. M. Magee, who was a Member of the Public Accounts Committee at the time, recalled that reporting of sickness levels had indeed been a major issue, and that reports received had been incomplete.</p> <p>The Committee resolved to write a letter requesting an update on the situation. The officer was authorised to take the necessary action.</p>	MP
<p>Item A5 17.08.09 512(10)</p>	<p>9. Lord Portsea Gift Fund and Other Special Funds Report / Financial Management in the States / Public Finance Law</p> <p>It was agreed that the Committee would not undertake any work into the above combined review until the C&AG had completed his report into the Public Finance Law.</p>	
	<p>10. Administrative Matters</p>	

	<p>The Committee was informed that a standardised template for executive responses to scrutiny reports had been approved by the Chairmen's Committee and would be used forthwith. It was noted that given the differences between Scrutiny Panels and the Public Accounts Committee, this template would need to be slightly amended but that nonetheless this formal template would help avoid the confusion and delay in responses that had occurred regarding the Energy from Waste Review.</p> <p>It was also noted that the Chairmen's Committee had agreed in principle to use a recruitment agency if and when the duties of the Scrutiny Office became too pressing, after consultation with the Scrutiny Manager.</p> <p>The Committee was informed that they, along with the Scrutiny Panels, had been offered free editorial in the next edition of the 'Isle' newspaper. It was decided to decline this offer, as it was considered that the coverage within the Scrutiny Matters newsletter would be sufficient.</p>	
	<p>11. Future Meetings</p> <p>The Committee noted that its next meeting was scheduled for the 23rd November 2009 in the Blampied Room, States Building</p>	

Signed



Date:

23rd November 2009

.....
 Senator B. Shenton

Chairman, Public Accounts Committee