

Public Accounts Committee

MEETING

Record of Meeting

Date: 21st September 2009

Meeting 18

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

Ref Back	Agenda matter	Action
	1. Records of Meetings The records of meetings held on the 20 th July, 30 th July, 6 th August, 17 th August and 1 st September were agreed to be an accurate record of events and were accordingly signed.	MP
Item A2 15.09.09	2. Matters Arising The Committee recalled that at their previous meeting of the 15 th September 2009, Deputy T. Vallois had announced that she would be resigning her position on the Committee. The Committee noted that Deputy Vallois had now given formal notice of her resignation to the Bailiff and the Deputy confirmed that this would be her last Public Accounts Committee meeting. The Committee observed that Senator J. Perchard had put himself forward as a potential Member, and confirmed that they would await the outcome of the nomination process in the States with interest.	MP
Item A2 18.06.09	Noting that Mr. P. Ryan continued to be absent from Committee meetings, the Chairman resolved to approach Mr Ryan to establish whether he wished to continue as a member.	BS
Item A2 15.09.09 512/4(8)	3. Draft Treasury Re-structuring Plan The Committee received an oral update from Mr. A. Fearn in relation to the above Plan, recalling that Mr Fearn had met with the Treasurer of the States and his Deputy at the Scrutiny Offices on Friday 18 th September. Mr Fearn reported that the meeting had been very beneficial and that he had now prepared his final draft document. The Committee considered its remit under the Code of Practice and Standing Orders and concluded that once approved by the Committee, it was appropriate that Mr Fearn's work should be issued in the form of a formal comment on behalf of the Public Accounts Committee, in response to the	MP

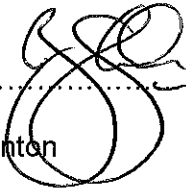
	<p>Treasury's public consultation request. It was decided that the Committee would approve the final draft via electronic mail.</p> <p>The Committee expressed a wish to gain further clarity around how the existing Treasury is structured. The officer was requested to ascertain how much of this information had already been received by the Committee.</p> <p>It was noted that in the past, the Treasury was an organisation whose primary function was recording, whereas now financial strategy plays a much larger role.</p>	
<p>Item A1 17.08.09 512(6)</p>	<p>4. Review of the Report of the C&AG Entitled 'Energy from Waste Plant: Review of Currency Exchange Risks'</p> <p>Noting the correspondence received by the Committee from the Minister for Treasury and Resources on 4th September, the Committee were pleased to learn that the Minister had put in place a revised policy including stop loss levels. Although the Committee were in agreement that this policy was established too late, it was nonetheless satisfied with this outcome. It was recognised however that given the recent economic situation, all of the downside triggers would now have been reached. In this light, the Committee resolved to write to the Treasurer of the States to request detailed information regarding the closing position.</p> <p>The officer was authorised to take the necessary action.</p> <p>The Committee was informed that the deadline for Ministerial response in relation to the above Review was on 21st September 2009 and had therefore expired. The officer advised that the Treasury had requested an extra week in order to respond. The officer was requested to ensure that the response was forthcoming.</p> <p>The Committee noted that extra funds were to be voted to the Treasury during the forthcoming week in the States.</p> <p>Discussions continued under section B of this Agenda.</p>	
<p>Item A3 17.08.09 512/3(8)</p>	<p>5. Financial Report and Accounts 2008</p> <p>Although disappointed by the unavoidable cancellation of the planned hearings with Tim Allen, Chief Law Officer and Mike King, Chief Officer for Economic Development, the Committee was grateful for the offer of the C&AG to draft written questions for the witnesses in order to solicit written evidence for the purposes of this review. The Committee also recalled that the C&AG had also offered to prepare briefing notes regarding the Financial Report and Accounts as a whole.</p> <p>The Chairman confirmed that he would be meeting with the Attorney General to discuss Scrutiny Panels. The Committee noted correspondence received by the Chairman from H.M. Attorney General regarding the provision of legal advice without charge, dated 3rd September 2009. Noting that the current Attorney General was imminently stepping down, the Committee were in agreement that they would wait for the new Attorney General to be appointed before pursuing this matter further.</p> <p>The Committee gave consideration to the problem of prioritisation of</p>	<p>MP</p> <p>CS</p>

	<p>spending between Departments. The Chairman recalled that he had recently put forward an amendment to the Business Plan to spend more money on adult respite care, but had received the response that he had failed to identify an area from which to make the corresponding saving. The Committee expressed its concern that in its view, the separation of the Business Plan and the Budget as it was originally envisaged was surely to avoid such 'fit for tat' prioritisation of spending.</p> <p>The Committee also gave consideration to the difficulties inherent for States Members when assessing priorities and identifying potential savings when they are not necessarily party to the wider picture. The Committee were in agreement that it was not always easy to establish what the Ministerial priorities or long term goals were, even when Ministers were asked directly.</p> <p>The Committee observed that there appeared to be little discretion in spending priorities from the Council of Ministers - the cuts announced by the Minister for Treasury and Resources were across the board. Also, some areas such as Social Security Supplementation, received mandatory funding as dictated by legislation.</p> <p>The Committee also expressed confusion about how savings are sometimes defined by Ministers- for example fee rises have been described as a saving.</p>	
<p>Item A6 17.08.09</p> <p>512(3)</p>	<p>6. States Spending Review – Emerging Issues – Report by the Comptroller and Auditor General</p> <p>The Committee noted correspondence received from the Deputy Chief Executive and Chief Officer for Resources, Mr. J. Richardson (previously circulated by electronic mail) dated 14th September 2009, in response to a request for information by the Committee. It was noted that the correspondence received also included a Council of Ministers Report.</p> <p>The officer was instructed to post hard copies of this report to Mr. Kevin Keen and Senator Perchard.</p>	<p>MP</p>
<p>512/1(36)</p>	<p>7. The Remit of the Public Accounts Committee</p> <p>Senator S. Ferguson, Chairman of the Corporate Services Scrutiny Panel, accompanied by her advisor, Professor M. Oliver, joined the meeting in order to discuss the remit of the Public Accounts Committee as compared to that of the Scrutiny Panels. This issue had arisen in regard to the potential overlap in the respective programmes of work, in particular the areas of Forecasting of Expenditure and the Draft Treasury Re-structuring Plan.</p> <p>It was agreed that since the Corporate Services Scrutiny Panel had already examined Forecasting of Income, it was logical that they also address Forecasting of Expenditure. Regarding Treasury Re-structuring. It was acknowledged that examination of draft policy lay within the domain of Corporate Services, although once the Policy was implemented and running, it would be theoretically appropriate for the Public Accounts Committee to produce a retrospective report.</p> <p>It was agreed that the timing of the Annual Business Plan was extremely tight due to the Strategic Plan this year. The result of this is that all amendments, both from individual Members and Scrutiny Panels, had been submitted at the eleventh hour. Professor Oliver stated that in his</p>	

	<p>opinion, the Annual Business Plan contained no long or medium term objectives.</p> <p>On a general note, it was recognised that according to the Code of Practice and Standing Orders, Scrutiny Panels examine policy while the Public Accounts Committee look at implementation of policy with the consideration of the appropriate use of Public Funds and the avoidance of extravagance and waste.</p>	
	<p>8. Future Meetings</p> <p>The Committee noted that its next meeting was scheduled for the 19th October 2009 in the Blampied Room, States Building</p>	

Signed

Date:



19/10/2009

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 Senator B. Shenton

Chairman, Public Accounts Committee