

STATES OF JERSEY

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SHADOW PUBLIC ACCOUNTS COMMITTEE – TERMS OF REFERENCE (P.194/2003): AMENDMENT

**Lodged au Greffe on 23rd December 2003
by the Privileges and Procedures Committee**

STATES GREFFE

SHADOW PUBLIC ACCOUNTS COMMITTEE - TERMS OF REFERENCE (P.194/2003): AMENDMENT

At the end of paragraph (a), after the words “10th December 2003”, insert the words –

“; except that in Section 3 (Membership) of the said Appendix, after the words ‘A States member’ in the both places where they appear, insert the words ‘not being a member of the Finance and Economics Committee,’ ”.

PRIVILEGES AND PROCEDURES COMMITTEE

REPORT

The proposals regarding the establishment of a Shadow Public Accounts Committee (PAC) are very much part of the overall proposals to set up the new scrutiny system and will complement the final proposals on the Shadow Scrutiny Panels being proposed by the Privileges and Procedures Committee in P.186/2003 lodged 'au Greffe' on 9th December 2003.

The terms of reference for the Shadow PAC have been developed by the Finance and Economics Committee in consultation with the Privileges and Procedures Committee and many of the comments put forward by the PPC have been incorporated into the final proposals of the Finance and Economics Committee. There is, however, one remaining area of disagreement between the Committees and this amendment will enable the States to take a decision on the issue.

The Finance and Economics Committee is proposing that the States should appoint a Shadow Chairman of the Shadow PAC and that person should then nominate, for approval by the States, another elected States member to be a member of the Committee. The proposals of the Finance and Economics Committee do not, however, place any restriction on the States when appointing the Shadow Chairman or the additional member although, if paragraph (a) of P.186/2003 is adopted, members of the Privileges and Procedures Committee will be precluded from these positions. That paragraph reads as follows –

- (a) to agree that Presidents of Committee and **members of the Privileges and Procedures Committee** should be precluded from serving on Shadow Scrutiny Panels **and on the Shadow Public Accounts Committee**;

The Privileges and Procedures Committee does not believe it would be appropriate for a member of the Finance and Economics Committee to serve on the Shadow PAC in any capacity. The Shadow PAC will be charged with examining many aspects of the financial management of the States and will receive and consider reports from the States Auditor on the results of audit. The Privileges and Procedures Committee considers that the independence and effectiveness of the PAC could be compromised if a member of the Finance and Economics Committee was appointed to the Committee. It is, of course, likely that the States would not wish to appoint a member of the Finance and Economics Committee as Shadow Chairman and probable that, in turn, the Shadow Chairman of the Shadow PAC would not want to nominate a member of the Finance and Economics Committee for this position but, for the avoidance of doubt, the Privileges and Procedures Committee believes that it would be appropriate for the Terms of Reference to set out formally that these positions would not be open to members of the Finance and Economics Committee. It should be noted that the Shadow PAC will be able to receive advice and guidance from Treasury officers as the Treasurer of the States will be able to attend meetings if invited to do so and the Chief Internal Auditor will be required to attend all meetings.

The PPC is of the opinion that the shadow scrutiny system provides the opportunity for all members to become accustomed with new ways of working and will introduce a clear separation of rôles among elected members for the first time. The PPC has recognised this itself by putting forward the proposal in P.186/2003 that members of the Committee should be precluded from participating in Shadow Scrutiny Panels because of the Committee's responsibility to oversee the process and put forward proposals for the formal system of scrutiny in the ministerial system. The PPC believes that a similar principle should apply in relation to membership of the Shadow PAC.

There are no additional financial or manpower implications arising out of this amendment.