

Public Accounts Committee

Record of Meeting

Date: 6th July 2015

Present	Deputy A.D. Lewis, Chairman Deputy S.M. Wickenden, Vice-Chairman Connétable C.H. Taylor Deputy J.A. Martin Mr. G. Drinkwater Mr. R.J. Parker Mr. M.J. Robinson
Apologies	
Absent	
In attendance	Mrs. K. McConnell, Comptroller and Auditor General (C&AG) Mr. I. Clarkson, Committee Officer

Ref Back	Agenda matter	Action
	A1. Records of Meetings The minutes of the meeting held on 15th June 2015 were approved and signed.	Officer
	A2. Conflicts of Interest No new conflicts of interest were declared.	
Item A3 15.06.15 512/1/1(5)	A3. Visit to National Assembly for Wales The Committee considered a report concerning the visit by a delegation of the Committee to the National Assembly for Wales on 23rd – 24th June 2015, It was reported that discussions with representatives of the Public Accounts Committees of Wales and Northern Ireland had been most productive. Matters considered included: the remits of each committee; the physical environment in which the Wales PAC operated; meeting procedure; work programme development; and, executive response times. Regarding work programme development, the Committee was apprised of provisional interest shown by all parties in either information sharing, or collaborating on a possible review of, non-executive appointments to the boards of arms-length bodies, senior management pay and compromise agreements. The Chairman had also discussed with Deputy J.A.N. Le Fondré the possibility of engagement via the British Irish Parliamentary Assembly on the topic of non-executive appointments.	

	<p>On the matter of response times, it had become apparent to the delegation that the Wales PAC tended to receive responses to Auditor General reports within a period of 4 weeks. There were also indications that the Wales PAC tended to experience less difficulty in securing information promptly during the course of its reviews.</p> <p>The Committee, having noted the report, instructed its officer –</p> <ul style="list-style-type: none"> (a) to prepare a report for the Committee’s consideration comparing the terms of reference of the Committee with its Northern Ireland and Wales counterparts; and, (b) to circulate for the Committee’s information a confidential sample of a draft issues paper prepared for consideration by the Wales PAC; (c) to make arrangements for additional pre-meetings of the Committee in advance of any future public hearings, so as to afford the Committee additional time to prepare questions for witnesses; and, (d) to ensure that the Committee’s section in future States Assembly Annual Reports would quote executive response times relating to both C&AG and PAC reports. 	Officer
<p>Item A4 15.06.15 512/1/1(1)</p>	<p>A4. Work Programme</p> <p>The Committee noted a report concerning the status of its work programme for 2015 and beyond.</p> <p>The Committee recalled that on 23rd June 2015 the States Assembly had been apprised of an unsolicited written offer from the ultimate owner of the Airtel telecommunications business in the Channel Islands that, if accepted by the States, would reportedly lead to –</p> <ul style="list-style-type: none"> (a) the merging of the JT Global and Airtel businesses, and (b) the sale of a minority interest in the merged entity. <p>It was further understood that the Corporate Services Scrutiny Panel was being briefed on the matter and was considering launching a review of the proposal. In this regard, the Committee noted that the nature and speed of the executive response to the recommendations made by the C&AG in her report ‘The States as Shareholder: Jersey Telecom’ (R.109/2014 refers) could be expected to have a material bearing on the handling and outcome of the offer received.</p> <p>The Committee resolved to defer a follow-up review of R.109/2014 until such time as the status of the offer and the related interest of the Corporate Services Scrutiny Panel had been clarified.</p>	
<p>Item A5 15.06.15 512/1/1(6)</p>	<p>A5. Financial Management</p> <p>The Committee was most disappointed to note that it had not yet been supplied with a final response from both the Chief Executive and the Treasurer of the States to the C&AG’s report concerning financial management (R.38/2015 refers).</p> <p>The Committee noted that it had been waiting in excess of 13 weeks for a formal response to the C&AG’s report. Moreover, no further information had been made available regarding the date by which the</p>	

	<p>Committee could expect to receive the response. This extended delay was regarded by the Committee as indicative of a general lack of respect by the executive for a States-appointed committee and for the democratic process in general. In this regard, the Committee, with reference to its Minute No. A3 of this meeting, noted –</p> <p>(a) that it was not unknown for its counterpart at the National Assembly for Wales to receive government responses to Auditor General’s reports and PAC recommendations within 2 weeks, albeit that 4 weeks tended to be regarded as the default timeframe for the provision of such responses, and</p> <p>(b) that whereas the default period for government responses in Wales was broadly consistent with the C&AG’s experience having worked in other public sector environments, the time taken by some executive departments in Jersey to respond to the Committee was notably longer than the C&AG could recall having experienced elsewhere.</p> <p>The Committee noted the intention of the Chairman to brief the Chairmen’s Committee on the position during the course of that committee’s meeting on 7th July 2015 and recommended, subject to the outcome of the Chairmen’s Committee discussion, that the Chairman consider asking a suitable oral question of the Chief Minister during the States Assembly meeting of 14th July 2015.</p>	Chair / Officer
<p>512/23</p>	<p>A6. Internal Audit (PAC.3/2014)</p> <p>The Committee considered the response of the Chief Executive to recommendation 1 of the Internal Audit report PAC.3/2014, which had been presented to the States by the Committee as previously constituted.</p> <p>The Committee noted that the response was significantly overdue. Recommendation 1, which had ostensibly been accepted, had called for the Chief Executive to submit a report to the Committee by the end of February 2015 explaining how the Corporate Management Board had prioritized the achievement of a robust corporate risk management framework. In fact, the response had been supplied 4 months after the agreed deadline.</p> <p>The Committee was advised that specific clarification had been sought as to whether any of the supplied appendices to the response should be classified as confidential. No such clarification had been offered and none of the documents had been protectively marked.</p> <p>The Committee noted the response and further noted that the audit plan of the C&AG allowed for related follow-up work to be undertaken in due course.</p>	
<p>Item A8 15.06.15 512/25</p>	<p>A7. Financial Directions</p> <p>The Committee considered a draft report and agreed that a series of amendments to the same should be made.</p> <p>In revising the draft report, the Committee was particularly mindful that</p>	

	<p>some 11 months had passed since the recommendations of the C&AG had been published and that each of the recommendations had either been accepted in full or in principle by the executive. It was also mindful of the scope for impact on the control framework of the States that the substantial change programme being undertaken by the States could reasonably be expected to have. On that basis, the Committee agreed that its recommendations should be framed so as to make it clear that, in the opinion of the Committee, implementation of fully and appropriately reworked Financial Directions should be achieved before September 2016.</p> <p>The Committee's officer was instructed to prepare a suitably revised draft report for consideration as soon as possible.</p>	Officer
<p>Item A7 15.06.15 512/27</p>	<p>A8. Public Sector Reform</p> <p>The Committee reviewed the transcript of the public hearing held on 15th June 2015.</p> <p>The Committee instructed its officer to obtain a breakdown of the monies expended on the Housing Transformation Programme, having been advised during the public hearing that the sum of £685,000 had been accounted for as Public Sector Reform programme expenditure.</p>	Officer
<p>Item A9 15.06.15 512/1/1(1)</p>	<p>A9. Comptroller and Auditor General – Work Programme</p> <p>The Committee –</p> <p>(a) noted the presentation to the States of the C&AG's summary report on information security (R.75/2015 refers) and that the Chairman had written to the Chief Executive, States of Jersey seeking a response by 31st July 2015 to the recommendations made in that report; and,</p> <p>(b) received an oral briefing regarding the status of the Jersey Audit Office Audit Plan.</p> <p>Deputy S.M. Wickenden was not present for this item.</p>	Officer

Signed

Date:

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Chairman
Panel