

States of Jersey
States Assembly



États de Jersey
Assemblée des États

Public Accounts Committee



Legacy Report

Presented to the States on 18th April 2018
P.A.C.4/2018

Public Accounts Committee

Legacy Report for session 2014 to 2018

Remit

The terms of reference for the Public Accounts Committee (PAC) are found at Standing Order 132. Although the majority of the Committee's work is based on reports published by the Comptroller and Auditor General (C&AG), Standing Order 132(1)(c) provides for the Committee to select its own review topics.

Membership

The PAC incorporates both States Members and non-States Members. This session has contained Membership/Chairmanship changes, and the Committee, constituted in accordance with Standing Order 131, fell between July 2017 and September 2017):

Deputy Andrew Lewis, Chairman (from beginning of session until July 2017, when he stepped down as Chair and Member of PAC)

Connétable Christopher Taylor of St John, Chairman (Member from beginning of session, Chairman from September 2017)

Deputy Scott Wickenden, (Vice-Chairman from beginning of session until his resignation in June 2016)

Connétable Simon Crowcroft of St Helier (Vice-Chairman from October 2016, then Acting Chairman from July to September 2017 when he resigned)

Deputy Judith Martin of St Helier (Member from beginning of session and Vice-Chairman from October 2017)

Deputy Montfort Tadier (Member from October 2017)

Mr Robert Parker (non-States Member throughout session)

Mr Michael Robinson (non-States Member throughout session)

Mr Gary Drinkwater (non-States Member from beginning of session until retirement in July 2017)

Purpose of Legacy Report

1. The Public Accounts Committee has reviewed the work it has undertaken since its establishment by the States Assembly in December 2014, and agreed to provide a report to its successor Committee. It is hoped this will assist the next Committee in establishing a productive work programme.

Work undertaken

2. The Committee was updated on all of the Comptroller and Auditor General's Review Reports during this session (<https://www.jerseyauditoffice.je/our-work/2018/>) and requested the relevant Departments for Executive Responses to the recommendations contained therein. It held meetings, usually once or twice a month as well as electronic meetings where necessary. It also conducted its own reviews, as detailed overleaf:

Review	Reference	Presentation Date
2015		
Housing Repairs and Maintenance	P.A.C.1/2015	19 May 2015
Financial Directions	P.A.C.2/2015	6 August 2015
Public Sector Reform	P.A.C.3/2015	5 October 2015
2016		
Financial Management	P.A.C.1/2016	10 August 2016
Travel and Expenses	P.A.C.2/2016	10 November 2016
Fuel Farm Lease Renewal	P.A.C. 3/2016	14 December 2016
2017		
eGov	P.A.C.1/2017	28 June 2017
Police Station HQ	P.A.C.2/2017	11 August 2017
2018		
eGov Follow-up	P.A.C.1/2018	14 March 2018
Abortive Costs' Reporting	P.A.C.2/2018	19 March 2018
Jersey Innovation Fund	P.A.C.3/2018	11 April 2018

Further Work undertaken

- Although formal reviews represented the majority of the Committee's work, it also 'scoped' or otherwise considered other review topics, including Road Surfacing Trials, Estate Management, Entertainment Expenses and recurring themes running through the recommendations of the C&AG's reviews. The latter subject has been taken up by the new Chief Executive Officer who has committed to a thorough review of addressing themes such as financial management, organisational culture, management information, and corporate learning. The documentary and oral evidence obtained from departments and private meetings with senior officers, has been collated for potential consideration by the new Public Accounts Committee.

Methods of working

- The Committee usually met every two weeks, and more frequently via electronic meetings, save for the period between the resignation of the former Chairman and the fall of the Committee during summer recess in 2017. In accordance with the practice agreed by the Chairmen's Committee, Public Accounts Committee meetings were conducted in private session. When undertaking reviews, the Committee secured initial briefings from, and submitted various requests for information to, relevant departments. Hearings were held as necessary to establish or corroborate evidence. These Hearings were generally conducted in public session.

Suggestions for future work programme

5. This section identifies possible areas for future work by the successor Committee. The Committee's primary suggestion regarding its successor Committee's work programme is to concentrate on matters arising from the reports produced by the

C&AG in accordance with the Jersey Audit Office [Audit Plan 2017-2018](#). In addition, the Committee would highlight the following as crucial to support that work:

- **Recurring Themes:**

6. The PAC noted that the majority of recommendations contained in reviews by PAC and the C&AG since 2015, have been accepted by the relevant Accounting Officer and/or by the Chief Executive and the Treasurer of the States, for implementation throughout the States. Inevitably, there is a time lag between acceptance and implementation of those recommendations, but the PAC considered that progress on acting upon some of them is unacceptably slow. It therefore agreed Terms of Reference and the scope of a review, to consider steps taken by the Chief Minister's and Treasury and Resources Departments from 2015 to 2017, to address deficiencies in –

- Organisation culture
- Decision – making
- Corporate Learning
- Financial Directions
- Financial Management
- Management Information

7. The PAC, having identified the above areas as recurring, overarching themes which should be addressed by the Chief Executive and Treasurer as a matter of urgency, examined what was preventing States departments from addressing the issues, implementing necessary changes, or establishing a clear timetable and milestones against which to measure progress.

8. A private meeting between the PAC and the Chief Executive (together with senior members of his transition team) was held on 29 January 2018, where the Chief Executive explained his vision for the future 'machinery of government', and said he was sure this would address the problems the PAC had previously identified. Since then, the CEO has expanded on his own vision for the future of Sates departments and moved from the initial transition phase to a consultation and implementation phase. The PAC urges the new Committee to scrutinise the implementation closely and follow up on progress made, ensuring that the success of the measures outlined by the Chief Executive are tested.

- **Executive Responses to Recommendations of PAC/ C&AG Reports**

9. Executive Responses to C&AG reports had not been routinely published or presented to the States (it is not a requirement, but it is common practice for Executive Responses to C&AG reports to be requested by the PAC). The PAC agreed to formulate a process by which the relevant department was given the customary 5 weeks to produce a response to a report, either by the PAC or the C&AG, stating which recommendations are accepted, which rejected, and why. The Committee agreed it would then ensure the responses were routinely presented to the States Assembly, and published thereafter. This leads to more accountability, openness and transparency. Publication of Executive Responses provide a better context for PAC comments on reports prepared by the C&AG.

10. It has become clear that the majority of Executive Responses requested from the Treasury Department and/or the Chief Ministers' Department were delayed, despite frequent requests. Prior to the early departure of the former Chief Executive, before the end of 2017, reasons given for such delay were that the relevant departments had to prioritise other workloads such as the Medium Term Financial Plan (MTFP) or the budget. Subsequently, the PAC was advised that the Chief Ministers' Department was in transition between the former Chief Executive's departure and the new Chief Executive's arrival. Whilst the PAC accept that there are some events outside of the Chief Executive or Treasurer's control, it does not accept that routine and cyclical events such as preparation for the MTFP or the Annual Budget are acceptable reasons for delay.
11. At the private meeting between the PAC and the (new) Chief Executive on 29 January 2018, the Chief Executive advised that a new format for Executive Responses was being considered, which would afford more clarity on how and when the recommendations would be implemented.
12. However, at the time of this report, the Committee had only recently received two Executive Responses (to the last four C&AG reports). The Committee acknowledged that the Responses were in a new format which should make it easier for the incoming PAC to hold the Department officers to account in their implementation of the recommendations. However, the PAC recorded its disappointment that not only were these Responses very late, but also it was still awaiting two more, and therefore had not had time to monitor implementation of the recommendations.
13. The Committee urges the new PAC to ensure a robust system for the timely receipt of Executive Responses to reports and their presentation and publication thereafter. It agreed that if an Executive Response were delayed, the PAC should be given a full explanation for that delay. It further agreed to recommend that a central monitoring system be established, so that progress made (on the implementation of recommendations) could be easily referenced and shared between departments.

Further Suggestions

14. In addition to the above, the Panel would also highlight the following:
 - A strong and constructive relationship has been established with the C&AG and her Office and this should be maintained;
 - The Committee has found invaluable the hard work and dedication displayed by the non-States members of its Committee and would advise the PAC to utilise their knowledge base fully;
 - The Committee found the provision of questioning training to be of benefit and would recommend that its successor take advantage of such training (including follow-up training);
 - The Committee has found a work programme to be a good way to maintain continuous monitoring of recommendations that have been made in previous reports and to keep abreast of any matters that arise in respect of the topics referred to above;
 - The Committee found that assigning a Lead Reviewer from within its membership to a particular Review, helped improve the productivity of the Committee as a whole.