

PP121/07



**ANNUAL REPORT OF THE
STANDING COMMITTEE ON
PUBLIC ACCOUNTS**

SESSION 2006 – 2007

In Tynwald

GENERAL REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

SESSION 2006 - 2007

**To: The Honourable President of Tynwald and the Honourable Council
and Keys in Tynwald assembled**

Members of the Committee

Mrs C M Christian MLC (Chairman)
Mr Q B Gill MHK (Rushen) (Vice Chairman)
Mr D M W Butt MLC
Mr G D Cregeen MHK (Malew & Santon)
Mr R W Henderson MHK (Douglas North)
Mr J P Watterson MHK (Rushen)

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All correspondence with regard to this Report should be addressed to the Clerk of Tynwald, Legislative Buildings, Finch Road, Douglas IM1 3PW.

Remit of the Committee

- (1) There shall be a Standing Committee on Public Accounts.
- (2) The Committee shall have -
 - (a) a Chairman elected by Tynwald,
 - (b) a Vice-Chairman elected by Tynwald,
 - (c) four other Members elected by Tynwald,and a quorum of three Members.
- (3) Members of Tynwald shall not be eligible for membership of the Committee, if, for the time being, they hold any of the following offices: President of Tynwald, Speaker of the House of Keys, member of the Council of Ministers, member of the Treasury Department referred to in section 1(2)(b) of the Government Departments Act 1987.
- (4) The Committee shall -
 - (a)
 - (i) consider any papers on public expenditure and estimates presented to Tynwald as may seem fit to the Committee;
 - (ii) examine the form of any papers on public expenditure and estimates presented to Tynwald as may seem fit to the Committee;
 - (iii) consider any financial matter relating to a Government Department or Statutory Body as may seem fit to the Committee;
 - (iv) consider such matters as the committee may think fit in order to scrutinise the efficiency and effectiveness of the implementation of Government policy; and
 - (v) lay an Annual Report before Tynwald at each December sitting and any other reports as the Committee may think fit.
 - (b) be authorised in terms of section 3 of the Tynwald Proceedings Act 1876 and the Standing Orders to take evidence and summon the attendance of witnesses and further to require the attendance of Ministers for the purpose of assisting the Committee in the consideration of its terms of reference.
- (5) The Chairman, Vice-Chairman and any member of the Committee shall not sit when the accounts of any body of which that person is a member are being considered.

1. MEMBERS OF THE COMMITTEE

Following the General Election in November 2006, the members of the Committee were elected in January 2007. Only two of those elected (Mrs Christian, Chairman and Mr Gill, Vice-Chairman) had been members of the committee prior to the General Election

2. WORK OF THE COMMITTEE

2.1 GENERAL

2.1.1 The Committee meets monthly (and more frequently, when necessary) but, because of the General Election, we have only met on 7 occasions in the year commencing October 2006.

2.1.2 The work of the Committee is set out in section 2 of this Report. Those issues which were already in progress prior to October 2006 are set out in section 2.2. We have also referred in several previous Annual Reports to the delays caused to our investigations because of the failure of some Government Departments to respond in a timely manner to our queries. As there has been little improvement, the Chief Officers' Group has been advised that our future practice will be that where no substantive response to a query from the Committee has been received by the deadline of three weeks, the relevant Chief Officer will be brought before the Committee to explain the reasons for the delay and to provide the required information.

2.1.3 We have also given consideration to our future programme. Whilst we welcome referrals from Members of Tynwald, our review of the work of the previous Committee indicated that investigation of some of these referrals took up a disproportionately large amount of our time, and led to delays in progressing some of our investigations. We also acknowledge the tendency in the past to spend too much time on matters of relatively low priority. We have, therefore, put in place revised procedures in an attempt to maximise our efforts and speed up our investigations.

2.1.4 One of those revised procedures is to discontinue our former practice of routinely examining all Internal Audit Reports. In the past, this exercise has been very time-consuming; although it has identified issues which we have investigated, none of

those matters were of serious concern. We intend, therefore, once the Chief Internal Auditor is in post, to commence regular meetings with him, so that he can advise the Committee of any matters which have come to light which are of sufficiently serious concern as to warrant investigation by the Committee.

2.1.5 We are currently finalising the remit of future investigations to be undertaken and, as we now have been allocated additional clerking resources, we are confident that these investigations can be completed more speedily than we have achieved in the past. In addition, we are investigating the introduction of an electronic document management system, which will provide a more efficient method of managing the large number of documents which are received by the Committee.

2.2 MATTERS IN PROGRESS PRIOR TO OCTOBER 2006

a. **The tender procedure for the DHSS Contract with Icemann Foodservice Limited.**

This investigation has been completed and, in line with the revised reporting procedure recommended by the Scrutiny Committee and approved by Tynwald (set out below), the Report has been submitted to Treasury and will come before Tynwald in the New Year.

- “a. Notification that a Report of the Public Accounts Committee has been submitted to Treasury will be placed on the Tynwald Order Paper.*
- b. Treasury will submit a response to the Clerk of the Committee within 3 months from date of receipt of the PAC Report. Some or all of the recommendations in a PAC Report will often be appropriate to other Departments, but Treasury will have the responsibility to consult with those bodies and respond to the PAC.*
- c. The Treasury Response will indicate which of the Committee’s recommendations are accepted and the action to be taken to address those recommendations, and those recommendations which are not accepted with accompanying justification.*
- d. When the Treasury Response has been received, the PAC Report together with the Treasury Response will be placed on the Order Paper for the next sitting of Tynwald for debate and approval. The recommendations contained in the*

PAC Report will be listed on the Order Paper and Treasury and/or other members will be able to move amendments to those recommendations."

b. Police Disciplinary Matters

This investigation has been resumed following the conclusion of the enquiry by Hampshire Police.

2.3 MATTERS UNDER CONSIDERATION

- a. Outstanding fines collection.
- b. Expenditure on Information Technology Services.
- c. Repair and Maintenance of Local Authority Housing and associated matters.
- d. Care and Nursing Homes costs.
- e. Consultancies.

2.4 MATTERS IN ABEYANCE

- a. Crowe EPH
No further action can be taken until the project has been fully signed off.
- b. White Hoe Pumping Station
This matter was referred to us by the Department of Transport but we have agreed that, as there are still a number of major issues with the contractors to be resolved, it is not appropriate to commence an investigation at this stage.

2.5 COMPLETED INVESTIGATIONS

The following matters which were referred to the Committee, or raised by Committee Members, have been considered and the investigation satisfactorily concluded without the need for an in-depth investigation and subsequent report to Tynwald –

a. Government Office Accommodation.

A Report from the Department of Local Government and the Environment was approved by the Council of Ministers in October 2006 and the Department is

implementing the recommendations, which aim to reduce the rental and running costs of Government accommodation.

b. Expenditure on Personnel Recruitment.

The costs for recruitment when this function was the responsibility of the Personnel Office were compared with the costs for those Departments who had taken over responsibility for their own staff recruitment, and we found it difficult to make a meaningful value for money judgment. All the Departments who had elected to take on this function agreed that the procedure added value due to a greater input by the employing Department and a speeding up of the recruitment process. As no significant inefficiencies came to light, it was agreed that a fuller investigation was not a priority of the committee.

c. Staff suspended on Full Pay

The Committee had discussions with the Secretary of the Civil Service Commission regarding the delays sometimes encountered in resolving these cases and the lack of collated statistics. We have been assured that statistics relating to these cases and to absences for other reasons are now available and will in future be included in both the Government and the Personnel Office Annual Reports. We would hope that the production of these statistics will encourage Departments to ensure that all staff absences, for whatever reason, are kept to a minimum.

3. CONCLUSION

We are confident that our revised strategies for prioritising our efforts in future will result in more focussed and efficient investigations. We will evaluate those strategies from time to time and will include a progress report in our next Annual Report to Tynwald.

C M Christian
Q B Gill
D M W Butt
G D Cregeen
R W Henderson
J P Watterson

November 2007

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