

1. Audit (Amendment) Bill 2015 – Third Reading approved

Mr Henderson to move:

That the Audit (Amendment) Bill 2015 be read a third time.

The President: We turn to the first business on our Order Paper, which is the Audit (Amendment) Bill 2015 for Third Reading, and I call on Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

Eaghtyrane, as I highlighted previously, I consider this to be a very positive piece of legislation. The Bill will enable Treasury to implement a more proportionate approach to financial governance across the public sector based upon a three-tier level of external inspection of financial statements – namely, either a full audit assurance review or independent examination, as deemed appropriate, with the default still being a full audit.

Whilst Treasury has previously used its existing powers to create subordinate legislation to implement just such a proportionate approach to the local government sector, this Bill promotes those principles into the primary legislation itself, making the relevant rights and responsibilities under the framework clearer and more explicit for all concerned.

The Bill expands this proportionate approach to allow Treasury to apply it to any relevant body currently required to be audited in accordance with the Audit Act, and it is Treasury's intention, in particular, to apply the revised assurance framework to the burial authorities.

The Bill also amends the burial authorities' accounting period to change their year-end from 31st December to 31st March, which it is anticipated will ease their annual financial timetable.

Eaghtyrane, I thank Hon. Members for their scrutiny of this Bill and support thus far and beg to move that the Audit (Amendment) Bill 2015 be read for a third time.

The President: The Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Madam President.
I beg to second and reserve my remarks.

The President: The Hon. Member, Mr Turner.

Mr Turner: Thank you, Madam President.

I have at this stage an amendment to move, which was as a result of our discussions. If I draw Members' attention to page 9, a clause there which is 4B(c), it says:

'A member of the Isle of Man Civil Service;'

I raised issue with the... we are in the transition period between the Civil Service Commission, Whitley Council and the Public Services Commission all coming into being and some of those, the likes of the Civil Service Commission, will be going out of being. So it was to clarify, really, this particular area and they have consulted with the draftsman, who suggests an amendment to this clause, which is what I would like to move at this stage to tidy this up.

The amendment... I am not sure whether it has been circulated to Members – **(A Member: No.)** I will read it out:

'Mr Turner to move amendment to clause 10:

Page 9, for line 20 substitute –

“(c) an employee of the Public Services Commission;”

So it basically changes (c) in that particular clause.

Just to give Members a background, there will be a transition period where different employment groups are going to be brought in as employees of the Public Services Commission – for example, they will be able to appoint by different orders which groups of employees come in to become employees of the Public Services Commission. At any future time it may be that other employment groups become employees of the Public Services Commission. So I would just flag up that in putting this in under the new Public Services Commission Act, non-civil servants at the moment are going to become employees of the Public Services Commission, where at the moment they are not. It is going to have a much wider remit and so I think we need to put that on the record and obviously keep an eye on that going forward.

So that is the amendment to the clause, which is a technical amendment, really, supported by the drafter. So I hope somebody will second this amendment and we can get this tidied up and moved on. I beg to move.

The President: Hon. Member, Mr Corkish.

Mr Corkish: Thank you, Madam President.
I am happy to second.

The President: The Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Madam President.

I just have one question for the mover of the amendment and I wonder whether the PSP is going to include such Statutory Boards as the Manx Utility Authority. Perhaps he can come back and indicate whether that would be therefore all encompassing as the intention would appear to be.

The President: If we are to allow the Hon. Member to respond, we need clarity if you are going to vote on the amendment.

Mr Turner.

Mr Turner: Thank you, Madam President.

I think the difficulty I have is that I am not privy to which employment groups will in the future become part of the Public Services Commission. The initial stage is going to be that the Civil Service Commission employees will transfer over, and the Whitley Council employees. As some Members will be aware, we have other groups, such as local authority employees, that are analogous to the terms and conditions. I am not suggesting – and I do not want to set any hares running here – that local authority employees are going to become employees of the Commission, but what I am saying is there is the ability to appoint different employment groups under this, if that is the decision of those particular bodies. So I think in relation to the MUA, I would imagine that would be a decision taken by the MUA, the Council of Ministers or somebody.

My role in the Commission... we really administer what is going on, and so it would be up to those employment groups, I would imagine, in the future. But the way the Act is in place, there is the ability for other groups to be brought in under it – for example, teachers and police officers. They are all public servants, but they are not employees of the Commission *per se*. So I am sorry I cannot give him the clarity that he is seeking, but the ability is there should those groups wish to join at a later stage.

The President: The Lord Bishop.

The Lord Bishop: Thank you, Madam President.

This does not relate to the amendment, it is simply to welcome the Bill and particularly to welcome the change in the time for the accounting period and allow time for the auditors to do their work on the accounts.

Also to say in relation to the Burial Act, which this Bill affects, I am personally hoping that we will soon be able to make some changes to that Act so that instead of having considerable difficulty trying to find churchwardens in some places because of their responsibilities in relation to the Burial Act, that we may be able to make significant changes to make the rest of the Burial Act easier to implement, but I entirely support this Bill.

The President: The mover to reply.

Mr Henderson: Gura mie eu, Eaghtyrane.

I thank all Hon. Members for their support on this Bill.

I am happy with Mr Turner's amendment as that adds a bit of clarity to things, although strictly speaking, Eaghtyrane, I think under the other Acts that would be amended as a result of the body with which Mr Turner refers to. I think things would have sorted themselves out, legislatively speaking anyway, but this adds an express point to this and makes it very clear. So we are happy with that.

I am pleased with the Lord Bishop's comments and certainly look forward to seeing any proposed changes in the future that may come across our bows, Eaghtyrane, for further scrutiny.

With that, Eaghtyrane, I beg to move.

The President: The motion is that the Bill be read a third time and do pass. To that we have an amendment in the name of Mr Turner, and I would just remind Members that an amendment at Third Reading requires six votes in support.

I put to you the amendment in Mr Turner's name. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

I now put to you the Third Reading incorporating that amendment. Those in favour, please say aye; against, no. The ayes have it. The ayes have it. The Bill is read a third time.