

**WRITTEN QUESTION TO THE CHAIRMAN OF THE PUBLIC ACCOUNTS  
COMMITTEE BY THE DEPUTY OF ST. MARY  
ANSWER TO BE TABLED ON TUESDAY 18th JANUARY 2011**

**Question**

Can the Chairman of the PAC –

- (a) provide for members the text of the press release which accompanied the PAC's 'Report on the Accounts of the States of Jersey for the year ended December 2009' (PAC.4/2010)?
- (b) can the Chairman give specific examples of –
  - (i) the 'uncontrolled spending' which according to the Report (paragraph 21.4 page 11) is the result of 'lack of accountability' and;
  - (ii) the 'spending of considerable sums of public funds which cannot be accounted for' (paragraph 21.8 page 11)
- (c) can the Chairman tell members exactly what the additional "spend" was for as detailed in paragraph 3.5 on page 12 when there was a disparity between the predicted expenditure and the actual expenditure?
- (d) why was this information not in the Report?
- (e) how can the underestimation of spend within financial forecasts be regarded as a key finding (P.14 paragraph 4.8) when the discussion in the preceding 3 paragraphs is about estimating tax income?

**Answer**

The content of the press release for the P.A.C report on the Financial Report and Accounts 2009 dated 15th December 2010 was as follows:

***There is no collective responsibility for States Spending, says Public Accounts Committee Report***

*The Public Accounts Committee's review of the States Accounts for the year ended 31st December 2009 identified a worrying lack of collective responsibility for overall cost control at both a political and civil servant level. The Committee concluded that the current system encourages a silo mentality whereby both Ministers and departments will tend to operate in their own best interests, rather than to the overall benefit of the Island.*

*The acceleration in public spending since the adoption of Ministerial Government and the implementation of the Public Finance (Jersey) Law 2005 should not be viewed as coincidental as*

*the Public Accounts Committee found critical weaknesses in the overall oversight and management of the current arrangements.*

*Senator Ben Shenton, Chairman of the Public Accounts Committee, stated:*

***“ This Report highlights severe weaknesses in the current system and these need to be addressed with extreme urgency. The Committee established that lines of accountability for centralised States spending are unclear – indeed it proved impossible to identify who has overarching responsibility for states spending. This is exacerbated by ambiguities within the Public Finances (Jersey) Law 2005, and the lack of collective responsibility engendered by the Council of Ministers, where each Minister acts as a corporation sole.***

***We would like to stress that the aim of the Report is to highlight and eliminate any weaknesses in respect of the current system. It should not be seen as personal criticism of any individuals who are currently working to the existing guidelines, mandates, and controls. It is inevitable that any new system of Government will have flaws that require action. It is hoped that the executive, civil servants, and other States Members will accept these criticisms in the spirit intended and work with the PAC to correct them. It is doubtful, in our opinion, that Ministerial Government can successfully operate without collective responsibility at many levels.”***

The answers to the Deputy’s other questions are all contained within the PAC report itself, which contains numerous evidence based examples of uncontrolled spending and funds expended with no apparent accounting officer.

As regards the exact figures of the spend, the figures are contained within the States Report and Accounts themselves produced by the Treasury and signed by PWC and the Deputy Treasurer. It is not the PAC’s job to produce the Accounts, it is our job to review them. If figures within the Accounts are missing or unclear, then this is a question for the Treasury to answer.

N.B The PAC acknowledges that the word ‘spend’ at point 4.8 (p.14) should have been ‘income’, this is a typographical error.