

EDUCATION & HOME AFFAIRS SCRUTINY PANEL
(a Sub-Panel Chaired by Deputy Trevor Pitman)

**ISSUES SURROUNDING THE REVIEW OF FINANCIAL MANAGEMENT OF
OPERATION RECTANGLE**

WRITTEN SUBMISSION OF BDO ALTO LIMITED

1. BDO Alto Limited (“BDO”) has prepared this written submission for a Sub-Panel of the Education & Home Affairs Scrutiny Panel (the “Sub Panel”) in respect of their Review entitled *“Issues surrounding the review of financial management of Operation Rectangle”*¹.
2. We understand that the Sub Panel will consider the following issues²:
 - a. The fact that the Mr Harper, who was the subject of significant criticism in a Report prepared by BDO dated May 2010, was not interviewed by BDO nor given the opportunity to respond to the findings in the report;
 - b. The BDO report refers to confidential statements made by Mr Harper to the Wiltshire Police enquiry, while Mr Harper himself has been refused a copy of his own statement;
 - c. An ‘interim report by financial auditors’ was purportedly leaked to the Mail on Sunday in early October 2009, eight months before the report was submitted to the Minister and was used in a highly critical report on the conduct of the Haut de la Garenne inquiry. It appears that a Senior Police Officer was responsible for this leak.
3. This written submission has been prepared in four Parts:
 - a. Part A: Reasoning for not interviewing Mr Harper
 - b. Part B: Mr Harper’s statement to Wiltshire Police

¹ As confirmed in a letter from the Sub Panel to BDO dated 23 June received by BDO on 24 June 2011. The original Scrutiny Review title was revised following concerns raised by BDO on 28 June 2011 in a letter to the President of the Chairmen’s Committee.

² *ibid*

- c. Part C: The “leak” to a Mail on Sunday journalist
 - d. Part D: Our response to the written submission of Mr Harper
4. The BDO Report that is now at the centre of this Scrutiny Review is dated May 2010, titled *“Operation Rectangle: Review of the Efficient and Effective Use of Resources”* (the “Report”)³.
 5. As stated on page 4 of the Report, the instruction to BDO was to *“undertake an independent Review to consider the Efficient and Effective Use of Resources by the Home Affairs Department, and in particular SOJP⁴, in relation to Operation Rectangle⁵.”* The Report was addressed to the Minister and Accounting Officer of the Home Affairs Department.
 6. It is worth reiterating that BDO worked alongside Mr Michael Kellett in our review and production of the Report. Mr Kellett is a former senior UK police officer who was engaged directly by SOJP. The terms of reference of Mr Kellett explain his appointment and his role in assisting BDO:

“The Home Affairs Accounting Officer, [Accounting Officer], has employed accountants to conduct the above review [the “Review of the Efficient and Effective Use of Resources”].

The accountants have no knowledge relating to the management of police operations or police regulations. The review will benefit from the involvement of an experienced police manager.

As a former Senior Investigating Officer, who also set up the North West Regional Assets Recovery Agency. Mr Kellett is being employed to liaise with and assist where possible the accountants and to identify the expenditure on specific areas.

Where able he will comment on the expenditure and potentially identify future best practice for the States of Jersey Police”⁶

7. Mr Kellett reviewed the relevant financial documentation contained in the Major Incident Room at SOJP headquarters, and also undertook interviews with SOJP

³ States of Jersey website: <http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=421>

⁴ States of Jersey Police (“SOJP”).

⁵ Operation Rectangle is the code name assigned to the Historical Child Abuse Enquiry undertaken by SOJP.

⁶ Terms of reference for the employment of Mr Kellett by SOJP dated 17 March 2009.

officers and other civilian contractors. His work outputs formed part of the overall evidence and documentation that supported the Report findings.

8. The Report states that the findings are *“the joint findings of Mr Kellett and BDO”*.⁷
9. In Appendix A we provide the Sub Panel with a chronology of key events relevant to our appointment to undertake the review and to report to Home Affairs.

PART A: REASONING FOR NOT INTERVIEWING MR HARPER

10. We note Mr Harper’s comment contained within his written submission to the Sub Panel, where he states, *“... a number of issues which arise from the failure of BDO to even attempt to interview me as part of their review, nor to give me the opportunity to respond to criticisms contained in the report.”*⁸
11. Mr Harper goes on to discuss what he considers “lawful procedure” by reference to, *inter alia*, Maxwell v. DTI 1974 and the Inquiries Act 2005.
12. Meanwhile the Sub Panel raised a concern that, *“Mr Harper, who was the subject of significant criticism in the report, was not interviewed by BDO Alto nor given the opportunity to respond to the findings in the report.”*
13. We deal with the concerns of the Sub Panel and Mr Harper below and in Part D we provide further evidence to support specific Report findings, which have been disputed by Mr Harper in his written submission.

This was a review, not an Inquiry or an Investigation

14. Firstly, we make reference to The Inquiries Act and the use of “warning letters”:

*“The Inquiries Act 2005 (c.12) is an Act of the Parliament of the United Kingdom. It came into effect in the United Kingdom on 7 June 2005. According to the British government, the Act “is designed to provide a framework under which future inquiries, set up by Ministers into events that have caused or have potential to cause public concern, can operate effectively to deliver valuable and practicable recommendations in reasonable time and at a reasonable cost.”*⁹

Warning letters *“... are normally known as Salmon letters, after the Salmon principles, which hold it to be necessary to give fair notice to a witness in*

⁷ BDO report page 4.

⁸ Written submission of Mr Harper to the Sub Panel dated 25 June 2011.

⁹ Source: Wikipedia.org

*advance of publication of the final report of a **public inquiry** of any criticism of him that the report may contain.”¹⁰ [our emphasis]*

15. Our review was undertaken solely for the Minister and Accounting Officer of the Home Affairs Department and our findings were presented to them in our Report, which the Minister determined to release into the public domain. We were not engaged to undertake either a public inquiry or a public investigation and thus we consider that the references made by Mr Harper to UK inquiry process are not relevant in this instance.

Mr Harper was not the subject of our review or singled out for criticism

16. Mr Harper was not the subject of our Review; he had retired when the Review was underway and we understand that he now lives in Scotland.
17. It was not the intention of the Report to be directly critical of Mr Harper or of any other individual. In fact the Report acknowledges the hard work of Police officers and third-party contractors during the course of the Operation Rectangle enquiry and confirms that *“The Report is not intended to be in any way critical of their individual efforts ...”*¹¹; this includes Mr Harper as the Senior Investigating Officer.
18. The Report also acknowledges that Mr Harper was *“... working long hours under intense pressure”*.¹²

Mr Kellett and BDO Alto were declined permission to interview Mr Harper

19. In July 2009 Mr Kellett requested permission from SOJP to interview Mr Harper. Permission to approach and interview Mr Harper was necessary because he was still bound by confidentiality obligations following his retirement from SOJP, and Operation Rectangle was still an ongoing investigation. The request to interview Mr Harper was declined¹³; the reason(s) why SOJP declined permission for Mr Harper to be interviewed are not within the knowledge of BDO. The chronology of key events in Appendix A records, amongst other things, efforts made to obtain permission to interview Mr Harper.
20. In any case at the time of our review it was not clear that Mr Harper wished to be interviewed, amongst other things:

¹⁰ Source: publicinquiries.org

¹¹ BDO report page 6.

¹² BDO report page 26.

¹³ Meeting between Mr Kellett and Acting Chief Officer Warcup on 21 July 2009, and subsequent correspondence including an email dated 2 September 2009.

- a. We understand that Mr Harper had already defied a Royal Court order to return to the Island in 2009 to give evidence in an abuse trial and to produce his 'day books'¹⁴; and
- b. Mr Harper, as a result of the media "leak", appears to have been aware that a financial investigation was underway¹⁵ but, to our knowledge, did not contact SOJP or Home Affairs to offer himself for interview. We can confirm that Mr Harper did not contact us directly at the time.

Impact of not interviewing Mr Harper on the review and Report

21. The findings contained in our Report were researched and evidenced; no facts or other information have come to, or been brought to, our attention since the issue of our Report that would cause us to revise the findings as stated therein.
22. Because we were denied permission to interview Mr Harper, we were unable to report certain matters that we would otherwise have sought to comment on. This is in respect of matters where the lack of documentary evidence available to us would have required Mr Harper's oral evidence. As an example, we researched but ultimately did not report on financial issues relating to Mr Harper's use of a Police Constable as his driver / staff officer during Operation Rectangle.
23. We were also cognisant of the fact that Mr Harper could not be in possession of documents pertaining to Operation Rectangle given his retirement from SOJP, and thus further documentary evidence would not be available from Mr Harper.
24. Our Report makes it very clear that Mr Harper was not interviewed¹⁶.

Summary

25. To summarise our response to the Sub Panel's concern that, *"Mr Harper, who was the subject of significant criticism in the report, was not interviewed by BDO Alto nor given the opportunity to respond to the findings in the report."*
 - a. Our review and Report did not constitute an Inquiry, and therefore there was no legal or other requirement for Mr Harper to be interviewed;

¹⁴ Article posted on 'This Is Jersey' website on 22 August 2009, <http://www.thisisjersey.com/2009/08/22/41768/>

¹⁵ Article on Newsdesk International's blog dated 21 October 2009: *"Harper refused to comment last night, saying anything he might want to say was contained in a 15,000-word account he recently posted on a website run by a Jersey senator, Stuart Syvret, who has described Harper's critics as 'scum' trying to cover up child abuse. Harper's article does not address the new evidence revealed by The Mail on Sunday [article of 4 October 2009], but states that any criticism of him is 'nonsense' based on 'lies and half-truths'."*

¹⁶ BDO report pages 5 and 6.

- b. That said, Mr Kellett requested permission to interview Mr Harper, who had retired and was living in Scotland, but that request to interview Mr Harper was declined by SOJP;
- c. At that time it was not certain that Mr Harper would have agreed to be interviewed for reasons discussed above and, in any case, he would not have been in possession of documents pertaining to the financial management of Operation Rectangle given he was retired from SOJP;
- d. The fact that Mr Harper was not interviewed is clearly stated in our Report;
- e. The findings contained in the Report are consistent with the evidence that we obtained;
- f. The comments made by Mr Harper in his own written submission to the Sub Panel do not cause us to revise our findings (see also Part D); and
- g. We clearly stated that the Report was not aimed to criticise any specific individual involved in the investigation, and that includes Mr Harper.

PART B: MR HARPER'S STATEMENT TO WILTSHIRE POLICE

- 26. The Sub Panel has raised a concern that, *"The [BDO] report refers to confidential statements made by the SIO to the Wiltshire enquiry, while the SIO himself has been refused a copy of his own statement."*
- 27. Firstly, the fact that Mr Harper has been refused a copy of his statement would appear to be a personal concern for him, to be addressed with Wiltshire Police.
- 28. We confirm that BDO has never been provided with and has never seen a copy of Mr Harper's statement made to Wiltshire Police.
- 29. We can also confirm that there was no contact whatsoever between BDO and Wiltshire Police during the course of the review.
- 30. The Report makes three very brief references to a statement made by Mr Harper to Wiltshire Police, Mr Harper's statement having been reviewed by Mr Kellett rather than by BDO during the course of information gathering.
- 31. The three references to Mr Harper's statement made in the Report are:

- a. Page 12: *“In Mr Harper’s statement to Wiltshire Police he notes that several meetings took place with Home Affairs (during the course of the investigation) but that he was never asked for detailed forecasting of costs. This contradicts with our discussions with the Finance and Administration Manager at Home Affairs.”*
- b. Page 12: *“Mr Harper also notes in his statement that Home Affairs queries certain expenses, such as the Australia trip, but that they were always happy with the explanations given.”*
- c. Page 21: *“Mr Harper has previously noted in a statement to Wiltshire Constabulary in April 2009 that, in his opinion, the ACPO standards of investigation do not normally apply to SOJP because SOJP is not a Home Office force.”*

32. These brief references to Mr Harper’s statement were included in the Report by Mr Kellett to provide some additional justification for the approach adopted by Mr Harper to certain financial aspects of the management of Operation Rectangle, i.e. they were included to add some support to Mr Harper’s approach.

PART C: THE “LEAK” TO A MAIL ON SUNDAY JOURNALIST

33. The Sub Panel has raised a concern that, *“[BDO’s] letter of engagement was dated 29th September 2011 [sic]; however, just a few days later an ‘interim report by financial auditors’ was leaked to the Mail on Sunday (4th October 2009). It appears that a Senior Police Officer was responsible for this leak.”*

Background to the Panel’s ‘concern’

34. The date of issuance of our engagement letter is a red-herring that has incited a lot of speculation on at least one local blog site; Mr Harper is a regular contributor to this particular blog.
35. We have raised our concerns with both the Panel and the Chairmen’s Committee regarding the fact that this Scrutiny Review’s terms of reference appears to be based on, or was at least heavily influenced by, the content of one particular blog site, which contains much speculation and is not in possession of full facts.
36. Ironically, and unknown to us at the time, this blog site had actually “leaked” the decision of Scrutiny to undertake this review on Sunday 12 June 2011, some 11 days before Scrutiny officially announced it via their press release and before we

ourselves found out about it. The relevant blog posted, *“Scrutiny will be looking at this. It will be chaired by one of the decent politicians Deputy T Pitman”*

Our engagement letter

37. The terms of reference for BDO’s review were discussed between Home Affairs and BDO in early March 2009. On 18 March 2009 the draft engagement letter and scope of work were sent to Home Affairs¹⁷. On 25 March 2009 Home Affairs confirmed that they were happy with the draft engagement terms and that the relevant BDO employees had been security vetted by SOJP¹⁸. Later that day, on 25 March 2009, initial financial information relating to the Operation Rectangle investigation (covering the period from October 2007) was sent by Home Affairs to BDO to enable initial review work to commence.
38. On 2 April 2009 BDO met with Mr Kellett and commenced working together.
39. It was not until 29 September 2009 that the terms of engagement were confirmed in a formal letter signed by BDO and sent to Home Affairs. The delay in issuing a formal engagement letter was primarily due to the final Report format not having been determined. This delay in issuing our formal engagement letter was not a concern from a contractual standpoint; the draft engagement letter clearly states that prior to signature by the client, *“Your continuing instructions will amount to an acceptance of this Engagement Letter.”*
40. There is and can be no connection between the date of issue of our engagement letter (which was 6 months after both the terms of engagement has been agreed and work has commenced) and the “leak” to the media around 4 October 2009.

Background to the Mail on Sunday press coverage

41. The “leak” referred to by the Sub Panel relates to an article published in The Mail On Sunday and on the Mail Online website on 4 October 2009, authored by a journalist called Mr David Rose. The title of the article was *“Bungled Jersey child abuse probe branded a ‘£20 million shambles’”*¹⁹.
42. The article includes reference to *“a leaked report by financial auditors into the investigation”*. However, far from simply being an article written about financial aspects of the investigation, the article reveals the findings of a three-month

¹⁷ Email from BDO to Home Affairs.

¹⁸ Email from Home Affairs to BDO.

¹⁹ <http://www.dailymail.co.uk/news/article-1217863/Bungled-Jersey-child-abuse-probe-branded-20million-shambles.html>

investigation carried out by The Mail on Sunday. This article quotes from Mr Mick Gradwell, the Senior Investigating Officer who replaced Mr Harper following his retirement, Acting Chief Officer David Warcup, Mr Martin Grime, the NPIA's Chief Executive, a former Metropolitan Police Commander (through a spokeswoman) as well as an unnamed "Jersey government spokeswoman"²⁰.

43. In fact, Mr Rose had been covering the investigation for some time and his use of "leaked" documents in the 4 October 2009 article was not the first time.
44. An earlier article dated 15 November 2008 was titled "*How police chief Lenny Harper lost the plot over the Jersey children's home 'murders'*"²¹. In that article, Mr Rose notes "... *The Mail on Sunday has obtained confidential documents, including a crucial email written by Mr Harper and the official log book kept by his own forensic science team. They show he repeatedly misled both the media and the island's government, and made a series of statements that proved to be inaccurate.*" [our emphasis]
45. This November 2008 article also quoted from numerous individuals involved in the investigation including Mr Harper, SIO Gradwell, Mr Frank Walker, a named professor from the Sheffield University Centre for Human Identification and an LGC spokeswoman. We are not aware as to whether the "leak" of material referred to in Mr Rose's article of November 2008 has been investigated. Even in that article details of financial expenditure were being discussed; the article refers to "... *the police are also said to be concerned at the inquiry's profligate expenditure – such as a decision to send two officers First Class to Australia, and a £100,000 bill for the use of Eddie the sniffer dog.*"
46. And in fact, as early as 24 May 2008, Mr Rose was discussing the costs of the investigation at Haut De La Garenne. In his article titled "*Jersey police failed to reveal that tested 'skull' was coconut*"²² he reported, "*Last night it was revealed his [Mr Harper's] investigation at Haut de la Garenne is set to cost £6.5 million this year – about £20,000 per day since the inquiry began on February 23.*"
47. This is important context because the terms of reference for this Scrutiny Review might otherwise imply that there was no financial or other confidential information in the public domain, whether "leaked" or released, and therefore that the article

²⁰ *ibid*

²¹ <http://www.dailymail.co.uk/news/article-1086018/How-police-chief-Lenny-Harper-lost-plot-Jersey-childrens-home-murders.html>

²² <http://www.dailymail.co.uk/news/article-1021722/Jersey-police-failed-reveal-tested-skull-coconut.html>

in The Mail on Sunday on 4 October 2009 came 'out of the blue'. That is clearly not the case and much had already been reported.

Material "leaked" to the Mail on Sunday journalist

48. BDO and Mr Kellett discussed the David Rose article of 4 October 2009 the very next day, on Monday 5 October. Both BDO and Mr Kellett were concerned and upset that confidentiality had been compromised.
49. The nature of the leaked material was immediately clear. It was not and could not have been an *'interim report by financial auditors'* that had been leaked to The Mail on Sunday because no draft report was in open circulation by that date.
50. The email trails that follow provide a full contemporaneous record of discussions and correspondence that took place on 5, 6 and 7 October 2009.
51. The Home Affairs Department wrote to BDO as follows²³:

"I was concerned to read an article about the HCAE in the Mail on Sunday yesterday that stated that the newspaper has had sight of 'a leaked report by financial auditors', the report is later referred to as 'the team's interim report'.

The article does not mention BDO but quotes David Warcup as telling the Mail on Sunday that 'he had appointed an independent team of auditors to examine Harper's spending.'

If the report referred to is indeed your report I would be grateful for an explanation of how the draft was allegedly made available to the Mail on Sunday reporter when neither the Minister for Home Affairs, the Accounting Officer or myself have yet seen a copy of your draft report."

52. BDO responded by email on the same day, extracts from that email²⁴:

"To confirm, the draft report has not been provided to anyone by BDO Alto, and in fact no copies have been provided to any party including Home Affairs ... there are no copies in circulation as far as we are aware.

I understand that drafts of Mike Kellett's work were circulated to Mr Gradwell, amongst others including the Wiltshire team, during drafting stage - this included sections on Mr Grime, the deployment of [named officer] and meals in London. I

²³ Email from Home Affairs to BDO dated 5 October 2009, timed 09:43.

²⁴ Email from BDO to Home Affairs dated 5 October 2009, timed 10:26.

have not yet been able to speak to Mike today, however I know that he circulated copies of his work on a confidential basis and was also minded that confidentiality was to be maintained at all times, and that the Report output needed to be on a 'privileged' basis. It does seem more likely to be the case that it is initial drafts of Mike's work that have been seen by the newspaper rather than our Report - although I have no evidence of that, and nor can we speculate as to the source ...

The wording included in the newspaper appears to be taken from Mike's original drafting, as discussed above.

I would again stress that the Report has not been made available to anyone by BDO, and that confidentiality is of paramount importance to us. Neither has any comment been made by us to any media, and the only discussions relating to this Report are as between ourselves, Mike Kellett and yourselves.”

53. Mr Kellett sent an email to BDO on 6 October 2009 and a copy of that email was forwarded by BDO to Home Affairs the next day²⁵. Extracts from that email:

“I am shocked that drafts of sections of our report (and not the 'interim' report, as inaccurately stated in the article) have been leaked to the press and published in this fashion, which is unhelpful to say the least and does nothing to serve the public interest. I agree with you that the quotes cited in the Mail on Sunday appear to be from the very first drafts of my work, as at least one of them appeared only in initial draft and was excised from the document drafted to consolidate my work and that carried out by you and [BDO employee]. Given that fact, the probable source of the leak is clear to me.

Apart from you, the initial drafts were also sent to David Warcup, to the Wiltshire team and to Mick Gradwell, for information and for feedback on accuracy of content and on style. None of these recipients received any of the updated drafts, neither those done by me to my initial work nor the consolidated drafts prepared by you ...

One of the elements of the article of most concern to me is the identification by name and reference on several occasions to [named officer]. It seems to me to have been unnecessary and unfair and the implication in the article is of course negative. I have written to him this afternoon in an attempt to reassure him that

²⁵ Email from Mr Kellett to BDO dated 6 October 2009, forwarded by BDO to Home Affairs on 7 October 2009.

the report as written makes clear that he was acting on the instructions of Lenny Harper and a copy of my e-mail is attached below.”

Responsibility for the “leak”

54. The Panel's terms of reference state that, *“It appears that a Senior Police Officer was responsible for this leak”*.
55. As we noted earlier, this does not appear to have been the first leak of material in respect of the Operation Rectangle investigation. In respect of the leak forming a part of this review, we understand that the Home Affairs Minister has commented in the States following a question by Deputy Pitman on 20 June 2011²⁶:

Deputy Pitman: *My question for the Minister is will he clarify what was the conclusion of the brief investigation into who within the police force leaked the interim BDO-related report for U.K. child abuse to a journalist and has anyone been suspended as of yet?*

Senator Le Marquand: *The most likely person who did this was the former senior investigating officer who took on the Historical Abuse Inquiry and who left in August 2009 with a very noisy - if I may put it that way - publicity in relation to his criticisms of his predecessors. The result of the inquiry, which was conducted by my staff in 2009, very clearly pointed in his direction.*

56. In fact, as we have evidenced above, this leak was not a “BDO Alto report”.

Summary

57. To summarise our response to the Sub Panel's concern that, *“[BDO's] letter of engagement was dated 29th September 2011 [sic]; however, just a few days later an ‘interim report by financial auditors’ was leaked to the Mail on Sunday (4th October 2009). It appears that a Senior Police Officer was responsible for this leak.”*
- a. The date of the BDO letter of engagement is a red-herring; the terms of reference for BDO's review had been confirmed six months earlier on 25 March 2009 and work had commenced then;
 - b. The date of issue of the formal engagement letter vis-à-vis the date of the “leak” are completely unconnected, although a local blog site has

²⁶ Hansard transcript - Questions to Ministers without notice, The Minister for Home Affairs

attracted much maligned comment as regards this and other issues that now form part of this Scrutiny Review;

- c. The material that was leaked to The Mail on Sunday was not in fact an interim report prepared by BDO, or any other report *per se*, but rather were initial drafts of Mr Kellett's notes on certain aspects of the review. Elements of these notes were incorporated into the Report at a later date; and
- d. The Home Affairs Minister has previously stated that the leak appears to have originated from a senior police officer. BDO has never provided any information pertaining to its review to any third party.

PART D: OUR RESPONSE TO THE WRITTEN SUBMISSION OF MR HARPER

58. We refer to the written submission of Mr Harper dated 25 June 2011, in particular to paragraphs 6 to 18 of that submission that comments upon specific findings as contained in our Report (other points raised by Mr Harper in his submission are commented upon by us in Parts A to C above).

59. We acknowledge the Sub Panel's terms of reference, which clearly state that:

"... it is important that [the] review ... remains tightly focussed on the issues arising from the [above] concerns and will not stray into broader issues relating to the Haut De La Garenne enquiry nor to the substance of the findings and recommendations of the report which have already been considered by the Comptroller and Auditor General."

60. However, and notwithstanding the Sub Panel's terms of reference and desire to remain tightly focussed on the specific concerns being reviewed, we now feel it necessary to provide a response to Mr Harper's various comments and criticisms of our Report, in part to provide factual correction. Mr Harper's comments do not impact our assessment of the findings contained within our Report, based on the evidence available to us and set-out within our Report.

The independence of Mr Kellett

61. In paragraph 6 of his written submission, Mr Harper discusses *"... the close links between Mr Kellett and Mr Gradwell, which BDO seem to have conveniently overlooked ... The use of Mr Kellett can hardly be said to be an independent appointment."*

62. The nature of the relationship between Mr Kellett and Mr Gradwell is a matter for Mr Kellett to confirm directly. However, BDO considers Mr Kellett's integrity and objectivity to be beyond question.
63. Mr Kellett is a senior ex-policeman and is an experienced SIO. He now regularly consults for, amongst others, the Council of Europe and the Foreign Office. It was Mr Kellett who sought permission from SOJP to interview Mr Harper as part of our review, but this request was declined.
64. The input from Mr Kellett assisted BDO in making a total of 19 recommendations to the Minister and Accounting Officer within the Report. It appears that Wiltshire Police arrived at similar conclusions to BDO as regards financial governance²⁷.

Overall spending on Operation Rectangle

65. In paragraph 7 of his written submission, Mr Harper states that:

“One fundamental effect of the failure to even interview me appears at the very outset of the report and is crucial in the BDO conclusion that much of the spending was unnecessary. This is in relation to the search operation at HDLG. BDO quote a Met interim report as saying that the entry into HDLG was “unjustified” and the report makes light of the process which led to the search of HDLG. However, BDO make no mention of the fact that a later report by Wiltshire Police endorsed the entry into HDLG and the important fact that it was the National Policing Improvement Agency who actually recommended the operation and who formulated the Search Strategy. (A copy of their Strategy is attached.) BDO have completely missed this but would not have been allowed to if they had spoken to me.”
66. Firstly, the Report does not *“quote a Met interim report”* and thus does not quote the word *“unjustified”*, and neither does the Report *“make light of the process which led to the search of HDLG.”*
67. Mr Harper seems to have misunderstood our findings. The BDO review, and the resultant Report, was not undertaken to consider if operational decisions were justified. We were concerned with whether or not, irrespective of the operational decisions taken (including the decision to undertake a detailed search of the Haut

²⁷ Extracts of the “Finance Report” prepared by Wiltshire Police and released on 13 July 2010. Paragraph 1.10 states that, *“We have considered the findings of a consultant, Mr Mike KELLETT, and the content of a draft version of a consultancy report by BDO Alto. It should be noted that the final version of the Report was not available prior to the finalisation of this Report. We concur with many of the draft report’s findings ...”* We note that the draft report was not provided to Wiltshire Police by BDO.

de la Garenne buildings), taxpayer money was spent wisely and with due regard for value-for-money.

68. Our approach was clearly set-out in our report²⁸:

“We have considered the financial management processes employed to ensure the efficient and effective use of resources, and thus value-for-money for the taxpayer. The profile of the investigation (both within the Island and externally) was extremely high and relatively unique. Nevertheless, our starting point has been to consider whether financial management of this investigation has been in accordance with both SoJ and SOJP standard protocols and best practice.

For completeness purposes our Review has also considered costs incurred post 24 March 2009 and forecasts to end-2010. Thus, this Review seeks to quantify the total anticipated costs of Operation Rectangle to the taxpayer.

Our Review has not sought to consider operational decisions per se, for example the number of police officers deployed to the investigation. Instead it focuses solely on the amount of funds spent on the investigation, the background to why costs were incurred (insofar as we are able to determine) and whether these costs were incurred with due regard for value-for-money.”

69. We refer the Sub Panel to our original Report and what we actually reported:

*“The discovery of JAR/6, the immediate announcement to the media of that discovery and the subsequent statement by the Chief Minister that all **necessary resources** would be available to the investigation, culminated in the pace of investigation accelerating very significantly and, from a financial management perspective, in a far more costly and unstructured way.”²⁹ [our emphasis]*

“We do not consider the intention of the former Chief Minister’s statement was to remove the obligation to manage investigation expenditure appropriately. However, as a result of this Review we have a number of concerns over many aspects of the manner in which resources were utilised and managed, and the significant financial consequences thereof on the public purse.”³⁰

²⁸ BDO report page 6.

²⁹ BDO report page 9.

³⁰ BDO report page 10.

70. These conclusions remain valid based on all of the evidence that we have seen. A number of further examples that support our conclusions are evidenced below, in dealing with the specific matters raised by Mr Harper in his written submission.
71. Paragraphs 8 and 9 of Mr Harper's written submission to the Panel refer to the operational decisions to excavate inside the Haut de la Garenne building, the role of Mr Grime's dogs, the forensic analysis and specifically the analysis of JAR/6. Our comments above are equally applicable and we do not feel it necessary to make further substantive comment.

Financial governance within SOJP

72. In paragraph 10 of his written submission, Mr Harper raises a number of issues as regards, *inter alia*, the management of the overall SOJP finances; the inability of SOJP management to properly track their budgets; financial reporting lines in place; the accuracy of "monthly bulletins" and deliberate inaccuracies in them.
73. All of this, whilst interesting, is not relevant in terms of the management of costs of Operation Rectangle as a stand-alone major investigation.
74. Our Report, and specifically Section 3 headed "*financial governance and control*" discusses governance matters of the nature raised by Mr Harper in some detail in the context of Operation Rectangle as a stand-alone major investigation. And as regards management of finances our Report makes multiple references to the fact that a Finance Manager was not appointed in respect of this investigation, contrary to standard practice; we refer the Sub Panel to Recommendation #5³¹:

"The investigation lacked a dedicated Finance Manager and, even if not deemed necessary at the outset, then one should have been appointed following the discovery of JAR/6 and the significant increase in scale of the investigation.

MIRSAP³² states that the role of Finance Manager coordinates all of the administration and financial issues regarding staff, vehicles, accommodation, refreshments and equipment, thereby relieving the SIO and the Office Manager of all administrative matters not connected with the operational conduct of the enquiry itself. Examples given of the type of expenditure that it is important to monitor include overtime, travel costs, expenses, forensic matters and consultants' fees, all of which were significant cost items in this investigation."

³¹ BDO report page 18.

³² Major Incident Room Standard Administrative Procedures.

75. Turning to the investigation, Mr Harper notes *“Graham Power continually pleaded for us to be given a budget to work to but was refused. The instruction by Frank Walker to use whatever resources we needed was not misunderstood. It was a clear direction. BDO seem to infer that it was not really an instruction to use whatever we needed. However, they have ignored the fact that when I did speak publicly about the need to be mindful of the costs of the enquiry, I received a stinging rebuke from Bill Ogley on behalf of Frank Walker in which he said “costs are irrelevant. I have a copy of that e mail and if BDO had bothered to try to contact me I would have let them have it. Far from being reckless with finance as BDO have reported, I was rebuked by Bill Ogley for even considering the need to be careful with money. I have a copy of his e mail which I will happily supply to the Sub Committee which shows him admonishing me and telling me that “cost is irrelevant.” [sic]*
76. We do not report that Mr Harper was “reckless”; we have raised issues where we consider that the use of financial resources was not appropriately considered and /or the reasons were not properly recorded and/or expenditure incurred was done without reference to SOJP policy and/or States of Jersey Financial Directions, and/or without proper consideration of alternative options. Some examples are provided elsewhere below, by way of response to specific criticisms made by Mr Harper in his written submission.
77. Whilst we have not seen the email exchange between Mr Harper and Mr Ogley to which Mr Harper refers, we have seen an alternative email where Mr Harper took a hostile approach to an enquiry about investigation costs.
78. On 19 March 2008 a reporter from the Jersey Evening Post e-mailed the Force’s press officer querying the amount that officers assigned to the cordon at Haut de la Garenne were to be paid on the forthcoming bank holiday weekend and asking from which budget the money was to come from. The e-mail was forwarded on to Mr Harper who replied, copying-in the reporter’s editor, *‘We are up to our necks investigating allegations of serious abuse against children. I am outraged that this buffoon should be concerned about how much the vital scene guards are costing. Is he suggesting that we should not have security at a major crime scene because of the cost? ... This clown is a step too far’.*
79. Thus we have formed the impression that the position of Mr Harper, vis-à-vis his public comment regarding investigation costs was not always consistent.
80. Turning now to specific criticisms raised by Mr Harper.

Use of Mr Grime and his dogs

81. In paragraph 11 of his written submission, Mr Harper states that:

“The [BDO] report criticises the use of Mr Grimes and his dogs. It claims that there were other dog handlers who could have carried out the work. This is not so. At that time these were the only dogs trained in this particular line of work available to us, and they were recommended to us by the National Policing Improvement Agency. The NPIA were also comfortable with, and approved of, my decision to retain Mr Grimes as the link between ourselves and them to advise us on search matters when they could not be there. It is interesting to note, that whilst employed with us, Mr Grimes was also given time to go and assist two other UK forces. I should also point out that he is now employed full time by the FBI and that previous to coming to Jersey he had been used frequently by them. BDO claim they were unable to discover who had recommended Mr Grime. If they had tried hard enough they would have found that the NPIA brought him to that first meeting in Oxford where the strategy was discussed and approved by all there.”

82. Firstly in terms of who originally recommended Mr Grime's services, and contrary to Mr Harper's assertion, we made detailed enquiry to establish exactly how Mr Grime had come to be involved with Operation Rectangle, and specifically how he came to be involved with the searches at Haut De La Garenne. NPIA did not recommend him and did not bring him “... to that first meeting in Oxford ...”.

83. As we reported, it is not entirely clear how Mr Grime came to be involved. NPIA has advised that it had no role in his employment and did not pass his details to SOJP, but thought that LGC had recommended him³³. LGC have advised that they did not recommend him but that NPIA did so³⁴. Mr Grime himself says that he initially received a telephone call from LGC asking about his availability but that it was the SOJP Forensic Services Manager (“FSM”) who invited him to attend the initial meeting of 5 February 2008³⁵. The FSM has advised us that LGC ‘rated’ Mr Grime and that he was available³⁶.

³³ E-mail from NPIA to Mr Kellett on 9 April 2009, and confirmed in a subsequent telephone conversation.

³⁴ In a conversation with Mr Kellett on 28 April 2009, LGC staff stated that the NPIA National Search Adviser had a role in this. The NPIA National Search Adviser said that, whilst he did mention Mr Grime during a conversation with the SOJP Forensic Services Manager, this was with several other experts in the field and that he did not pass on any contact details.

³⁵ Conversation between Mr Kellett and Mr Grime on 29 April 2009.

³⁶ Conversation between Mr Kellett and the FSM on 6 May 2009.

84. Secondly in respect of Mr Harper's statement that, "*It [the Report] claims that there were other dog handlers who could have carried out the work. This is not so. At that time these were the only dogs trained in this particular line of work available to us ...*"
85. It is clear that Mr Grime was the only specialist in this field who was approached and perhaps even considered by SOJP. LGC, in response to a request for advice on this topic from the FSM in January 2008, did in fact suggest and pass on the contact details of the Surrey Police Dog Unit³⁷ but this was not followed up and no other UK police force was approached³⁸. This seems slightly odd, especially given the stance of the ACPO Police Dog Working Group on this issue. In an e-mail to Mr Kellett we were advised that, "*... UK forces have sufficient resources and expertise available to them, from within this country, in all fields of police-related specialist dog work. Senior Investigating Officers in the UK have only to request a specific resource and it can be provided from a force somewhere in the country. Those officers also have the reassurance that any team deployed to assist them will be ACPO trained and currently in-license.*" We consider it safe to suggest that references to the UK here are intended to include SOJP.
86. As we conclude in our Report, "*Whilst all this may be thought merely a matter of detail, it is important in view of how much Mr Grime cost the enquiry in monetary terms - substantially more, it would appear, than had a UK force been asked to assist - and also in view of how he was deployed during the 139 days for which he was paid.*"³⁹

Use of the L'Horizon Hotel & Spa by Mr Grimes and LGC

87. In paragraph 12 of his written submission, Mr Harper states that:

"BDO are also critical of the fact that the L'Horizon hotel was used for Mr Grimes and the archaeologists and anthropologists whilst they were in Jersey. What BDO do not mention was that the cost of the rooms was the equivalent of a B&B establishment because of the favourable rates. These were professional people who were being asked to work long hours away from home. My PA who did most of the hunting for accommodation did a superb job in obtaining these rooms at the rate she did. Staff could not have been accommodated any less expensively. Indeed, although I can find no mention of it in any comment by politicians, Gradwell, Warcup, or SAV, the report does say that the use of all other hotels

³⁷ Exchange of e-mails between LGC and the FSM on 22 January 2008; Mr Harper was copied in to the exchange.

³⁸ Conversation between Mr Kellett and the FSM on 6 May 2009.

³⁹ BDO report page 37.

and accommodation was appropriate. What it seems to miss is the fact that L'Horizon cost no more than the other hotels mentioned."

88. Leaving aside the fact that these professional staff fully expect to operate outside of their home territory, that is the nature of their work, Mr Harper has misread the Report. The Report simply questions, as opposed to criticises, the choice of hotel used. The Report states⁴⁰:

"It is not at all clear why the L'Horizon Hotel & Spa was used by Mr Grime and for such an extended period of time, given (i) it being a premier 4 beach front hotel, and therefore relatively expensive compared to alternative hotels in the Island; and (ii) it being located a considerable distance from the HDLG site. In fact, the LGC team noted that their own stay at the L'Horizon Hotel & Spa added two hours onto each working day (in terms of additional travelling time) and that they had offered to be accommodated in a less expensive hotel or in bed and breakfast accommodation closer to the site. We believe that these comments are equally applicable to Mr Grime."*

89. These questions have not been addressed by Mr Harper. In any case, Mr Harper is not correct to state that, "... the cost of the rooms was the equivalent of a B&B establishment because of the favourable rates" [sic]. Similarly it is incorrect to state that *"What it [the Report] seems to miss is the fact that L'Horizon cost no more than the other hotels mentioned."*

90. Whilst it is true that some nightly rates used were equivalent to or higher than those of the L'Horizon Hotel, these equivalent hotel rates were not used for long duration stays or to house the majority of the visiting officers or contractors. This is evidenced as follows:

- a. An NSPCC Officer who was deployed to Jersey for an extended period of time (186 nights) was accommodated in two different hotels at rates ranging from £50.00 to £81.50 per night, with an average rate for those 186 nights of £64.80; and
- b. The Hotel de France, which was the hotel used by the majority of UK police officers seconded to the Island to work on Operation Rectangle, provided a corporate rate of £70 per night.

⁴⁰ BDO report page 36.

91. By comparison Mr Grime occupied a room at the L'Horizon Hotel & Spa costing between £95 and £135 per night, with an average rate for the 136 nights that he was staying at the hotel of £109.67⁴¹. This average rate is, by comparison, £44.87 per night more expensive than the average rate incurred by the NSPCC Officer and £39.67 more than the Hotel de France rate. Thus, an alternative choice of accommodation could have equated to a saving of between £5,395 and £6,102 for the duration of Mr Grime's stay.
92. Similarly LGC staff spent a total of 348 nights at the L'Horizon Hotel & Spa at a nightly rate of £95 or £100, resulting in a total cost of £34,580 (the average rate was £99.37). Again, alternative accommodation could have resulted in a saving of between £10,221 and £12,030. And, as noted in the Report, LGC had offered to be accommodated in a less expensive hotel or in alternative bed and breakfast accommodation closer to the site.
93. Mr Harper notes that *"My PA who did most of the hunting for accommodation did a superb job in obtaining these rooms at the rate she did."* This is, of course, entirely consistent with our Report which acknowledged the efforts made by individual officers – and to that we would add Mr Harper's PA – in managing and negotiating the rates being obtained from individual hotels⁴².

Attendance at meetings at New Scotland Yard, London

94. In paragraphs 13 and 14 of his written submission, Mr Harper refers to the visits to London by himself and some of his staff. We have no comment on Mr Harper's introductory paragraph 13, which summarises his own views on the various trips made to London and hospitality applied on those trips.
95. In respect of Mr Harper's submission at paragraph 14, we break this down and make comment in the following paragraphs. It begins:

"Firstly, not only myself, but ACPO were worried about the security of our offices at the Police HQ. ACPO were also concerned about the security of our electronic systems. It was decided that we would seek the advice of the team dealing with such matters at New Scotland Yard. We made our first visit there and discussed the arrangements which we had in place and which we should be thinking of enhancing. Much useful information was obtained, and indeed, several members

⁴¹ Mr Grime also retained a room on 17 nights when he was out of the Island, to enable him to leave his personal belongings behind at 50% rate, averaging £56 per night (additional cost £952.50).

⁴² BDO report page 59.

of that unit visited Jersey and carried out an inspection of our offices and made useful recommendations, all at NO COST to the Jersey taxpayer.”

96. Mr Harper refers to the initial meeting at New Scotland Yard in January 2008. Our Report is consistent on this point and we reached a similar conclusion as regards that first meeting at New Scotland Yard⁴³, we noted:

“In January 2008 the SOJP Information Security and Compliance Manager was asked to accompany Mr Harper to a meeting at New Scotland Yard in order to discuss the risk assessment. We have been told that Mr Harper had felt it useful to take this individual to the meeting to obtain an independent and objective viewpoint.

The meeting took place on 11 January 2008. Two participants attended from the Metropolitan Police. Minutes of the meeting were taken and these were later submitted to the MIR. During the meeting it was proposed to have regular monthly updates and Mr Harper suggested that the location alternate between New Scotland Yard and Jersey. However, MPS pointed out that if they travelled to Jersey it was likely that they would have to charge for the service, whereas if the meetings took place in London there would be no charge.

So far we take no great issue with what had occurred, although we consider that the case for making the trip to London would have been more understandable if the Detective Sergeant appointed as the security officer had also been asked to attend.”

97. Mr Harper goes on to say in paragraph 14 of his written submission:
98. *“There are a number of other points to be made which BDO failed to recognise but which I would have enlightened them on if they had bothered to contact me. It is true, as they claim, that these meetings rarely lasted longer than an hour or ninety minutes. However, I was not usually in London for these meetings alone. I combined them with other meetings and tasks to be carried out, some of them directly connected to Rectangle and some either indirectly or not connected. Furthermore, even in the short duration of the meetings valuable information was gleaned and later acted on. From this meeting also arose the possibility of us borrowing a brand new sifting machine for use at HDLG which considerably speeded up and made more effective the process of searching for evidence in*

⁴³ BDO report page 53.

the debris from the home. We had this machine for several months and paid nothing for it but the cost of transporting it. Using it saved many tens of thousands of pounds in manpower hours. BDO do get it correct when they say that my preference would have been to alternate the meetings between London and Jersey but as the Met would have had to charge for their services if they went to Jersey, it was decided to hold the meetings in London to reduce our costs.”

99. Mr Harper acknowledges that the meetings with New Scotland Yard rarely lasted longer than an hour or ninety minutes.
100. He does not provide examples to support the nature of the other business that he was attending to in London, and in any event we query:
 - a. Why the costs of attending meetings in London that were unrelated to Operation Rectangle were charged in full to Operation Rectangle; and
 - b. Why other members of Mr Harper’s Operation Rectangle team would be required to accompany him for the full duration of a trip when the Operation Rectangle aspects were being dealt with within an hour or ninety minutes, prior to Mr Harper attending to other business.
101. Mr Harper originally suggested that the meetings be alternated between London and Jersey; this indicates to us that there was little urgency or necessity for undertaking the other London business. Mr Harper does not deal with our main concern, being that the London trips were drawn-out and need not have involved as many attendees or as many overnight stays, undertaken at considerable cost.
102. We noted the following example in our Report⁴⁴: *“One attendee recalls one of the trips where he was advised by the SIO [Mr Harper] that they would fly to the UK on the Sunday morning. He could not understand this, as the meeting was not scheduled to take place until the Monday lunchtime and he thought that at the very least a Sunday evening flight would have been more justifiable. The fact that he had to leave so early upset his wife.”*
103. We discuss that particular trip further below, because this is one of the occasions (the evening of Sunday 3 February 2008), that dinner was taken at the Bombay Brasserie in London.

⁴⁴ BDO report page 53.

104. It is common practice for Jersey persons attending business meetings in London to catch an early morning flight to London and an evening return flight, allowing them a full day in London without the need for expensive overnight stays. This seems particularly relevant if the major business of the day is only scheduled to last up to ninety minutes, as was the case here. And, as we note in our Report, some of the attendees commented to us that they could even have participated in these meetings by way of conference call.
105. Finally, whilst we applaud Mr Harper for securing the use of a “sifting machine” as a result of his visits to London, that achievement alone surely cannot account for a total of six meetings taking “... a total of eighteen days [for Mr Harper] and forty-one days of the time of the other staff concerned. All of them involved at least one overnight stay in London and sometimes two or even three nights. We have calculated that these trips cost a total of £13,281; this figure does not take account of the salaries of the personnel concerned.”⁴⁵ And given the high level of deployment of specialist search and forensic staff to Jersey, we assume that the relevant personnel would have been aware of the existence of appropriate sifting machinery and would have sought to procure that equipment in any event.

Hospitality afforded to UK officers

106. In paragraph 15 of his written submission, Mr Harper states that:

*“BDO seek in this report to infer some wrongdoing in respect of the hospitality afforded to UK officers. It should be pointed out right away, that in a written communication, [Accounting Officer] laid out the amount of money allocated to this investigation **for hospitality**. I was not using money diverted from operational costs, this was money allocated by the States for the use in supplying hospitality. BDO seem to infer that it was unusual. This is not so. Every States department has hospitality budgets and in many restaurants and bars in Jersey this facility is used regularly. One local taxi driver commented to me that if it wasn’t for the hospitality budgets of politicians and their departments several restaurants would have long closed. It is necessary when operating in an isolated environment like Jersey that networking and hospitality facilities are used. I am quite happy to have my hospitality expenses measured against the services and other benefits that I brought in compared with a similar exercise for any other states department. As a result of contacts made I was able to save the SOJP many thousands of pounds. This included but did not stop at secondments, such*

⁴⁵ BDO report page 52.

as the months long secondment to the Met Homicide Teams for a senior detective, a lengthy secondment to a busy West End of London Division for a senior uniform officer during which he gained valuable experience, short notice training for a number of Tactical Firearms Officers when due to accidents we had none, from another UK force, training in Northern Ireland, free of charge, for our probationer officers, as well as validation for our own training procedures, as well as many, many more initiatives.” [Mr Harper’s emphasis]

107. We are not aware of any correspondence from [Accounting Officer] to Mr Harper regarding a hospitality budget allocated to the Operation Rectangle investigation.

108. In terms of specific points raised by Mr Harper:

- a. We discount Mr Harper’s comment that he had a responsibility to utilise a hospitality budget in support of the Jersey restaurant economy during the course of a major police investigation.
- b. The other benefits obtained by Mr Harper through his use of hospitality during the UK visits do not appear to constitute hospitality required to further the operational aims of Operation Rectangle, and our concerns remain that these became costs of the investigation.

109. Our review identified other concerns regarding hospitality incurred in connection with Operation Rectangle, being costs that were charged to the investigation via spend on purchase cards; the use of the Bombay Brasserie and Shepherds are two such examples, and Mr Harper also refers to them.

The use of the Bombay Brasserie and Shepherds

110. In paragraph 16 of his written submission, Mr Harper states that:

111. *“BDO criticise the restaurants which we used and name two of them. One of them, the “Bombay Brassiere”, is I think, a restaurant in Kensington which was near to a hotel we used. I think we went there once. I am not sure what they were trying to infer.”*

112. In response to Mr Harper’s assertion that *“... the “Bombay Brassiere”, is I think, a restaurant in Kensington which was near to a hotel we used. I think we went there once ...”* In fact, Mr Harper used the Bombay Brasserie three times, in each case the cost was incurred on his SOJP purchase card and was charged to Operation Rectangle. We provide an analysis in the table below.

113. The table below records how individual meal costs were spread across individual officer's purchase cards, and the narrative provided by the relevant officers when they subsequently analysed these items of expenditure.

Expenditure in Bombay Brasserie Restaurant, London

Date	Attendees and their Purchase Card description	Purchase Card Cost £	Total Meal Cost £
3 Feb 2008	Mr Harper, "Dinner for self [xx], [xx] and UK offs." Officer X, "Dinner Met Police Officers"	106.45 106.45	212.90
30 Apr 2008	Mr Harper, "Dinner in UK for self and UK Officer" Officer X, "Evening meal" (net of £35 contribution) Officer X, "London TSU Visit"* Officer X, "Dinner (shared bill)" (net of £45 contribution)*	75.00 40.00 75.00 30.00	220.00
14 Jul 2008	Mr Harper (no narrative)	271.60	271.60
Total Bombay Brasserie Restaurant costs		704.50	704.50

Source: BDO analysis and investigation

Restaurant web-site www.bombaybrasserie.london.com

* This element of the meal cost was charged to a non-Operational Rectangle business unit

114. On 3 February 2008 Mr Harper and three members of his staff ate dinner at the Bombay Brasserie. The cost of the meal was £212.90 and this was divided into two and paid by Mr Harper and another officer using their purchase cards - each paid £106.45. Both men later submitted credit card receipts but, contrary to the Travel and Expenses Policy, neither submitted the restaurant receipt. Both men recorded that UK officers were also present, although contrary to what is stated in the Policy, their identities are not recorded⁴⁶.
115. On 30 April 2008 Mr Harper and four members of his staff again ate dinner at the Bombay Brasserie. The bill at the end of the meal was £300 and this was divided into four equal shares of £75 and paid across four individual purchase cards. We were told that it was agreed between the participants that everyone would make a contribution of £35 towards the cost of alcohol consumed during the meal⁴⁷, which strongly suggests that no UK officers were present and that this was not a business dinner. Records show that two officers later made contributions⁴⁸; Mr Harper was not one of them. Mr Harper is the only attendee who records that a UK officer was also present. The other participants did not record this on their

⁴⁶ SOJP Travel and Expenses Policy, paragraph 8.2.4.

⁴⁷ Statement of Officer X dated 11 December 2008 submitted to MIR, and conversation between Officer X and Mr Kellett on 6 April 2009.

⁴⁸ It appears that one of the officers actually paid £45.

purchase card records, nor in statements referred to that they later submitted to the Major Incident Room (“MIR”), nor in conversations that they had with us.

116. On 14 July 2008 Mr Harper once again ate dinner at the Bombay Brasserie. We are not able to determine the nature of the meal or the attendees because there is no narrative provided on his purchase card analysis and, again, the restaurant invoice is not attached to his purchase card statement.
117. As regards the status of the Bombay Brasserie, it has been described as “... a neighbourhood Indian restaurant whose simple name belies the fact that it’s a haven for discerning diners who don’t blink at shelling out serious cash for stunning cuisine. As you’d expect given its A-list enthusiasts, the entrance is discreet with just a lone, smartly uniformed doorman standing in the street to greet you and direct you to the left of the atrium ...”⁴⁹
118. Mr Harper goes on to state in paragraph 16:
119. *“The second restaurant they name is “Shepherds” in London. The report goes to great lengths to mention that it was owned by Sir Michael Caine. I think it is correct that it was at one time part owned by him. This is obviously an attempt to give the impression of five star luxury. However, as the Scotland Yard team pointed out, this is a restaurant used mainly by journalists, MPs, and senior police officers, (including members of HMIC) many of whom are on business dinners. Scotland Yard provided a menu to Wiltshire Police, although it never seems to have got a mention in that report and I notice that BDO did not mention it either. The menu shows good reasonably priced meals at the cost, when we used it, of £32 for three courses and coffee. Hardly Hollywood style living. Frequently when using it we would encounter other police officers from various forces and HMIC. This is a far cry from the movie star lifestyle painted by BDO and the JEP. When the truth was available one has to ask why they chose to go down this road, and why no attempt was made to speak to me, nor indeed, to even use the evidence that Scotland Yard had given them.”*
120. Mr Harper refers to a £32 set menu for three courses and coffee at Shepherds. Again, we have tabularised below the eight separate occasions when Shepherds was used by Mr Harper during the course of Operation Rectangle. Whilst a £32 set menu does not appear unreasonable, as we note in our Report this was still in excess of the SOJP Travel and Expenses Policy guideline of £25.22 per head for dinner, this policy also advising a prudent approach regarding expenses.

⁴⁹ www.viewlondon.co.uk

Expenditure in Shepherds Restaurant, London

Date	Attendees and their Purchase Card description	Purchase Card Cost £	Total Meal Cost £
10 Jan 2008	Mr Harper, "Business dinner and hospitality UK offs"	191.25	191.25
4 Feb 2008	Mr Harper, "Business Dinner and Hospitality UK"	279.00	418.50
	Officer X, "Dinner Met Police Officers"	139.50	
5 Feb 2008	Mr Harper, "Meals for SOJP officers in UK and MPS officers and hospitality"	300.00	449.72
	Officer X, "Dinner Met PSD" *	149.72	
13 Mar 2008	Officer X, "Entertainment NSY Officers evening meal"	250.03	250.03
3 Apr 2008	Mr Harper, "Dinner for Self and UK Officers"	111.94	111.94
1 May 2008	Mr Harper, "Dinner in UK for Self, SOJP officers and NSY officers"	233.00	699.00
	Officer X, "Entertainment NSY officers"	233.00	
	Officer X, "Met Police TSU visit"	233.00	
15 Jul 2008	Mr Harper (no narrative)	160.00	320.00
	Officer X, "Security meeting ..."	160.00	
4 Aug 2008	Mr Harper (no narrative)	200.00	400.00
	Officer X, "Entertaining NSY"	200.00	
Total Shepherds Restaurant costs		2,840.44	2,840.44

Source: BDO analysis and investigation

Restaurant web-site www.langansrestaurants.co.uk

* This element of the meal cost was charged to a non-Operational Rectangle business unit

121. And as we note in our Report, the meal held at Shepherds on 1 May 2008 had a per-head cost of £87.38⁵⁰ and other meals taken at Shepherds (and the Bombay Brasserie) appear to materially breach SOJP's guidelines regarding per-head spend with no apparent justification. We don't analyse each meal at Shepherds here; it is sufficient to reconfirm that no restaurant receipts for any of the eight meals were attached to the purchase cards of any of the attendees, and we remain unaware as to the reasons why UK officers attending dinner needed to be protected by anonymity.
122. Whether or not Shepherds is used by "...other police officers from various forces and HMIC ..." as Mr Harper states, the fact is that using this restaurant in the way that he and his fellow diners did was not in accordance with SOJP travel and

⁵⁰ The meal at Shepherds on 1 May 2008 was attended by eight persons being Mr Harper, four Jersey officers, two [other attendees] and a journalist from the News of the World. That journalist, who was the News of the World Crime Editor either at that time or subsequently, authored or co-authored a number of articles throughout 2008 relating to the historical child abuse investigation. In an article dated 16 November 2008, of which we have only recently become aware, titled "Something evil had happened ... I had to go on", Mr Harper was interviewed and stated that, "I have no doubt that the establishment are trying to make out that our enquiry was incompetent because it suits their purposes very well." Therefore Mr Harper's position in relation to any questions as regards his handling of the enquiry was set-out at an early stage and is consistent with his criticism of the BDO Report.

expense policy guidelines, and neither were rules governing the use of purchase cards complied with, amongst other things.

123. The choice of restaurant and meal spend per-head is, of course, something for the senior officer to determine based on the circumstances. However, we have questioned the choice of venue and spend per-head in some cases where there does not appear to have been any attempt to contain costs within the guidelines.

The practice of splitting restaurant bills between purchase cards

124. In paragraph 17 of his written submission, Mr Harper states that:

125. *“BDO also sought to infer some form of malpractice in the way in which bills were split. Bills were split to begin with, because invariably officers who were being met with, paid for some drinks for those present, themselves. As for why the bill was sometimes split between two Jersey officers, the truth is rather less exciting and easily verifiable. Indeed, once again, if BDO had bothered to check with me I would have enlightened them.”*

126. It would perhaps have been more helpful for Mr Harper to have “enlightened” his own officers whom we spoke to as part of our review. We questioned some of those involved in the practice of splitting the cost of meals between a number of different purchase cards. One officer told us he assumed that the arrangement was intended to disguise what might be regarded as the “rather extravagant cost” of the meals⁵¹. Another officer told us that, *‘Lenny used to do that, just say we’d divide it up. I don’t know why but just did as I was told. I would agree with the suggestion that it was to disguise large bills and it’s not right’*⁵². They certainly do not appear to be aware of the reason why bills were split in the way suggested by Mr Harper.

127. In paragraph 18 of his written submission, Mr Harper states that

128. *“On a number of occasions myself and other colleagues had the embarrassment of having our Jersey Purchase cards refused because the States had been, for whatever reason, late in paying the account, leaving cards near their limit. I remember one occasion in London having to use my own card on arrival at a hotel and then having to ring Jersey to sort the matter out. Subsequently, when three or four of us were meeting with a number of other UK officers and having to pay the resulting bill, we split the cost to try and avoid the situation as*

⁵¹ Conversation between MK and Officer X on 6 April 2009.

⁵² Conversation between MK and Officer X on 6 May 2009.

described happening again. BDO didn't bother to ask for a reason. They have simply tried to paint a black picture."

129. During our review we identified and reported on a number of deviations from, or breaches, of the policies surrounding the use of purchase cards. Purchase cards are, in effect, a payment mechanism that enables circumvention of the standard procurement process. By this we mean that a purchase card holder is able to use their card up to the credit limit in place without prior approval. The card balance is settled monthly, and is settled directly by the States rather than by the individual. Thus, the process relies upon the purchase card holder submitting details of their monthly spend in a timely fashion (i.e. before the card balance is settled), and the purchase card statement being subject to scrutiny and approval by a superior.
130. The practice of splitting meal costs between purchase cards is highly concerning given that none of the participants include the original restaurant invoice or refer to their element of the bill being part of a larger cost (we have previously referred to the views of certain officers as to this particular practice).
131. Whilst we were unaware that purchase cards had been refused in the past, as Mr Harper now suggests, we remain comfortable that sufficient capacity existed on Mr Harper's card or on the purchase card of other attendees at each meal. This would have enabled the full cost of the meal to be paid on a single card and then attached to the relevant restaurant receipt. Mr Harper's purchase card limit was £5,000. In the period January to August 2008 his monthly purchase card balance ranged from £385 to £3,400. His average monthly balance was £1,837. This, in our view, provided Mr Harper with ample capacity to cover the cost of individual meals on his purchase card and did not require costs to be split.
132. It was also concerning to us that it was not always the most senior officer present that would settle all or part of a restaurant bill on their purchase card; the most senior officer should always settle the meal cost. This ensures that it is not simply a more senior attendee at the same meal who subsequently approves the meal spend, as this does not allow proper scrutiny of or accountability for that spend.
133. The purchase card expenditure of Mr Harper in the period January to July 2008 was approved by the Acting Deputy Chief Officer, the Acting Superintendent or a Chief Inspector, rather than by the Chief Officer⁵³. We would only have expected the Chief Officer to approve these transactions, given that the approvers might have felt it inappropriate to question transactions of their superior officer.

⁵³ Email from Home Affairs to BDO on 15 September 2009, and review of purchase card statements.

134. We have no further comment regarding the total meal and entertainments spend of Mr Harper beyond what we have stated in our Report.

APPENDIX A

Chronology of Key Events

[Confidential to the Sub-Panel]