

# STATES OF JERSEY

## Education and Home Affairs Panel Review of Issues Surrounding Review of Financial Management of Operation Rectangle

**THURSDAY, 25th AUGUST 2011**

Note: The witness has not corrected the transcript

**Panel:**

Deputy R.G. Le Hérissier of St. Saviour:

Deputy T.M. Pitman of St. Helier (Chairman)

Deputy D.J.A. Wimberley of St. Mary

**Witnesses:**

Chief Officer for Home Affairs

**In attendance:**

Scrutiny Officer

[11:41]

**Deputy T.M. Pitman:**

When you look back now, Chief Officer, what do you think about the Finances (Jersey) Law 2005 and its impact on everything?

**Chief Officer for Home Affairs:**

Before I answer that, can I say something else?

**Deputy T.M. Pitman:**

Of course you can.

**Chief Officer for Home Affairs:**

A lot of the questions which I think you might have and a lot of the ground that I want to cover today arise out of [retired Chief Officer of Police]'s last transcript. If it helps for good order it might help to turn the pages on that transcript at some point, but you are in charge. Because a lot of the documents I have produced, which are evidential, refer to the things that he has said, or he has raised. So, that would be a way of proceeding which I think would be an organised way. I will come back to your question.

**Deputy T.M. Pitman:**

I should say we got some of this information in very late, which is not our fault, or probably your fault.

**Deputy R.G. Le Hérissier:**

I have not read your memo about the evidence of [retired Chief Officer of Police].

**Deputy T.M. Pitman:**

That is fine. If we get back to the Jersey Finance Law and its impact on how we got where we are today.

**Chief Officer for Home Affairs:**

Well, in many ways I think it is a side issue because ever since 2005 we have had to run the departmental accounts in accordance with the Finance Law. It is something we do every day and in many ways the fact that there was a major investigation which spent £7.6 million should not have made a lot of difference because we run and manage the accounts in accordance with the law every day. All we are talking about here is the number of transactions and the quantum, from my point of view. The other issue, I think, which is why we are here is whether the resources were used properly and that is where I think I then depart from my job and I would expect to look to the head of whatever service it is to see that those resources are used properly.

**The Deputy of St. Mary:**

Can I come back on that? To repeat the question really, what do you think now about the Finances (Jersey) Law 2005 and how it impacts on Home Affairs and, say, to Jersey Police? What do you think now about that law? What is your view of it?

**Chief Officer for Home Affairs:**

Well, it is such a broad question. It is unspecific.

**The Deputy of St. Mary:**

All right. Do you think that that law should be changed so that the Chief Officer of Police is an accounting officer?

**Chief Officer for Home Affairs:**

Well, that is a specific question.

**Deputy T.M. Pitman:**

I gave you lots of leeway. Be fair.

[11:45]

**Chief Officer for Home Affairs:**

Yes. I now think the Chief of Police should be an accounting officer. I did not. [retired Chief Officer of Police] is quite right in that part of his transcript of what he said, that when we were setting up the arrangements for the move to ministerial government we had a difference of opinion. I thought that we could run things as they are now. I will tell you why if you like before that. I think with the benefit of hindsight when you have a major inquiry like this whatever weaknesses there are, and Mr. Warcup described them as systemic, whatever weaknesses there are show through and where you have a service that is entirely its own master, except that it clearly reports at the moment to the Minister and does not report to me, then there will be a tension set up at times like this and it would be far better in hindsight if the Chief of Police was an accounting officer. Do you want to know why I thought otherwise?

**Deputy T.M. Pitman:**

Yes.

**Chief Officer for Home Affairs:**

[retired Chief Officer of Police] arrived in November 2000. Coincidentally I was appointed director of the Home Affairs Department in November 2000 as well but I have been on secondment since that February to set up the department; it was a new department. One of the first things I did after we were both in post, and I remember it well, I went to see [retired Chief Officer of Police] because one thing I had to do setting up a department was to bring together those functions of it which were generic to the whole department; in other words they serve the prison, the fire service, into one place because it is just a sensible and efficient way of running things. The 2 entities that that referred to were Finance and Human Resources. At that time the police had a finance and administration manager and other finance staff, so I went to discuss with [retired Chief Officer of Police] whether

he would agree to those staff coming with me to the Central Home Affairs Department and running it from there. His actual words were: "I have no problem with that provided there is no degradation in service." That is what he said and we agreed. So, the point I am making is that for 5 years before ministerial government and for 3 years since we have run the Home Affairs financial management and accountability without any problem.

**The Deputy of St. Mary:**

Can I just clarify that? My recollection of [retired Chief Officer of Police]'s evidence, and I am not absolutely sure, I have it here but I will not read it all to check, but I am pretty sure he said that from the outset when he came to Jersey he felt that he had to have accounting authority as well as operational authority and that was on the table from the word go. So, I just wanted to clarify that your recollection and his recollection seem to be different.

**Chief Officer for Home Affairs:**

Well, I stand by what I have said. The fact is he had a very good service from the 3 accountants that make up the House Affairs Finance Department throughout the time that he was in Jersey and he acknowledges that in a lot of the papers. The fact that they are sitting with me and not down at Police Headquarters is immaterial. One of the finance managers goes to the force management board meetings, provides all the updates and this is why I say, in answer to the first question, in a sense it does not matter because we have had to abide by those regulations and the law for the last 3 or 4 years and we were operating successfully for 5 years before it.

**Deputy T.M. Pitman:**

If I could ask one related question and then I will let my colleagues step in. Something very surprising the Minister just said to us was that according to him the offer was made to [retired Chief Officer of Police] to effectively take on the role of accounting officer. Now, as I understand it, and I am not an expert, that could have had no legitimacy under the law, so surely that could not work because where would he stand if a problem came up, as of course it did, and disciplinary issues followed. How could that offer have really been made? How could that have worked? I do not understand.

**The Deputy of St. Mary:**

Can I rephrase that as well, was the offer made, or was the Minister's recollection wrong?

**Chief Officer for Home Affairs:**

Well, not by me it was not, but with the current Chief of Police we have already discussed it and we are planning to move to a system of 2 accounting officers from January.

**Deputy T.M. Pitman:**

But if the offer was not made by you, who could it have been made by?

**Chief Officer for Home Affairs:**

Well, the Treasurer has a role. Various people have opinions and can be influential. If the Treasurer, for example, thinks it is best practice, or if the Comptroller and Auditor General wanted to insist then they would make that point, but nobody has pushed it to the point where it has to happen.

**Deputy T.M. Pitman:**

But you would have known if that offer had been made, surely?

**Chief Officer for Home Affairs:**

Yes, I would. Yes. There has been another driver of course. We have been waiting to get police authority up and running, or established in law, and I would say for a long time the most logical time for the Chief of Police to become an accounting officer is when we move to a police authority system. I now think: "Well, let us not wait for that; we will do it in advance of that."

**Deputy T.M. Pitman:**

But for the record, you are completely unaware that offer was ever made, from what you said.

**Chief Officer for Home Affairs:**

An offer made to [retired Chief Officer of Police] to become a ...

**Deputy T.M. Pitman:**

Yes.

**Chief Officer for Home Affairs:**

I think so, yes. Nothing stands out in my mind. I hesitate because it is difficult to remember.

**Deputy T.M. Pitman:**

It is quite a big issue though, you would think it would stand out if it had been put to you. What do you think? It impacts on your power so you would think you would recall it, would you not?

**Chief Officer for Home Affairs:**

It is probably true that it has been discussed but it has never been formally. I think that is the way to say it. Nothing has ever formally been put to me that somebody has written to me and said: "We want to make the Chief of Police an accounting officer, please can you submit your reaction to that" or whatever. No.

**Deputy T.M. Pitman:**

Okay.

**The Deputy of St. Mary:**

Okay. Well, thank you for that and maybe we can pursue it through the office. I want to ask about this business of the relationship between Home Affairs and the police in terms of oversight of the inquiry, which is why we asked the first questions around what you thought about the Finance Law. I am referring to [retired Chief Officer of Police]'s evidence to us on his page 12. He says: "When it became clear that Rectangle was likely to have significant financial implications I asked the Chief Officer for Home Affairs [I think it was you] what arrangements he wanted in respect of financial management." Can you remember this communication from [retired Chief Officer of Police]?

**Chief Officer for Home Affairs:**

No. Can you show me it?

**The Deputy of St. Mary:**

Sorry, it is page 12 of his evidence.

**Chief Officer for Home Affairs:**

No, the communication.

**The Deputy of St. Mary:**

Well, no, we cannot because I think we have asked him for this exchange but he only spoke to us quite recently. But I am asking you whether that letter reached you.

**Chief Officer for Home Affairs:**

I do not have a letter like that.

**The Deputy of St. Mary:**

It is in his evidence to you. He quoted it from his statement to the Wiltshire Inquiry and that has now been redacted and it has to go to him for release and then it comes to us. We have asked for it. So, we do not have the detail. We do not have the date or the actual detail but I am putting it to you and you cannot remember receiving that request?

**Chief Officer for Home Affairs:**

No, the only letters I have specifically with [retired Chief Officer of Police] are the ones in June 2008 that are in your bundle.

**The Deputy of St. Mary:**

Okay. Well, that leaves us in a bit of a quandary. He goes on: "I was conscious that it was his decision to take. He was the accounting officer and he had a legal responsibility for the budget" which is true under the Finance Law.

**Chief Officer for Home Affairs:**

Yes.

**The Deputy of St. Mary:**

"He said that he would appoint the senior finance officer, who I know, to work directly with the Rectangle team."

**Chief Officer for Home Affairs:**

No, that was in connection with the F.O.B. (Financial Oversight Board).

**The Deputy of St. Mary:**

Okay, so you are saying that this must refer to the F.O.B. it cannot refer to something before the F.O.B.?

**Chief Officer for Home Affairs:**

No, and in any case I have just had a meeting at 8.30 a.m. this morning with the Gold Group finance sub-group on the current murder investigation and the person at the meeting from the police is the Police Finance and Administration Manager, set up under the major incident room admin procedures, which are the procedures that they did not set up under for the Rectangle Inquiry. The point I am making is that it would appear that the proper procedures are being followed for this one and if you have read the Wiltshire Police Report one of the things that they remark on is that that did not happen. So, here we are 10 or 11 days after a major incident and the police have already swung into action. So, despite the fact that they are heavily involved with interviewing the prime suspect they have already set up those procedures and I am already able to have a meeting with the person who, from their end, is organising all the financial issues to do with the murder.

**The Deputy of St. Mary:**

Well, that is clearly a good outcome, if you like, a lesson learned. I am just trying to chase down this exchange which either did not happen or you are saying that it relates to the Financial Oversight Board only, which was set up in July, and it does not relate to the arrangements previous when a lot of the money was being spent very quickly.

**Chief Officer for Home Affairs:**

I have never set myself up in opposition to [retired Chief Officer of Police].

**The Deputy of St. Mary:**

No, we are not saying you should.

**Chief Officer for Home Affairs:**

We enjoyed a working relationship for 8 years ...

**The Deputy of St. Mary:**

So, then ...

**Chief Officer for Home Affairs:**

I was just going on to say, that was a preamble, that there is an email in there where he very correctly flags up in February 2008 shortly after the then Chief Minister made his now infamous statement about all necessary resources, where he was the first to flag up, where do we stand in terms of spending the police budget? If you want I will find it for you.

**The Deputy of St. Mary:**

No, I can remember that.

**Chief Officer for Home Affairs:**

I am not saying that he never thought about finance.

**The Deputy of St. Mary:**

No, and the response was what ended up happening was he took it from his police budget and ran on air and hope until it was organised and then the money was ...

**Chief Officer for Home Affairs:**

Yes, and I think that is what the Wiltshire Police have concluded.

**The Deputy of St. Mary:**

I am concerned with what the oversight was on the inquiry and how it was set up or not. You are saying that with this most recent event the police have a financial manager set up by themselves. I will just carry on with the transcript: "There you go: 'There is the man with the big stick' I say. [retired Chief Officer of Police] says, 'Yes'. I say it never happened because it is not in the BDO report, this person from your department working directly with the Rectangle team and then [retired Chief Officer of Police] says: 'I think that person was appointed to work with the Rectangle team. I know it became a concern as to how effective that arrangement was.'" So, I am just saying that this is a different version. It is not about the F.O.B., the Financial Oversight Board, as I understand it, and this person was appointed to work with the Rectangle team and he had concerns about whether it worked and yet I do not see this in the BDO report. So, this is what I am putting it to you.

**Chief Officer for Home Affairs:**

Go back to where we started in terms of the way we normally operate. Right as far back as when we both were appointed in 2000 [retired Chief Officer of Police], and they still do, enjoy a finance manager sitting on their monthly ...

**The Deputy of St. Mary:**

Yes, S.M.T. (Senior Management Team).

**Chief Officer for Home Affairs:**

It happens to be the same person. Nothing has changed. Now, that person was also providing the financial management backup in terms of the analysis of costs during the time of Rectangle and then a finance director, who works directly to me, both of us were on the Financial Oversight Board and then the Gold Group which succeeded it, but at no point did the police appoint their own finance manager sitting inside the investigation team to manage all their costs and resource handling and that is a point criticised by Wiltshire. Not for me to do that, that is standard operating procedure for major enquiries. If [retired Chief Officer of Police] had asked me: "I cannot get anyone, I need to have one of your 3 people" we would have talked about it but that was never requested.

**The Deputy of St. Mary:**

The problem from my point of view is that [retired Chief Officer of Police] in his evidence, and I am just trying to clarify this because this is an absolutely critical issue, [retired Chief Officer of Police] in his evidence to us said that he did ask you what arrangements you wanted in respect of financial management and presumably he asked you that because you are the accounting officer for his department. This is the issue, is it not, what feels to me like 2 stories. You are saying: "They should have set up under M.I.R.S.A.P, they should have set up their own financial person" and [retired

Chief Officer of Police] is saying that he wrote to you saying: “What financial arrangements? Can we talk about it? Can we sort this out because I have an unbudgeted huge expenditure coming up” and then there is the division between the 2 stories we are getting.

[12:00]

**Chief Officer for Home Affairs:**

Unless I am missing something or correspondence, but I suppose another thing I would say to you is, why would I on 27th May 2008 write to [retired Chief Officer of Police] seeking assurances about the way that he is handling the spend on the inquiry? Again, I think his transcript gives the impression that he was the instigator of those. No. I would go as far as to say that if I had not written to him in May about it I would never have had any contact with him about it because it was not uppermost in his mind.

**Deputy R.G. Le Hérissier:**

If I can jump in now, what were the precise circumstances, or immediate circumstances, that led you to write that letter?

**Chief Officer for Home Affairs:**

Well, I do not have the monopoly on wisdom so ...

**Deputy R.G. Le Hérissier:**

Neither do we.

**Chief Officer for Home Affairs:**

As soon as the then Chief Minister made his fantastic statement I thought: “We are not going to have enough money” so at various points I sought advice. The first time was in March after 26th February to say to the Treasury, and the letters are in there with the Treasurer: “Excuse me, what am I supposed to do here? Who is going to give me some money? How do I account for it?” I did a similar thing at the point where it was becoming apparent to me that there was a lot of money going out and I was not really sure how it was being accounted for. I took advice from the Treasurer and when you look at them you will see there are emails in there from the Treasurer. When the Treasurer says to me: “Are you sure you have done everything you should be doing?” In fact he said: “If I were you really you ought to seek formal assurance from the Chief of Police about the spend.” That was the trigger for these letters. I am not claiming that this was all my original thought. One takes advice. So, because of that I wrote to [retired Chief Officer of Police] saying: “You need to assure me. You are in charge of the Force, are you using your resources to the best effect?”

**Deputy R.G. Le Hérissier:**

But from your knowledge of your own role as an accounting officer, do you think a letter was sufficient?

**Chief Officer for Home Affairs:**

Well, how else does one start?

**Deputy R.G. Le Hérissier:**

Well, presumably receipts were coming through to your department and people were making ... I know the argument has been put forward, and in fact you may have put it forward at the last hearing, that these were operational issues and we have to take them at face value as they are presented to us but of course there were issues that are states-wide like hotel bills, restaurant bills and so forth where there are standards that apply throughout the service. Were you alerted to any unusual patterns of expenditure that would have demanded strong and immediate intervention?

**Chief Officer for Home Affairs:**

Do you mind if we go to page 11 of his transcript?

**Deputy R.G. Le Hérissier:**

Okay.

**Chief Officer for Home Affairs:**

What he said there is outrageous and it is more than that, it is dangerously outrageous. It is the bit that starts a quarter of the way down. He starts to say that the Deputy could not incur any expenses unless I had signed them off and then he says at the end: "The rules were bypassed and it could only be bypassed by the staff in the Home Affairs Department." Because you are talking about signing off bills, Deputy Le Hérissier?

**Deputy R.G. Le Hérissier:**

Yes.

**Chief Officer for Home Affairs:**

That statement was put to me before 17th August when you heard [retired Chief Officer of Police] by the Scrutiny Officer and words to the effect: "What have you got to say about this allegation?" I put in a written rebuttal of that and from what I understand that was not put to [retired Chief Officer of Police] at the hearing. The result of that was that Channel Television in the 1 hour 40 minutes that you talked to him the only thing they reported on Channel was that all the bills had been signed off by the Home Affairs Department.

**Deputy R.G. Le Hérissier:**

Yes.

**Chief Officer for Home Affairs:**

I was sick to the pit of my stomach when I heard that. It is just not true. We do not see any bills in the Home Affairs Department. The process is that the person who makes the order or incurs the bill signs it off. I have brought some with me. The vast majority of them were signed by Mr. Harper. The next signatory to that is the clerk who checks that it is completed correctly and has been signed. That clerk at that time did not work for Home Affairs, they were part of the Treasury shared services section. The first we know of expenditure is when it comes up now on the J.D. Edwards system and we are able to make our financial profiling in our reports. I never see any of this stuff and this either needs to be retracted or corrected because at worst it is a lie, but I would not accuse [retired Chief Officer of Police] of lying, it is just ignorant and he shows an ignorance of the process. He did not know how the bills in his own service are being processed.

**The Deputy of St. Mary:**

Can I say that from our point of view we are looking at a review by BDO Alto who are a professional accountants firm, about whether the expenditure was efficient and effective and in fact they added to their terms of reference about the oversight. This is one of the issues which we feel should have been looked at in some detail in their report. This is the kind of thing that their report should have covered as well as restaurant bills and the detail and yet here we have a big difference of opinion between yourself and [retired Chief Officer of Police].

**Chief Officer for Home Affairs:**

It is not a difference of opinion, it is fact.

**The Deputy of St. Mary:**

Well, that is right, I stand corrected. It is a difference of fact and yet BDO have not covered this. I do not recollect reading in BDO that there is an argument about who was signing off ...

**Deputy R.G. Le Hérissier:**

You are right.

**The Deputy of St. Mary:**

This is a big part of what they should have been looking at.

**Chief Officer for Home Affairs:**

In the section on purchase cards there is and that is why there is a focus on entertainment because it happens to be that that is where most of the purchase card stuff is. But the nature of the audit was on how the resources were used and whether they were used in an efficient way. It was not particularly about the minutiae of signing off individual bills. There had been an audit prior to that, which again is in the bundle. There had been an audit in October done by KPMG which did look at a sample of bills and they valued over £1 million and they could not make any adverse observations about them because these are done correctly. It is not about whether they were signed correctly or whether they had been processed correctly. The BDO audit is about the effective use of resources. It is a higher level thing.

**The Deputy of St. Mary:**

But the issue of authorisation does come up and you and [retired Chief Officer of Police] are totally disagreeing on the facts of that and that disagreement is part of the wider issue of the relationship between the Home Affairs Department and the police and how what is going to be a huge expenditure can be effectively controlled financially. So, those sorts of issues we would expect to be in the review.

**Chief Officer for Home Affairs:**

Yes. Any senior public servant who handles money, it is common sense. I am legally accountable in the law, that is accepted, but anybody who is spending public money knows that it has to be legitimate and 90 per cent of the time that was Mr. Harper because he was approving most of the bills.

**Deputy R.G. Le Hérisier:**

Can we come back to that?

**Chief Officer for Home Affairs:**

Can I just say I am not suggesting it was all illegitimate in that case because he had a lot on his mind at the time.

**The Deputy of St. Mary:**

Well, C.T.V. (Channel Television) certainly suggested that, so you and we have issues with the accuracy of some of the media.

**Chief Officer for Home Affairs:**

We all forget, do we not, what was going on at the time? What we thought we had on our plate.

**The Deputy of St. Mary:**

The pace of it.

**Chief Officer for Home Affairs:**

The pace of it, what we thought we were dealing with and as I have just said to the Finance Manager this morning: "You do not want me picking my way through everything becoming a blinking nuisance when you have a major murder inquiry." But it is up to the person authorising bills to make sure that that is a legitimate charge to public funds.

**Deputy R.G. Le Hérisier:**

Can I ask you, and I know this is focusing a bit on your own role, but it is important and although you say BDO is about effectiveness, of course it is about effectiveness based on a proper structure of control. In other words, that there are proper paths of accountability. You as accounting officer, other than this general letter you sent to [retired Chief Officer of Police] in which you asked him to

essentially sign as evidence that everything was honky dory, what did you as accounting officer think was sufficient evidence to prove that expenditure was being correctly and effectively handled within the police? What evidence did you seek?

**Chief Officer for Home Affairs:**

I think it is in his transcript. He refers to: "I express satisfaction" I think those are the words used. Bear in mind that I do not have any specialist knowledge on police functions and what they do. So, if the senior investigating officer says to me in writing in his email: "I have had A.C.P.O. (Association of Chief Police Officers) over here. They have been over, they have said that my inquiry is an example of best practice. I have had the National Policing Improvement Agency over here. They have not adversely commented on what I am doing. I have my inquiry policy file up and running and I am making entries in there and more than that, in writing, which I have, it is in there, he says that all the expenditure I am incurring is necessary to further the aims of the inquiry. Then I am hardly likely to say: "No, I am sorry, I do not care what you say, I need further evidence" and all that is in there. Those were the professional assurances that were being given at the time.

**Deputy R.G. Le Hérissier:**

You mentioned this was all going honky dory, this system, from your inception in Home Affairs, when did you realise, or come to the realisation that things were not going well financially?

**Chief Officer for Home Affairs:**

I hesitate there because it is like that film which has 2 scenarios running at the same time. God forbid, say that there were bodies at Haut de la Garenne, and say this was a multiple homicide, we could postulate whether we would be here today and whether there would be any query on the spend, but after 31st March 2008 when what had been described as a piece of juvenile cranium was later described as a bit of coconut and the thing started to take a different complexion, at that point I think it would be fair to say I probably started to think: "We have spent a lot of money on something which perhaps is not going to turn out on what we thought." So, you then get a concern. I think most people would. States Members staff have a concern. A lot of people started to have a concern about: "What exactly have you been spending all this money on?" At that point, and I think the correspondence bears it out, I sought advice from the Treasurer and I ended up writing to [retired Chief Officer of Police] about whether he could give me the assurance that what has been spent is an effective use of the money. That is about as fair an account as I can give you.

**The Deputy of St. Mary:**

Would you agree that there is a substantial body of opinion which would say that those issues of the juvenile skull turning into a bit of coconut and the charred corpses and so on, the various issues that do not seem to be resolved, the teeth, that there is a real doubt? You are saying: "Well, the thing turned on 31st March and it suddenly all became, 'Well, frankly why are we doing this?'" In fact, there are quite a lot of people who think: "No, the account given in BDO of those questions is partial and one-sided." So, there is still a debate about that. I am saying you cannot just rubbish it and say: "Well, all that expenditure in 2008, what a wild goose chase" or a lot of it. There have been prosecutions for a lot of it. I mean, there were 1,500 witness statements or something.

[12:15]

**Deputy T.M. Pitman:**

Before you speak, just because we will get pulled up on it, you said "charred corpses" it was charred bones, fresh and flesh, otherwise we will get accused ...

**The Deputy of St. Mary:**

Sorry, yes. No, fair enough.

**Chief Officer for Home Affairs:**

I am not qualified to criticise the conduct of the inquiry myself. Anything that I have said about that

is purely what I have read in here which is the thing that is on the internet which says what, in the opinion of the Wiltshire Police, was wrong with the inquiry.

**The Deputy of St. Mary:**

But Op Haven said, and the Minister has backed their version and not BDO's, they have said that the decision to excavate was legitimate, the expenses incurred up to a certain point were legitimate. There may have been no issues. What we are looking at is issues around how that expending was controlled, whether it was effective and efficient and so on. We are not looking at whether these police procedures were correct.

**Chief Officer for Home Affairs:**

No, and that is not part of my ...

**The Deputy of St. Mary:**

Oh, I thought you were questioning them.

**Chief Officer for Home Affairs:**

Not at all. I am not qualified to do that.

**The Deputy of St. Mary:**

Can I take you to the file note, 4th June 2008, which is in the bundle that I think you and our scrutiny officer provided us with. Now, there it says June 2008 you are present, Lenny Harper is present, the Director of Finance is present, and you just go through this. It is looking at the meetings, looking at financial management controls that have been put in place by the S.I.O. (Senior Investigating Officer). That is in part 1.

**Chief Officer for Home Affairs:**

Yes, I have it.

**The Deputy of St. Mary:**

At the commencement of the investigation he has followed A.C.P.O., accommodation was checked with States Procurement. A trip to Australia, taking all the factors into account, could be justified. Summary of key statistics was reviewed and expenditure we have put the extent of the investigation in proportion to the level of expenditure. In other words it was proportionate to the scale of what was going on and that gets a tick as well, but it just says: "Was reviewed." So, in June 2008 that meeting was an opportunity for challenge. I am just sort of trying to get hold of where the BDO review comes from with its extensive basically criticisms and that file note which says in June that ... well, what does it say?

**Chief Officer for Home Affairs:**

Well, what that was was me seeking assurances from the senior investigating officer about the money he was committing and Mr. Harper was able to do that at that time. I did not have a bad feeling after that meeting because I was basing it on those professionals who had come over and he relayed to me what they had said. But irrespective of this meeting on 4th June I still decided to seek verification of what I was being told from [retired Chief Officer of Police], expecting that he was supervising all of this, or supervising the S.I.O. and that was the purpose of the letters in June. I now know of course that perhaps that was not quite what the situation was at the time.

**The Deputy of St. Mary:**

Sorry, the letter in May? The letter that you wrote to [retired Chief Officer of Police] was 27th May.

**Chief Officer for Home Affairs:**

Well, the first one in May and June, yes, that is right.

**The Deputy of St. Mary:**

Your concerns were: "I will be meeting with Lenny to review some of the detailed expenditure."

**Chief Officer for Home Affairs:**

Yes, which one are you looking at? Oh, are you looking at the email, are you?

**The Deputy of St. Mary:**

No, 27th May letter in part 2 of the bundle. It is the first letter in the second ...

**Chief Officer for Home Affairs:**

First letter, yes. Yes, that is right. Well, that is referring to the 4th June meeting.

**The Deputy of St. Mary:**

It says: "As I am sure you are aware through my staff I have been monitoring expenditure on the historic child abuse Investigation and advising the Treasury through reports."

**Chief Officer for Home Affairs:**

Yes.

**The Deputy of St. Mary:**

Then you ask for confirmation from [retired Chief Officer of Police] that ...

**Chief Officer for Home Affairs:**

I did and I did not get it the first time so I wrote again.

**The Deputy of St. Mary:**

And then he wrote back saying: "I accept my responsibility as Chief Officer in the matter but in doing so encountered the customary difficulty of having no appropriately qualified staff within my direct command."

**Chief Officer for Home Affairs:**

That is true.

**The Deputy of St. Mary:**

Then after that between you you ended up setting up the F.O.B.

**Chief Officer for Home Affairs:**

It is true, but it is not true to say that he did not have access to qualified financial advice because he had it since 1st November 2000.

**Deputy R.G. Le Hérissier:**

On that, I think it is the same period again, we have what appears to be 2 divergent sets of evidence. One is that [retired Chief Officer of Police] was attending meetings presumably of the F.O.B. and the inference is from his evidence that he expected to be brought up at the F.O.B. if things were going wrong, expected concerns to be laid out. He says that there were no concerns raised with him, so he drew the inference that people were satisfied with his financial management, but yet apparently at the same time your finance and administration manager was expressing concern, which has been written about in the BDO report, that this person was getting very little information from Mr. Harper. So, (a) what was going on on the F.O.B? Was it all hunky dory? Was everybody sort of happy? And (b) did you hear from the finance and administration manager? Did that person come to you and say: "Look, I am not getting the information I require to make sensible assessments"?

**Chief Officer for Home Affairs:**

On the point of things not being flagged up; the whole point of these letters in May and June was because I was concerned and I do not think he is being totally up front. He is an intelligent man, he will know that the purpose of these letters was because I was not happy. He will know that. He has

not said it, but he will know that. This was me saying to the Chief of Police: “I need your assurance that what is going on you are happy with.” So, that is a written challenge. There is no other way of describing it. In terms of the finance manager, we are in the tearoom every day. He works downstairs. I suppose the best way I can portray it is if you look at tab 9; have you all got it?

**Deputy R.G. Le Hérisier:**

Yes.

**Chief Officer for Home Affairs:**

About 4 pages in the finance manager emailed the police in February seeking information and if you want the mood of things, if you look at the top thing there is a reply from Mr. Harper to the finance manager on 22nd February. It says: “At the moment it is a historical abuse inquiry. Details are confidential and I have no idea at present when it will end.” That was the reply to the request for financial information. Well, it was not easy, put it that way, but we did stay with it. From the records that are available electronically we were able to pull together financial reports which were provided to the police regularly and I think there is an example of one in there.

**Deputy R.G. Le Hérisier:**

Did you ever sit down with [retired Chief Officer of Police] and say: “Look, things do not seem to be going right here. Could we discuss how we can improve matters?”

**Chief Officer for Home Affairs:**

No, but we thought they were. I think that is the point I am trying to make. Up until it seemed that the inquiry was not going to do what it said it did, I think that is when the trigger was for my concern and at that point I decided to confront the Chief of Police with that.

**The Deputy of St. Mary:**

No, sorry, the matter of whether the inquiry was going to do what it said it would do on the tin; that is not the same as controlling the expenditure and you refer to this email from Lenny Harper on 22nd February: “I have no idea at present when it will end.” He turned out to be absolutely right because 4 days later they took the decision to ... they found then JAR/6 and so on and then the whole thing went stratospheric in terms of expenditure. So, he was right not to answer. He had no idea. I think I want to repeat the question of Deputy Le Hérisier which I do not think you answered. Did you hear from your financial manager, your person on the S.M.T. at the police who was a regular member of the team and was updating and so on and doing the analysis? Did you ever hear formally, or informally if you like, but formally preferably from that person about any misgivings about specifically Rectangle? Because they are in the senior management team every fortnight, is my understanding.

**Chief Officer for Home Affairs:**

Only that we had discussions about the size of the expenditure but I cannot recall specifically any conversations about anything else because of course do not forget we are not seeing the bills, like I said before. We are not seeing what is being signed off. We got to know about it retrospectively several weeks later because the financial information appears on the system. So, it is only from a sense of how much is being spent from the discussions of the group.

**The Deputy of St. Mary:**

You see, this is problem, is it not? There is someone who has a place on the S.M.T., it is a standing item on the agenda, the finances of the police, including Operation Rectangle, and yet in terms of strategic: dog-handler, big item; overtime cordon, big item. These are big items and apparently nothing is getting back to you at all, even though there is somebody ... You can imagine, you can see how this confusion arises; [retired Chief Officer of Police] is saying to us: “Well, there was somebody in on it” maybe he was referring to this person who was on the S.M.T. and there every time and yet nothing is coming back to you about any disquiet. I am not talking about a bill for this and a bill for that; I am talking about the overall thing, big costs, £100,000 here, £500, 000 there and

yet nothing is coming back to you.

**Chief Officer for Home Affairs:**

No, that is wrong; I was aware of that, yes.

**The Deputy of St. Mary:**

What about the challenge then on these items because obviously you go for the big items, do you not?

**Chief Officer for Home Affairs:**

Well, that is right but you have got to get back to the point that this is a major inquiry and people who had been brought over to look at the way they were conducting it were apparently saying that this was okay, this was being conducted in the right fashion. I am not going to question that. Why would I challenge that? The Wiltshire report says ... I mean I am going to have to quote it to you.

**The Deputy of St. Mary:**

Sorry, the Wiltshire Financial Report?

**Chief Officer for Home Affairs:**

Yes. Have you got a copy?

**The Deputy of St. Mary:**

Yes, I have.

**Chief Officer for Home Affairs:**

If you look at paragraph 1.5 in the executive summary: "Whilst it could be argued that Steven Austin-Vautier could have challenged either D.C.O. (Deputy Chief Officer) Harper or Chief Officer Power over the increasing costs of Operation Rectangle, the fact remains that he had no managerial or operational responsibility over them."

**The Deputy of St. Mary:**

Yes.

**Chief Officer for Home Affairs:**

So, unlike the Prison, the Fire Service, the Customs and Immigration Service, the Superintendent Registrar and the Territorial Army, where I can say: "Stop doing that and do not do any more until I have said otherwise." I cannot do that with the police.

**The Deputy of St. Mary:**

Which is why I asked right at the beginning, why we asked right at the beginning the question about the Finance Law and whether you felt it was satisfactory and you said your views changed and you now know that it is not satisfactory or words ...

**Chief Officer for Home Affairs:**

It has not stood the ultimate test.

**The Deputy of St. Mary:**

[retired Chief Officer of Police] said at the time: "It will not stand up to any of the stress."

**Chief Officer for Home Affairs:**

He had a lot of foresight.

**The Deputy of St. Mary:**

Yes.

**Deputy T.M. Pitman:**

I have sat very quietly because both my colleagues are on a roll here and that is fine, got my share last time. What I still find hard to get my head around is [retired Chief Officer of Police] is effectively saying that most of the concerns, the worries, the questions, only came to a head after he had been suspended almost. How could such a scenario be plausible? I know there are difficulties, we all know that now, between the lack of an adequate relationship between Home Affairs and the police but how could he come to that conclusion?

**Chief Officer for Home Affairs:**

Well, you are asking the wrong man, are you not?

**Deputy T.M. Pitman:**

Well, no, we have put questions to [retired Chief Officer of Police] but I think it is quite relevant to ask you because you are his friend.

**Chief Officer for Home Affairs:**

No. Well, look, [retired Chief Officer of Police] is a colleague, he is a colleague. You cannot ask me, as a colleague, why it is that people start to question [retired Chief Officer of Police], put some doubt on whether he should be in office, question whether he should be ...

**Deputy T.M. Pitman:**

Well, I can ask you if you respect why it sort of apparently took so long; July everything is great apparently, or that is the perception and then he is removed and suddenly December, a different ball game. That is what I find hard to understand. I am not casting any aspersions on yourself ...

**Chief Officer for Home Affairs:**

No.

**Deputy T.M. Pitman:**

I am just trying to get my head around this.

**Chief Officer for Home Affairs:**

Are you saying what happened in that, say perhaps 6 months that we ended up where he was suspended; is that the question?

**Deputy T.M. Pitman:**

Well, I suppose that it is a degree, yes. That is; I mean he is suspended and then I just do not understand how he got there without it being much more in the ...

**Chief Officer for Home Affairs:**

Yes. Well, lots of people caused that but I am not one of them. I am busy getting on with my job in Home Affairs.

[12:30]

Neither me nor my staff are saying: "Why is Graham Power still the Police Chief?" Lots of your brethren were, lots of Members, lots of members of the public, other people but we have got no axe to grind. We have got a job to do and it is busy.

**Deputy R.G. Le Hérisier:**

I have got to press this issue again, if I may; this issue of your officer attending meetings and not getting sufficient information, it appears, from Mr. Harper and yet somehow this concern, which must have been a major concern, does not sort of find its way to you and start alarm bells ringing or find its way to the Financial Oversight Board, which is meant to be the repository for all these concerns.

**Chief Officer for Home Affairs:**

Well, I think that the only thing I can say is that ... and it is the mildest answer; I was prepared to accept, at the time, that the A.C.P.O. group had been over, the N.P.I.A. (National Policing Improvement Agency) group had been over, the assurances that Mr. Harper himself formally had given about the fact that everything he had spent he needed. When you piece that all together it was a plausible account as to why we needed to spend the money we were spending. As I have said, it was only when it was quite apparent that the inquiry, the operation, was not achieving what it was supposed to achieve or it was portrayed as, that there then became a worry over whether we needed to be spending as much as we did. But up until that point everything looked quite plausible at the time.

**Deputy R.G. Le Hérissier:**

See the interesting thing is that a lot of the subsequent press media coverage was ... some of it was questioning professional policing decisions, like was a dog needed? But there are others, as I intimated earlier; essentially they were about extravagance, that there was extravagance in expenditure. Things that strikes me; lay people could judge. They were either staying in over-luxurious hotels or they were not and of course that is where it all ended up; the publicity, that is where the adverse publicity ended up. That was not picked up as an issue, was it, because it subsequently became a major issue?

**Chief Officer for Home Affairs:**

Well, it was. Well, it was because we had new ... we spent a lot of our time answering numerous States Members' questions around it and I have got it all. So, we did have to, I had to ask the questions. A classic example were the trips to Australia, for example; I had to go into all of that. We had a meeting with the police; they provided, again, a plausible reason why they had spent the money they had on going to Australia or to do with the length of the travel they had to endure, the work they had to do while they were airborne and you cannot do that sitting in the 3 and 4 pennies when you are juggling your tray of food with muggins looking over your shoulder at what you are writing; all good reasons, all perfectly plausible. So, we were dealing with those things at the time; there were numerous questions about hotels. I know that they did go to length to try and get one of the bills in now; I brought examples with me in case you wanted to see them. But there is a receipt in it or a bill in there, quite a large one, for the Hotel de France; £70 a night bed and breakfast. Well, you cannot say fairer than that; that is a good rate for the Hotel de France. There was some trouble being taken over things like that; it was not all ... and I said that the last time I appeared. The impression has been given that the BDO report just rubbishes everything that the police did. It does not; there are 9 examples at least of where they are saying steps were taken to be careful.

**The Deputy of St. Mary:**

This is the problem, is it not, that the public perception is totally different from what you have just said?

**Chief Officer for Home Affairs:**

Well, who is putting that about?

**The Deputy of St. Mary:**

Ah, I know, it is the media.

**Deputy T.M. Pitman:**

We discussed this with the Minister.

**The Deputy of St. Mary:**

We have referred to the Channel T.V. (television) who have used the Australia example as an example of profit and expenditure only last week and you are saying and of course we all know that that expenditure was justified and it is on record in your documents that you have given us. So, there

is a problem with the way the media goes about reporting this whole issue and I wonder if you have any comments on what could be done about that in terms of rectifying, getting them to put out the micro version corrections to the mistakes they are making?

**Chief Officer for Home Affairs:**

We are on an impossible mission.

**The Deputy of St. Mary:**

But you do share that concern.

**Deputy T.M. Pitman:**

But can I have some insights into how that came about?

**Chief Officer for Home Affairs:**

Well, sorry, Deputy ...

**The Deputy of St. Mary:**

Well, sorry, there are 2 questions.

**Chief Officer for Home Affairs:**

I share the concern because of the mass indignation I felt last week. I mean I just found it extraordinary; one hour 40 you had him on the phone and the one thing they report is tosh, sorry, it is drivel. They are both in the dictionary actually.

**Deputy T.M. Pitman:**

We can agree on some things then.

**The Deputy of St. Mary:**

Tosh is fine, so what do you ...?

**Deputy R.G. Le Hérissier:**

I wonder if I can jump to a new issue, although we do have a tendency to keep being drawn back; the lack of a finance manager. [retired Chief Officer of Police] of course, just as we are following this theme, he says of course he had asked for such a person to be appointed and so forth. Were you convinced that you moved as quickly on this one as you could have and were you convinced, once you had made the appointment, that you were getting the right information to start making some fairly informed judgments and assessments of what was going on?

**Chief Officer for Home Affairs:**

Well, there always was a finance manager; there has been for 8 years.

**Deputy R.G. Le Hérissier:**

Within the operation team?

**Chief Officer for Home Affairs:**

Yes, but as I have said before, that was Mr. Harper's responsibility to appoint his own finance backup for his operation in accordance with police procedures. That is not me; I have got a department to run.

**Deputy R.G. Le Hérissier:**

Presumably though you would have been of the view ... say, for example, you follow the argument; Mr. Harper, as you have said earlier, was running a very fast-paced investigation. He may not have had very recent experience of running such investigations and certainly you ...

**Chief Officer for Home Affairs:**

They do.

**Deputy R.G. Le Hérissier:**

Yes, well quite; bureaucratic niceties were not going to be sort of top of his agenda as he tried to get things moving. You did not think that there was a role for your department to intervene and say: “Look, we have got to push this along and it will help me because it will ensure that I am getting right from the frontline the right kind of financial data and I do not have to rely on these sort of letters from [retired Chief Officer of Police] that everything is hunky-dory.”

**Chief Officer for Home Affairs:**

Well, 2 things to say about that; the first is there has been a very sad incident in Jersey in the last 10 days but the senior investigating officer found time to, in the first week, sort out his admin and finance, point one. Point 2, this was all very new; we had not been here before. I am the first to admit we are all human beings and fallible.

**Deputy R.G. Le Hérissier:**

Absolutely.

**Chief Officer for Home Affairs:**

I, despite my 18 years in the Air Force and things I have seen and done, this was new for me. Nobody knew how it was going to unfold. It is great in hindsight but I am sure Mr. Harper, [retired Chief Officer of Police] and me, we would all do things differently but at the time you just do not know exactly what is coming up. I did not know that 4 weeks later we would still have a dog roaming around and we would have all these policemen still on a cordon. It was all new, never been there before and we all learned from those sorts of experiences.

**Deputy R.G. Le Hérissier:**

In a way, we are not here to assess your performance but obviously we are there ...

**Chief Officer for Home Affairs:**

I wondered.

**Deputy R.G. Le Hérissier:**

Because obviously one of the issues that has arisen is the balance of the findings of the BDO report and while we are not here to sort of engage in equal opportunity of allocating blame obviously there is a distinct trend in that report and it is to put the bulk of the blame upon police and certain named officers. So, we have to find out the workings of the Home Affairs Department. You gave a long list of the people Mr. Harper had sought advice from and that is a well known police thing; try and break down cultures and open up to new thinking. That did not apply to your side of the work. You could not pick up the phone to someone in the Home Office and say: “Look, we have got this massive operation in Jersey. I am in this position. What are the things I should be focusing on?” That did not come up?

**Chief Officer for Home Affairs:**

No. There is not that sort of thing. I mean we plugged for the Jersey public service. We do get on with it and sort things out. No, there is not the panoply of managerial oversight and advice that there is within the police force U.K. (United Kingdom)-wide. No, there is not and in any case, come back to what I said, at the outset why is it any different? We have managed £48 million every year or whatever it is; it happens to be that this year and this was just another operation at the beginning but it clearly unfolded into something much bigger.

**Deputy T.M. Pitman:**

If I can just take you back a bit; [retired Chief Officer of Police] stated at the early stages of the inquiry, when he was receiving responses, regular responses, that there were no concerns about the financial arrangements, he began to feel uneasy, to use his words, that: “There was not sufficient

rigour in the Home Affairs approach. I just came towards the end of May 2008, 22nd May” and he says he took the initiative to propose the Financial Oversight Board in an email he quotes, 9th June. He said that this was eventually accepted but not acted upon with sufficient speed and the first meeting is not held until 23rd July. What would have been the reason for that delay?

**Chief Officer for Home Affairs:**

Right. Well, the answer to the question, before I come back on from there, is I do not know because I have looked at that. I imagine it is something as simple as people not being available in July. It is right in the middle of the summer, other things going on. I honestly do not know of any other reason why there was a delay.

**Deputy T.M. Pitman:**

But something that would have seemed so important he has recognised as important.

**Chief Officer for Home Affairs:**

Yes.

**Deputy T.M. Pitman:**

Is that ...?

**Chief Officer for Home Affairs:**

No, it is a fair observation. I cannot honestly account for anything other what was said. I come back to; he says “insufficient rigour” and he suggested that ... I will submit that unless I had written to him in May and again in June that he would not even have thought of the Financial Oversight Board because he was not focused on the finance at all. That is an opinion; it is not backed up by anything I have given you.

**Deputy T.M. Pitman:**

Yes.

**Chief Officer for Home Affairs:**

But the only reason it popped up was because of the correspondence.

**Deputy R.G. Le Hérisier:**

Going to a slightly more micro issue, Mr. Austin-Vautier, as you know [retired Chief Officer of Police] claimed that the rules on expenses were bypassed, that they were never signed off and then of course this was heavily criticised in the BDO report. We are into detail again, sorry about that.

**Chief Officer for Home Affairs:**

Yes, that is all right.

**Deputy R.G. Le Hérisier:**

Can you explain to us how police claim for expenses were signed off or should have been signed off?

**Chief Officer for Home Affairs:**

Well, you are talking about purchase cards now, that sort of thing?

**Deputy R.G. Le Hérisier:**

Yes, well, alongside it, yes.

**Chief Officer for Home Affairs:**

Yes. Well, with purchase cards you have to have 2 signatories. You verify the bills yourself but you did incur those and then another officer has to verify that. Then, in addition to that, then the Finance Officer does the computation check and allocates the business unit, so there are 3 people; that is with

the purchase cards. That is why in the BDO report there is quite a long section about what happened at the Bondi Brassiere and other places and the fact that bills were split, it observes. With other bills and then ironically they could be a lot larger and I mean we are talking £90,000 for dogs, for example; with those it just has to be certified by the person committing the expenditure and most of those are signed by Mr. Harper, nobody else. They then go through to the Treasury clerk who then checks the computation and checks that it has been properly authorised. So, there is a difference between purchase cards and other types of bill.

**The Deputy of St. Mary:**

Is there no counter-signing for the items, for instance, where Lenny Harper might have thought there was going to be a counter-sign?

**Chief Officer for Home Affairs:**

No. No, not necessarily, no. No. I mean you might find it strange but not under the current finance directions. It comes back to the point that the person incurring the expenditure has to have the integrity to say: "I am satisfied, certified, that this is the correct charge to public funds" and every public servant in a managerial position knows that.

**Deputy T.M. Pitman:**

Yes.

**The Deputy of St. Mary:**

Which is why normally there is a right-hand person within a major inquiry to challenge and check that a competitive process has been gone through properly, et cetera, et cetera, when it is a bit item and this was not that.

**Chief Officer for Home Affairs:**

Yes, although, just to say on that, yes, in the ordinary run of events big things you would competitively tender things but clearly with something like this; we have had it this morning, I will tell you now ...

**The Deputy of St. Mary:**

Exactly.

**Chief Officer for Home Affairs:**

They have not tendered.

**The Deputy of St. Mary:**

No.

**Chief Officer for Home Affairs:**

I mean they have to get forensic people in like now and they go to the people who can do the job. They do not go out to tender in the time or anything like that.

**The Deputy of St. Mary:**

No, no, I am sorry. Yes, but I just mean looking at things where there is a lead time and so on.

**Chief Officer for Home Affairs:**

Yes.

**The Deputy of St. Mary:**

But some element of challenge; we are looking for some element of challenge.

**Chief Officer for Home Affairs:**

Okay, well, it is in there, is it not? It is in there, Operation Haven.

[12:45]

**Deputy R.G. Le Hérissier:**

One of the ways of dealing with this where you do give, shall we say, unilateral signing-off powers to an individual is the sum of money which they can sign off. What is the limit that can be signed off? Is it totally attached to rank in the police?

**Chief Officer for Home Affairs:**

I do not have that information readily to hand and I would not try and guess it but I think I can find out for you, if you would like me to, yes?

**Deputy R.G. Le Hérissier:**

Well, in the sense that if the allegations being made that expenditure is running out of control and someone can sit in front of a desk and sign off a whole series of £90,000 claims, obviously there is very little ... when you look at the system like that ...

**Chief Officer for Home Affairs:**

That is what happened.

**Deputy R.G. Le Hérissier:**

There is very little control in a system like that, other than presumably your department commenting on the trend of expenditure.

**Chief Officer for Home Affairs:**

No, but in a sense it should not matter for the reasons I keep saying. If there is proper professional oversight of what it is that is being done ...

**Deputy R.G. Le Hérissier:**

Yes.

**Chief Officer for Home Affairs:**

... and it is in accordance with procedures and policies and where you could tender, you have time to you did, there is no question. The fact that you are signing the bill for £156,000 should not make any difference because of those challenges and checks, professional ones, not from an accountant but from somebody who knows the business.

**Deputy R.G. Le Hérissier:**

Yes, I take your point. But in what you might call a steady state, as opposed to the kind of obviously urgency that governed a lot of this, you of course would do it against a budget, would you not?

**Chief Officer for Home Affairs:**

Yes.

**Deputy R.G. Le Hérissier:**

If it was not indented within the budget then obviously approval could not be made.

**Chief Officer for Home Affairs:**

Well, you have come back to one thing that was difficult with this whole thing and why I wrote to the Treasury in March in the first place to say: "Unless you give me any more money, I have only got the police budget; if you do not give me any more money I am telling you now it will overspend." We never, at any point, did as just for the record; the budget was never overspent. But, yes, unless you have got both sides of the balance sheet it is very difficult to profile a budget. You cannot say: "Well, hang on a minute, if we go on like this we are going to be overspent in 3 weeks" because you have got nothing to measure it against.

**Deputy R.G. Le Hérissier:**

Again, reverting to a broader question, we had the BDO report; obviously there has been considerable criticism of the absence of the main witness and we have heard explanations that the ongoing disciplinary inquiry in a sense sort of blighted that because everything had to be put on hold, in retrospect would you have handled the investigation into the alleged overspends by a mechanism like BDO or would you have taken a different approach?

**Chief Officer for Home Affairs:**

Let me think about it, the alleged overspends, yes. I am quite happy that ... because I was instrumental in asking BDO for it, yes. In fact I would go as far as to say it was my suggestion to the Minister that we do this because if I had not asked for it somebody would, if it was the Comptroller and Auditor General or a States Member maybe. I just knew that somebody was going to say, if I did not: "Was this money used efficiently and effectively?" which are the words in the Finance Law. So, we just did it. I am still happy that that was the right thing to do but it was not about overspend. It was, what it says on the front, about the efficient and effective use of resources. I think I read it; there was an observation on the minute that the Scrutiny Officer sent out about whether that might have interfered with the Wiltshire inquiry, whether it was the right time. I saw it as quite discreet from that because it was an audit and they had [Police consultant]. If, at any point, [Police consultant] had spoken to Wiltshire and they said: "Back off, this is going to seriously interfere with our inquiries" it would have stopped but that did not arise, as far as I know.

**Deputy R.G. Le Hérissier:**

There was an apparent understanding that there were Chinese walls between Wiltshire and BDO but apparently, as you know, the allegation has been made that [Police consultant] was able to procure the statement of Mr. Harper to the Wiltshire ... you were aware of that, were you?

**Chief Officer for Home Affairs:**

Not at the time.

**Deputy R.G. Le Hérissier:**

Did that strike you as rather strange, that ...?

**Chief Officer for Home Affairs:**

What, now?

**Deputy R.G. Le Hérissier:**

Yes.

**Chief Officer for Home Affairs:**

Yes. Yes, obviously but just speaking as a man in the street, it did strike me as a bit strange, yes but I did not know until this Scrutiny inquiry that in fact he had, I think I am right in saying. But we should say that Wiltshire do not appear to have had a problem with that; they appear to have taken legal advice.

**Deputy R.G. Le Hérissier:**

Legal advice, yes.

**Chief Officer for Home Affairs:**

So, it is not quite as perhaps wrong as it might appear.

**Deputy T.M. Pitman:**

When you say it appears a bit strange, I mean you have obviously read all the transcripts you have had; do you find it a bit strange the way things have been working behind the scenes with [former Acting chief Officer of Police] has obviously completely gainsaid the excuse for not talking to Mr.

Harper. He has totally denied that but he prevented [Police consultant] from doing so. I mean were you aware of any sort of unfolding concerns at the time when all this was going on or were you completely removed from that?

**Chief Officer for Home Affairs:**

I found that odd because I remember having a meeting with [former Acting Chief Officer of Police] where he was quite firm that Mr. Harper should not be approached. So, I heard that with my own ears.

**Deputy R.G. Le Hérisier:**

What reasons did he give you?

**Chief Officer for Home Affairs:**

I did not ask for them. Well, no, that is wrong; I did say: “You have got a reason for that” and it was along the lines of ... well, it was a potential judicial reason why it might interfere downstream with anything that might arise as a result of the Wiltshire inquiry. I did not question it further because from my own background that was a good reason. If there was a chance that would happen then that was a good reason for not approaching Mr. Harper to talk about finance.

**The Deputy of St. Mary:**

Do you remember roughly when that meeting was, when you spoke with [former Acting Chief Officer of Police]?

**Chief Officer for Home Affairs:**

It was certainly near the beginning of the BDO work. It was fairly early on in the BDO work.

**The Deputy of St. Mary:**

There were a couple of beginnings, which beginning? February, as in February 2009, when the M.D. (Ministerial Decision) was initially an issue.

**Chief Officer for Home Affairs:**

Yes, it would have been in the summer of 2009 I imagine. It was quite early on.

**The Deputy of St. Mary:**

So, it was before Wiltshire was concluded.

**Chief Officer for Home Affairs:**

Yes.

**Deputy T.M. Pitman:**

Just going back to the formation of that Gold Group; [retired Chief Officer of Police] said to us that he was discussing that with Warcup very early on. Why did that take so long to establish, can I ask you that? He felt that Gold Group would have absorbed the work of the Financial Oversight Board.

**Chief Officer for Home Affairs:**

Well, again, I must doubt that because I did not know that Gold Groups were the order of the day as a policing thing. I did not know that it was in their procedures to establish the Gold Group for things like this, when they had established one right away for the current one. So, that is very much police procedure.

**The Deputy of St. Mary:**

To be fair the initial view of Harper and Power was not to have one anyway and then that evolved to: “Oh, we need one” that was all outside your camp(?).

**Chief Officer for Home Affairs:**

Yes. Once one was established and I was going to them I could see that there was a value in them because you are able to talk real time with the senior management running the inquiry. Just I said to them at those meetings: "Look, what is coming up that I need to be cited on? Have you got any big items?" the sort of things we have been talking about but there was no platform for that before the Gold Group. The F.O.B. was but that is not the Gold Group.

**The Deputy of St. Mary:**

I think the key issue is going to turn out to be whether before F.O.B. there was some kind of process set up by somebody to monitor this thing better.

**Chief Officer for Home Affairs:**

I would submit that that is a police procedural issue.

**The Deputy of St. Mary:**

Yes, we know that is your view, yes.

**Chief Officer for Home Affairs:**

But I would say that.

**Deputy T.M. Pitman:**

Something that underlies a lot of these decisions that were taken and actions that were not perhaps pursued seem to go back to [retired Chief Officer of Police]'s and Harper's concerns about political interference; were you aware of that from your side at Home Affairs?

**Chief Officer for Home Affairs:**

No, no.

**Deputy T.M. Pitman:**

In no way whatsoever?

**Chief Officer for Home Affairs:**

No, we are not ... I mean the ...

**Deputy T.M. Pitman:**

No pressure has been put on you?

**Chief Officer for Home Affairs:**

None at all. We are obviously very close to the political machinations because we are a central department and we are working with the Minister daily. But I was not aware of any what might be called political interference at the time.

**Deputy T.M. Pitman:**

But yet you did say that you were aware of comments being made by politicians; I thought you said that earlier.

**Chief Officer for Home Affairs:**

Yes, but those are comments which are things that you read and hear about. They are not more Machiavellian, if I could put it like that; what you would regard as some sort of undermining, put it that way, if indeed that happened I really do not know.

**Deputy T.M. Pitman:**

Was that even the case when you had the problem ... well literally, the Home Affairs Minister at the time went and was replaced; it was Senator Kinnard then, to be replaced by Deputy Lewis? Was there any concerns being expressed at that time as to any political motivations there or concerns being fed through to the department?

**Chief Officer for Home Affairs:**

Then?

**Deputy T.M. Pitman:**

Because it seemed to be a very messy situation at the time and I just wonder if that filtered down into ...

**Chief Officer for Home Affairs:**

No. No, but of course the circumstances around why Senator Kinnard left office and then Deputy Lewis came in for a short period were very specific and were for particular reasons which we will not go into here.

**Deputy T.M. Pitman:**

But what I am getting at is did that impact anything on the way things unfolded and the relationship between the Home Affairs Department and the police? I do not want to go into the case, it was going on and ...

**Chief Officer for Home Affairs:**

Not as far as I was concerned because ours is a ... you will understand that for officers it is a very businesslike thing; you are interested in getting on with the business. Really we have to be politically aware that we do not get involved in anything like that.

**Deputy T.M. Pitman:**

Is there anything that you think we should have asked you to draw out, Chief Officer, and we have not?

**Chief Officer for Home Affairs:**

Yes, there is one thing, if you do not mind, that you have not covered; it will not take long. It was, if I can find it, the thing to do with why there has not been so much apparent focus on the Home Affairs Department than there has on the police. Do you know what I am alluding to? Yes, in fact I think it was something you might have said. Oh, there it is. Yes. Why the Home Affairs side has not really been given the same scrutiny and that was a question you put to [retired Chief Officer of Police]? What I wanted to say on that was that I had to give a fairly detailed statement to the Wiltshire Police more than once, just the same as [retired Chief Officer of Police]. I clearly then, although I was part of the instigator of BDO, had all of that; they interviewed me and wanted to know what my take was on it. Me and the department then had the Comptroller and Auditor General's interest in all of this. For the last 3-and-a-half years we have also had all the media attention and the copious questions from States Members to deal with and questions from members of the public. Right throughout the last 3-and-a-half years the very few people that work over there with me, we have been at our post for 3-and-a-half years just getting on with the job that we are paid to do. All I would like to say is it does not feel to me like we have not had the same level of scrutiny. It has been a rough ride. So, I just wanted to counter the impression that there has been all this focus on [retired Chief Officer of Police] and Mr. Harper and the police. We have just been getting on with it in all this time and we have had a lot to endure rightly but we have, all of us, just been getting on with it in the meantime. We are a very busy department. So, I do not want people to run away with the impression that we have not been under scrutiny; we most certainly have.

**Deputy T.M. Pitman:**

I think we would probably say it is a difference between scrutiny which I am sure you would agree is completely valid, that is what we are here to do, obviously here to do and some of what has gone on in the media which has bordered on almost character assassination or certainly the way it has come across; perhaps that is the difference, which is not your fault, it is not my fault.

**Chief Officer for Home Affairs:**

Okay, well, that qualifies it. Yes, it is just that from the question you asked ... you have put it in a way that makes better sense.

[13:00]

But from the question you asked it sort of gave me the impression that we are almost spectators in a side show; we just wait for the next episode. We have been very much part of this.

**Deputy T.M. Pitman:**

Well, I think, for the record, it is quite clear there are 2 sides to this story. I mean there are 2 people involved; Home Affairs have been involved, the police are involved, so we are about to ask those questions and I think you would accept that.

**Chief Officer for Home Affairs:**

Yes.

**Deputy T.M. Pitman:**

But it is certainly not meant as a slight on the Home Affairs Department.

**Chief Officer for Home Affairs:**

No. There is one other thing I would just like to ask; have you read the Comptroller and Auditor General's report as well?

**The Deputy of St. Mary:**

On this?

**Chief Officer for Home Affairs:**

Well, on the whole of the Wiltshire inquiry. Well, Deputy Wimberley gives the impression that maybe not.

**Deputy R.G. Le Hérissier:**

He has read everything. If he has not read it the rest of us are in trouble.

**The Deputy of St. Mary:**

I have got to go, Chairman, because my son is just leaving the Island.

**Deputy R.G. Le Hérissier:**

We had better listen to this statement.

**Chief Officer for Home Affairs:**

Yes, it will take 30 seconds.

**Deputy R.G. Le Hérissier:**

Thirty seconds.

**Chief Officer for Home Affairs:**

Thirty seconds. He wrote his report in July 2010. He waited for the Wiltshire report and the BDO report and at paragraph 10 he says: "I accept the Chief Officer of the Home Affairs Department was throughout mindful of his personal responsibilities and took reasonable steps to discharge his responsibilities within the constraints I have described." Now, we know the Comptroller and Auditor General; I do not think he would write this unless he had thought about it and that is my last comment.

**Deputy T.M. Pitman:**

Okay. Is there any ...? Well, thank you coming in and for your answers and I will end it there.

Thank you.

**Chief Officer for Home Affairs:**  
Thank you