



Public Accounts Committee
Database Recommendations
Witnesses: Chief of Staff and Audit

Monday, 1st July 2019

Panel:

Senator S.C. Ferguson (Chairman)
Deputy R.E. Huelin of St. Peter
Connétable J. Le Bailly of St. Mary
Deputy I. Gardiner of St. Helier
Ms. M. Scott
Mr. A. Lane
Mr. T. Rogers

Witnesses:

The Comptroller and Auditor General

Chief of Staff
Chief Internal Auditor
Director of Risk and Audit

[15:00]

Senator S.C. Ferguson (Chairman):

Good afternoon, everybody. Welcome to this public hearing on the database of the recommendations. I think you may have seen it before but the health warning is there. It has not changed so if you have read it before that is okay. In order to make things easy for our transcribers in New Zealand if we can go around the table and say who we are. I am Sarah Ferguson, I am Chairman of the Public Accounts Committee.

The Comptroller and Auditor General:

Commented [KMI]: In Attendance

I am Karen McConnell, Comptroller and Auditor General.

Connétable J. Le Bailly of St. Mary:

John Le Bailly, Constable of St. Mary and Vice-Chair.

Mr. T. Rogers:

Tim Rogers, an independent member of the Public Accounts Committee.

Mr. A. Lane:

Adrian Lane, also an independent member.

Scrutiny Officer:

Caro Tomlinson, P.A.C. (Public Accounts Committee) Officer.

Director of Risk and Audit:

Mike Thomas, Director of Risk and Audit.

Chief of Staff:

Catherine Madden, Chief of Staff.

Chief Internal Auditor:

Catherine Watson, Chief Internal Auditor.

Ms. M. Scott:

Moz Scott, independent member of the P.A.C.

Deputy I. Gardiner of St. Helier:

Deputy Inna Gardiner of St. Helier.

Deputy R.E. Huelin of St. Peter:

Deputy Rowland Huelin of St. Peter.

Senator S.C. Ferguson:

I gather due to some vicissitudes of technology we shall not get the presentation. Perhaps if it can be sent to us and we will make sure that it is published on the scrutiny website. Right, now the C. and A.G. (Comptroller and Auditor General) with the Public Accounts Committee have produced a substantial volume of recommendations over the past 5 years and implementation has been patchy, why was that?

Chief of Staff:

I can answer that. I think it was because it was done within departments so different departments approached how they responded in different ways and they did not see it as being corporate, and I do not think they saw it as being something that they could learn from. I do not think it was taken as seriously as it should have been. Over the last 6 months it has become a corporate priority in terms of the Chief Executive and the senior management team and in that respect, although technology at the moment is limited, we have developed a database that has got a software system that has Power BI behind it which means that we can interrogate all of the recommendations that have been taken forward since 2015 and I believe we have taken some from before 2015 as well. We can look at them, interrogate them and analyse them as a management team and start to monitor progress in terms of their implementation. That does not mean to say that we agree with all the recommendations because some of the recommendations, the world has moved on because they were produced in 2014, 2015, 2016 and they were not dealt with at the time but this is about us now making sure that we fully understand what the recommendations are about and making sure that we learn them. Not just within the departments but where there is learning across departments from a corporate perspective that is taken forward.

Senator S.C. Ferguson:

Super. When we met in November with the Chief Executive we were told that this would be ready by February. Why has there been a delay?

Chief of Staff:

The actual database was ready by February. We have done all the input into the database and we have set it out in terms of your 6 themes, however we have then decided that we wanted to be able to interrogate it further and be able to ask it questions rather than it just being a flat ... what it is at the moment is an Excel spreadsheet. What we have been doing is we have put the Power BI software system behind it which enables you to manage and analyse the recommendations. But in order to do that we needed to validate all of the work that had been done to date within the departments to make sure we were starting from the right perspective. Catherine Watson has been leading on that. Do you want to say anything, Catherine?

Chief Internal Auditor:

Yes, so one of the teams that is important was internal audit, that they remain independent, which I know you very much respect. One of my team has been seconded to work with the financial governance team and they have gone in and basically checked on line by line by line on completeness of all the information that has gone in there and mapped across to make sure there is completeness. We then, as internal audit, under the Public Finances (Jersey) Law I have to give

assurance on key systems and controls to the Chief Executive and Treasurer and we will, alongside our internal audit tracker which we have to do as well, validate and make sure all there is all the evidence to ensure that is completed. That is not to say we usurp the role of the C. and A.G. because they have their own independent assurers but we will be as the final line defence to look and make sure that information is validated. There will be someone from the internal audit team seconded to the financial governance team to provide that independent assurance.

Ms. M. Scott:

How easy has it been to get that information needed to validate?

Chief Internal Auditor:

That process has not started yet.

Ms. M. Scott:

That has not started?

Chief Internal Auditor:

No.

Director of Risk and Audit:

The full database, there has been a report that were publicly available on the Jersey Audit Office website and the P.A.C. report. That first phase of getting all those reports and all those recommendations into one space, with the response ... because, to be fair, there have been responses from government departments on many of these items but they just were not all in one space that could easily be interrogated. We have got to the position now of them being able to be interrogated and we will put in place a process that now both validates that further but also then audits it as a separate independent quality review that these things are happening.

Deputy I. Gardiner:

Have you started the validation process? If not, when is the plan to start?

Director of Risk and Audit:

The first phase of the validation was getting all of the information into one space, which is now done.

Deputy I. Gardiner:

To validate whatever is there?

Ms. M. Scott:

That is the recommendations on the database?

Director of Risk and Audit:

Everything is on the database.

Ms. M. Scott:

That is the validation?

Director of Risk and Audit:

That is the first phase of the validation.

Chief of Staff:

What we are going to do then is talk to the relevant departments to make sure that what they have said they are doing they are doing and to make sure that what they put into the ... they have action plans now, what they put into the action plans is right before we then go on to do the quarterly reporting which will start in December.

The Deputy of St. Peter:

Can I ask a really simple question? It is for me but I am going to pretend it is for everybody listening. Can you go through the whole ... what is the validation process? Where are you now and what does the end look like? What hurdles do you have to go through? Just so we can really understand what that is. My simple understanding is that we are going to get to a point where this is going to be a management tool and it will never be a management tool effectively until everything has been validated. I may be misunderstanding that.

Senator S.C. Ferguson:

Before you start talking, I think you better put your microphone in the right place.

Director of Risk and Audit:

Sorry. In response to that, the first phase which Catherine has rightly said that the financial governance team were involved in was getting the database to a place where we were comfortable that everything was there. That has now been done. Tomorrow there is a report going to the Executive Management Team which will set out a timetable for the financial governance team taking a report for each Director General to their management team over the next 6 to 8 weeks, to then do a rechallenge of are these recommendations still the right recommendations? Have they been overtaken by events? Are they still valid? Also then validate what the responses to those are. By the time we come to mid-August we will have a position statement that is ready for the internal audit team then to go out and say: "Is the audit evidence there to support where that position statement is?" The paper that is going tomorrow has a rating system in it, that could be red, amber, green in

terms of progress or white or blue in terms of either no longer valid or are they completed or overtaken by events? That is where we are. There will be 6 weeks to the middle of August, we will do some validation and then we will probably, by mid-September, be in a place to be really comfortable that what we have is the current position. That may reduce the number of recommendations that are available. I think the C. and A.G. had previously said: "We need to focus on what are the outcomes we are trying to achieve?" Some of them may be overtaken by events. From then on in it into the quarterly reporting process from October onwards, which I think we have agreed to share yourselves.

Chief of Staff:

After tomorrow we can share the report we have given to the management team, once they agreed it tomorrow and had a discussion on it. I did not want to bring it today because clearly we are having a discussion about it tomorrow.

Mr. T. Rogers:

Could I just clarify then, although this database was completing that brief, subject to annotation, you have not yet discussed it with your management team?

Chief of Staff:

As a collective. We have discussed it individually with certain departments but as a collective way forward, now that we have everything in place, we are taking them through the tracker tomorrow. They know about it because we have had discussions previously but this is about: "This is how it is going to happen. This is the timeframe and these are the reports that will be coming on a quarterly basis." Then also what is expected of the Director Generals with their departmental senior management teams. This is not just about the Chief Executive's Management Team, this is also about the senior management teams within the departments.

Mr. T. Rogers:

Can I just then confirm, if you have already been having some dialogue, you are using the database and populating it, you have not parked all action until October?

Chief of Staff:

No.

Mr. T. Rogers:

In fact when we expect to receive a presentation from both Housing and Environment we can do so and that will come with a full understanding of where we are now since February?

Chief of Staff:

Yes.

Mr. T. Rogers:

Thank you.

Senator S.C. Ferguson:

You have a number of changes that you have implemented in the database and where you use it. Does that mean we are going to get better implementation of the recommendations in future?

Chief of Staff:

Yes, it does. Yes, absolutely. It also means that even if we have not taken forward the recommendations whereas previously nothing was given back to you to say that they had been closed off or why we did not agree with the recommendations because we were already doing something following the reviews that had taken place, we now will be able to come back to you. So what we intend to do before our first quarterly report, which will be in December, all of those recommendations that we consider have now been closed because we have the new target operating model or because of what we are doing in terms of culture and behaviours through the new Jersey programme, by way of example, we will give that you in advance so we can have a discussion about that perhaps in private, as a private briefing, in terms those recommendations that have gone back to 2015 and before.

The Deputy of St. Peter:

Nothing will be closed formally because the recommendations are the C. and A.G.'s recommendations, so it is only fair that the C. and A.G. accepts the fact that they are either closed or not relevant or whatever?

Chief of Staff:

Yes.

The Deputy of St. Peter:

That is the process where you will come back to us?

Chief of Staff:

Yes.

Chief Internal Auditor:

Can I just say I welcome this initiative because culturally it is important that the C. and A.G.'s recommendations, audit and scrutiny are taken seriously and this, being the elevated level, is now at the top table at E.M.T. (Executive Management Team) means a number of our recommendations in internal audit are now driven forward because that is a change of culture in the organisation. That is so important to not just change closing off the recommendations but change the culture. The public sector internal auditing standards having this process also sits in parallel with our process and that will drive cultural change and also root causes, so it is very much welcomed from our perspective independently as well.

Chief of Staff:

One of the other things was Director Generals in departments knew what was happening with their own reports but there was no read across to other departments so it stayed within the department. It now enables us to have a discussion. Even if those recommendations are not relevant across the organisation and so we would not be taking any of them forward from a corporate perspective, it does mean that all of the Director Generals and the senior management teams are fully aware of what is happening right across the departments.

Senator S.C. Ferguson:

Are you looking at the recommendations in date order? Some of them are quite old.

Director of Risk and Audit:

Chair, as we go through that first validation what we have committed to doing is a prioritisation of those based on risk. That is one of the things that will come out of the process.

Chief of Staff:

We can look at them in a number of ways because of the software system. We can look at it in terms of themes that you put forward. We can also look at them in terms of our C.S.P. (Common Strategic Policy) priorities or in terms of our government modernisation programme. There is a whole raft of different ways we can cut it, dependent on what you may want us to do or what the E.M.T. have decided they think are their priorities, and then in terms of what Catherine's team and Risk and Audit Committee may want us to do as well.

[15:15]

Senator S.C. Ferguson:

Excellent. You said in a private briefing you did not want the database to provide a tickbox function, in other words there might be one recommendation that is hugely important and outweighs a further 10. How are you prioritising the recommendations?

Director of Risk and Audit:

I think the conversation will be had with the departments but, ultimately, as you suggested, it will come back to a conversation with the C. and A.G. We will take those recommendations and ... it should be evident from the report as to which is the most important. So if there is a recommendation about is there a strategy there, then that probably is of higher priority than something that says somewhere down the order that we need a system for K.P.I.s (Key Performance Indicators) or something of that nature. I think we will need a judgment call on that in the first instance but equally the C. and A.G. does not prioritise those but we can get a shared view on that. I think that is the way we need to go.

Chief of Staff:

Senior management in the Executive Management Team need to take ownership of that as well. So that is a discussion for us there. Where I would see prioritisation is where it hits a number of departments. It is being seen as an issue that ranges across a number of departments. We need to see that as a priority because clearly that is a fundamental shift we need to make, but also if there are some recommendations that are quite dated but need to be implemented, then again we need to prioritise that. For me it is about the Executive Management Team having that discussion as well because they need to take ownership of it. Although I am the senior responsible officer with colleagues from audit, risk and financial governance, it has to be owned at a corporate level if it is going to be meaningful.

The Comptroller and Auditor General:

Sorry, could I just ask something as well? When the reports have been produced, the way that they are written is that each of the recommendations is linked to a paragraph explaining why it is important in the reports. When you put everything into a database you can lose the essence of what that recommendation was all about. Before you decide something ought to be closed off, are you - I suppose there is a hint in this - going to go back to those reports to establish why the recommendation was made in the first place? It is the outcome, as I keep saying, that is really important rather than the recommendation itself.

Chief of Staff:

From the initial private briefing that we had, we extended the columns so we have a commentary column now as well as a prioritisation column. We have also change the red, amber, green so in the ambers we have more detail because a lot of the recommendations fell into the amber from the department but just because it is amber does not mean to say that is good. There are various levels of amber so we have taken on board some of the comments that you made and we added columns

there so we can capture that. It is not just a tickbox, it is about the commentary, which is probably more important than the actual recommendation.

Mr. T. Rogers:

Very briefly, you mentioned the value of this cross-functional, getting the Director Generals looking across this, and indeed you touched a little earlier on the learning. There have been a number of initiative since this first became available, since February. Could you maybe give me one or 2 examples of where this tool has really improved learning decisions and outcomes?

Director of Risk and Audit:

I think at this stage it is too early to deliver outcomes. I think the whole Government Plan process is in transition and coming to a crucial point in terms of outcomes. The tool, as we said, is being developed ...

Mr. T. Rogers:

But you are already discussing it with your management team. You are discussing it with your Director Generals, okay, are we saying there are no fruits at all since February.

Director of Risk and Audit:

No, indeed there are. Just this morning I had a conversation with one of the big departments about the way we have responded to all the actions they believe are in all their reports. They are ready to ... when we go and challenge them about the database and update it then that will be done pretty quickly during July.

Mr. T. Rogers:

What would you say was the poster child of success so far?

Chief Internal Auditor:

I will give you an example from an observation I have, we have a number of recommendations in modernisation and I.T. (information technology) and digital space and there are a number in the C. and A.G. recommendations, we have been doing our internal tracking in there. We met with E.Y. (Ernst and Young) early last week and they have 7 workstreams which are being done and mapped to internal audit recommendations, which there are a number, as well as C. and A.G. recommendations and the independent report as well. That is how it is being used and I think that is important. That is an example I have observed independently from internal audit about how they have used the model to create a meaningful root cause analysis to drive forward, to drive ISO 27001 compliance which is a programme that will be 3 or 4 years away. I do not think we should pretend it will be any shorter than that because it will take time to embed. But from my observation and from

reviewing our own internal audit recommendations they are also tracking the C. and A.G. recommendations on to reports of I.T. as well as YouGov. That is just an example I have observed that I think has been a positive step and cultural that has been embraced. To me that is important, about that cultural embracement.

Director of Risk and Audit:

You asked about the poster department. The department this morning was Health and Community Services. They are quite keen to respond strongly to your reports on the governance framework last year. It was a very good discussion about where that is and where that is going and how that might fit in in a broader governance framework that we are looking at across the piece.

Chief of Staff:

I think you have Growth, Housing and Environment on 15th July coming to see you. I think they found it really helpful because it showed where they are doing thing anyway to implement your recommendations, whereas they have seen it very much as not a tickbox exercise rather than being something that they should embrace, and being able to see what they doing. We are having a further session with them separately to take them through it. They have been able to see where they need to put resource in and you will see from an estates management perspective when they come what they have done in terms of reorganising their staff resources to drive forward with your recommendations around estate management.

Mr. A. Lane:

Accepting that the tool is what we are here to talk about mainly today, absent the tool for the last 6 months or so, what have you been doing to drive activity on the priority actions identified by the C. and A.G.?

Chief of Staff:

As part of the management team, firstly everybody now uses the new template that Health and Community Services started. I think that was probably just before Christmas. Now at every management team meeting I bring forward the reports that have come out from C. and A.G. and the relevant departments have to discuss how they are going to respond to that. Sometimes the responses are not always what we want them to be but there is a clearing house now for that. So rather than the departments responding directly to C. and A.G., it comes through the management team and through myself and the Chief Executive to make sure that those responses are as robust as they can be. That is something different that we have not done. Clearly with this new tool it is early days and so we will be developing that. We have not had as robust a conversation collectively as a management team, we have been dealing with the individual reports and then seeing the read across from the discussions we had but, clearly, as the software gets embedded you have the ability

to ask it questions and it can interrogate the information in particular ways but it is only as good as the data that goes in. That is why we have been keen that the validation is done properly.

The Deputy of St. Peter:

Can I go back to something that you said? Going back to I.T. and digital modernisation, I think a lot of the recommendations, and there have been many recommendations since the C. and A.G.'s report on, call it I.T., whatever you want but it all tends to be using that particular department or provision. What I have also seen is there is multiple different workstreams that are going on within the I.T. modernisation programme. You have one thing we are picking up things in isolation as a recommendation, even though there is a recurring theme to those and then you have a series of workstreams that are going through. What worries me is that you might be taking those recommendations in isolation and not looking at them holistically across the whole of the I.T. modernisation programme. So unless the C. and A.G. has asked to do a piece of work holistically across the whole thing that might get lost in translation. Is that as clear as mud?

Chief Internal Auditor:

I cannot comment on the executive side around their workstreams, all I can do is comment on what I have observed and what I have seen from internal audit. When I say the workstreams, it is not about tickboxing, it is about doing some root cause analysis and grouping together recommendations saying: "If we have a solution that will, in effect, be able to close down some of the recommendations with internal audit and C. and A.G. but it is not on root causes." So your point, I completely agree with, is your concern is lots of workstreams individually and they do not all marry up but their workstreams is a completeness to make sure that there is understanding plus recommendations to feed that into the work they are doing and to prioritise. From my observing of our internal recommendations, of which there are a number, I welcome that there is a positive approach to address them but from a root cause point of view rather than from an individual tickboxing. Maybe that ... I apologise if that has not answered your question.

The Deputy of St. Peter:

No, we are going down the weeds here, certainly, I do accept that.

Chief Internal Auditor:

What I would recommend is the fact that if you wanted to have a meeting with the Executive in that area that you would have a meeting with the Executive to discuss that because they would be able to give you a much better view on that on a detailed basis.

The Deputy of St. Peter:

I think it is when the decisions are made and what you are going to report back to the C. and A.G., there has to be a 2-way conversation there so the C. and A.G. accepts that your interpretation of the multiple different recommendations across I.T. are an acknowledged holistic approach by your overall recommendation.

The Comptroller and Auditor General:

That makes sense to me, yes.

Chief of Staff:

Agreed. I think that is happening in some areas already. There is an informal conversation to discuss the recommendations prior to us having the formal conversations and the formal report.

Senator S.C. Ferguson:

How are you measuring the impact of implementing the recommendations?

The Comptroller and Auditor General:

Or how do you plan to?

Senator S.C. Ferguson:

Okay, yes, fair enough.

Chief of Staff:

Firstly, we are developing our performance framework Jersey standard in that and from the Office of the Chief Executive that is one of our K.P.I.s within there and we are dealing with the recommendations as part of our performance framework from a corporate perspective. That is going to be formally part of the performance framework, and that is not just about how many recommendations we have signed off and how many we have gone back to you with, this is about how we are dealing with them, what impact they are having in terms of making improvements, where those are read across for the different departments so that we are seeing the improvements right across the department. That is still ... we have not developed the performance framework yet, we have been asked to put in what we think our K.P.I.s and outcomes should be from a corporate perspective rather than just a departmental perspective. But then we are due to have a discussion on that at not tomorrow's Executive Management Team but the one after that.

The Comptroller and Auditor General:

Could I just ask, does that mean in terms of an individual's appraisal at some point during the year when you get that process really working effectively that if they had not implemented

recommendations in an effective way to produce good outcomes that it would have an impact upon their year-end overall performance assessment?

Chief of Staff:

It would do if it was ... clearly it has to be part of the prioritisation. So you would not look at all of the recommendations but if that department has said that these are the 5 priorities, for instance, for our department which marry up with your recommendations, that would then form part of their performance appraisal.

Deputy I. Gardiner:

Would this programme connect the recommendations and the K.P.I.s that you would develop, will it be on the same database that you could cross over in the future.

Director of Risk and Audit:

Yes, you can do that. You can get dashboard ...

Deputy I. Gardiner:

Because the connection is important that we can see the performance prioritisation outcome in connection with K.P.I.s ... when do you think the framework for K.P.I.s would be developed?

Chief of Staff:

I think that is going to be ready in early September.

Deputy I. Gardiner:

2019?

Chief of Staff:

Yes.

Ms. M. Scott:

To what extent does this development of the K.P.I.s involve the understanding of what the public expect in terms of service? I know that there has been some work in terms of social security and areas like that but then, of course, the public engages with many other departments so how are you approaching that?

Chief of Staff:

It is not my area, it is S.P.P.P. (Strategic Policy, Performance and Population) but from the work and the discussions we have had so far it is also influenced and informed by Future Jersey, the outcome of Future Jersey, so it is not just about the internal outcomes, it is about external outcomes as well.

[15:30]

Ms. M. Scott:

Future Jersey does not set standards on how long is regarded as an acceptable timeframe for a particular response on, say, a planning application or if a child's been referred for special help in education. Are you aware of any initiatives being taken?

Chief of Staff:

Part of the performance framework will have those kind of K.P.I.s you have just mentioned as part of their outcomes. They will set a standard for, for example, the number of planning applications processed and in what timeframe within a particular department. They will have departmental outcomes but they will also then have a set of corporate outcomes which is for the whole organisation.

Senator S.C. Ferguson:

Of course outcomes for the public are not the same as K.P.I.s internally.

The Chief Minister:

Absolutely, yes.

Commented [KM2]: The Chief Minister wasn't in the hearing.

Senator S.C. Ferguson:

You have obviously started with some implementation of recommendations. Where have you found your biggest blockages?

Director of Risk and Audit:

I think at the moment we are still finding out from the departments where they are up to, so that is the next stage. As I say, after tomorrow we will know exactly where they are all up to. There is a very positive response to the tracker and, as Catherine said, it is helping them deal with these issues in a way that they have not been able to bring together in one place before. Then the cross-learning piece in the Executive Management Team will be a big benefit as well on top of that. So in terms of particular blockages, we have not seen anything at this point. I think that departments are happy to engage but the next 6 weeks will be quite key to that.

The Comptroller and Auditor General:

In essence, given that you said at the beginning a number of these recommendations go back a lot of years, what is different? What has changed?

Chief of Staff:

Without naming departments, in terms of blockages going back, where there has been a whole range of recommendations not taken forward, that has made it more difficult then because the more recommendations that are outstanding the more difficult the department has found it to deal with the new recommendations coming in, never mind the old ones. In terms of the new process we are putting in place, and this is anecdotal, I had a conversation with one of the Director Generals this morning and he had read the report that is coming tomorrow and he went: "That is really sensible. I get why you are doing it. I think this is going to be really helpful." I think people are seeing it as really positive rather than being something that is just process driven that they feel is just going to be another bureaucracy that they are going to have to go through. They see it as a useful tool for them.

The Comptroller and Auditor General:

If you do not mind I would just like to challenge back on that one again just a little bit, because each of these reports as they have been published, they have not just been produced and then issued, a lot of time has been spent with departments as they have been produced and they are aware of the recommendations and have been aware of the recommendations as the reports have been drawn up. In terms of just understanding what the blockages have been it cannot just be that they had too many. Initially they were the first reports that were coming out. It has to have been a little bit more than that. To my mind it is about a culture of learning and everything else but I would really like to hear what you think it is and why things are now different.

Chief of Staff:

Without putting myself in position where I am telling tales on different departments, because I do not think that is what it is about, I think it was about cultural behaviour and they saw it as a process rather than being as a critical friend and helping to inform improvement. What has changed is the whole way we are working now as an organisation. We have a much more corporate approach and I can see the difference just since I have been in in the last 8 to 9 months in terms of how the senior management team works together as opposed to how it did when I first arrived. There is a lot more integrated working and a lot more cross-working as well around particular themes, rather than it being very departmental.

Ms. M. Scott:

Can I just follow up on that? How do you see the possible move from what some people might perceive in terms of dealing with the recommendations, the lip service and obfuscation to an attitude that is more like: "We are implementing this because this is public service and this is what we do"?

Chief of Staff:

The Chief Executive has been very clear about this from the outset.

Ms. M. Scott:

Perhaps you could explain to the public.

Chief of Staff:

Right, okay, the Chief Executive has been very clear from the outset that this is something we are going to do. This is basically enabling us to learn. It is seen as an independent review and it is what I would call a critical friend. This is not about scrutiny to tell us we are doing things wrong, this is about helping us and so the Chief Executive has been clear we are going to go through all of these recommendations and where improvements need to be made they will be made. He has also been clear that some of the recommendations we might not agree with and so we will provide the evidence and have the discussion. But it is absolutely a priority now and so there is no hiding or getting away from it the way there was perhaps in the past. I cannot comment on before I was here and I think it would be remiss of me to do that anyway.

The Deputy of St. Mary:

When you have identified obsolete recommendations, either through policy that may be out of date or technology, could you give us a reason for not implementing those recommendations and we would like also as P.A.C. to be able to review those same recommendations and possibly revise if necessary.

Chief of Staff:

So what we will do is before we do our first quarterly reporting in December, all of those recommendations where we think things have moved on ... so it is not that they are no longer relevant, is it because we have already started to do things that are implementing the recommendation, however we may not have gone back to you to tell you that, we will then pull those together and we will provide the evidence so we can have a discussion about we think these recommendations are not relevant any longer because we are doing X, Y and Z and then we can have that discussion before we close those down.

Deputy I. Gardiner:

Going back, you said that in 6 weeks you will be pretty sure on which recommendations have been implemented, some in process and some might be rejected, what are your expectations from Director Generals in bullet points to come back to you within 6 weeks? What type of information are you looking to validate?

Director of Risk and Audit:

We will go out and meet their management teams, we will show them what is in the database.

Deputy I. Gardiner:

Yes, but would you like to get back from them, like bullet points?

Director of Risk and Audit:

Sorry, so we need a confirmation of what was the recommendation and what was their previous response and then against the headlines of categorisation we will expect them to recategorize and then we will challenge that. The ultimate rechallenge of that will be, in the first instance, internal audit's review of the evidence. We want them to provide evidence that have had delivered. Going back to the Chair's point about tickboxing, that is not what we are trying to achieve because that does not change anything. If they said: "We have done this", "It is noted" or whatever, we want evidence to support it.

Chief Internal Auditor:

Just on that, departments need to be custodians of their own evidence. It is not for risk and audit and the financial governance team to basically be custodians of evidence, it is very much the department should hold that evidence so therefore if it needs to be audited by us or by the C. and A.G. or by scrutiny they are the custodians of evidence. In addition, what I would urge is if the C. and A.G. did an audit of management information education ... but that is not an audit of management information education, that is an audit of management information using education as a department case study, other departments need to be shown that evidence that they have also learnt from that as well. Then when it gets validated my expectation would be the person that is seconded to the financial governance team, they would make sure there was evidence in the department, not just in the one's department but cross-cutting. That is really important and that will drive behaviour. As the Chief of Staff alluded to beforehand, it is not about tickboxing, it is about sorting out each recommendation and about the organisation learning, but learning from each other as well. So decision-making in the hospital is not ... decision-making in internal audit of other projects, it is not about decision-making in Les Quennevais school or the hospital, it is about the process of decision-making, who is responsible, et cetera, and making sure that evidence there. Ultimately it is for the C. and A.G. to ensure that she is satisfied that that is done and for internal audit reports we need to be satisfied that that evidence is appropriate and can close it down, not for

the management to close down it themselves. That is why public sector standards say that and the C. and A.G.'s office will do the same independently, which will give you independent assurance on those ones ultimately because the C. and A.G. report will be coming to you in terms of those ultimately.

Mr. A. Lane:

While the Chief Internal Auditor has the microphone, what have you seen in respect of your recommendations and how they are being treated?

Chief Internal Auditor:

It would not be appropriate for me to discuss in this forum the individual departments and I do not have it in front of me, but what I can say is from a cultural point of view that there has been an escalation of the prioritisation by the Chief Executive and the Chief of Staff to ensure that they are listening. Therefore I am seeing that people are closing their recommendations, they are taking them on board, they are putting them in place as well. The financial transformation programme requires business partners to report into the Treasurer. Again, that helps the forum for those financial directors to work together as compliance staff, for example, to take root causes and drive it forward rather than being necessarily just in department. We have seen evidence of them closing down ... certainly the speed of them closing down has escalated slightly than it had done previously because there is appetite to do it and also there is a consequence of not doing it as well now.

Senator S.C. Ferguson:

Obviously there were recommendations before 2014, 2015 and we have had the childcare inquiry and other external reviews and so on, when are you going to get all the information, all the recommendations rather, from those reports incorporated into the database?

Chief of Staff:

Some of them have been incorporated, have they not, around the risk report?

Director of Risk and Audit:

General reports around risk and some of the issues around that. At the moment we are focusing on C. and A.G. but I think from a risk point of view, we chose a really good that we need to get them in there as soon as we can because in terms of the corporate perspective they are high on the agenda. We will take that away and look at the numbers and get things in place as quickly as we can.

Chief of Staff:

That is not to say that the outcome of the care inquiry has not informed how we operate now and what we do now but it has not been captured as part of our recommendations.

Senator S.C. Ferguson:

What are the limitations of this particular database system as a tool for management?

Director of Risk and Audit:

As the Chief of Staff said, sitting underneath is an Excel file so it is like any system, what comes out the other end is as good as what goes in in the first place so we are keen to get that as right as we can and hence the time we are taking with the results to make sure that is as good as it can be. I think we set realistic ambitions around what we can do with this in the first instance because it is there to get us to a place that is a better place so the business as usual does not need as much resource input. As the Chief of Staff said, there is a new process - or has been for the last 6 or 8 months - of responding to C. and A.G. reports in a quicker fashion and a more urgent fashion. I am confident we will get to a better and positive place, and all the things we have already described about how it has been taken more seriously through the Chief Executive's direction and through the Executive Management Team giving some real positives. The proof is in the pudding, is it not? As we go forward we will just keep challenging and that cultural change will take place. It feels like it is and it is being taken seriously. That will be the downfall if it is not taken seriously or the culture does not change.

Chief of Staff:

If I could add to that? As well as it coming to the management team and there being a quarterly report to the management team, there will also be a quarterly report to the Council of Ministers and to yourselves so there is no hiding in terms of ... it is not a once a year report, it is a quarterly report that we will be producing so we need to be able to demonstrate that we are doing something and making a difference. Whereas before, without the ability with the software to be able to interrogate it and ask it certain questions and it gives you a different output, it was very much a flat base and you would have to go through it, whereas now we will be able to produce different reports.

[15:45]

If you ask us for a particular report we can ... I have been quite impressed with it because considering it is basically an Excel spreadsheet, if you ask it the right questions it does pop up with answers that you did not think you would get. It has been quite intriguing what they can do. It is not the best but it was either that or do nothing and for us we ...

Senator S.C. Ferguson:

Doing nothing is not an option.

Chief of Staff:

No, it is not.

Director of Risk and Audit:

Chair, the other point maybe worth saying is that we have also built in that if there are blockages then we can take stuff to the Risk and Audit Committee within the organisation to unblock some of those things and to deal with some of the cost-cutting pieces as well.

Chief Internal Auditor:

It is going to the Risk and Audit Committee next Tuesday.

The Comptroller and Auditor General:

Part of the reason I was asking about blockages, I know it is what you understand, it is not because I think it is right to go back and start talking about who had done what historically, it is just because if you are going to make a real difference and you are going to have change it is about really being able to reflect which parts of the culture are working and making things move forward. One of the things that I know the P.A.C. has looked at in the action plan recently is timescales. The timescales - I am sure P.A.C. do not mind me saying - there are a number of them that still seem to be quite a long way into the future and when the P.A.C. asks why it is usually because the new target operating model is being introduced. That is the stock answer. We have had that in quite a lot of cases. I am sure that is the correct answer but if it was allowed to keep running ... historically when we used to ask it was always because we were busy doing whatever it was, the production of the Medium Term Financial Plan used to be a reason why things were not being produced, now it is the target operating model. If I am looking on the one hand there was always a reason, there was something really important going on, production of a government plan which meant that people could not tackle these new priorities. So in terms of the blockages quite a bit could have been capacity. Do you feel now that you have the mechanisms that you need to begin to tackle some of the blockages and look at the some of the timescales where they are being pushed forward to 2020 and to be able to say: "Is this realistic or is this just people using the fact that they have something that they are working on at the moment as a reason for not doing it now?" It is just a challenge back. We are still noticing this tendency to push things into the future.

Chief of Staff:

We are pushing back. So part of it coming through the management team, the Chief Executive and myself where it does have that one line into the target operating model, we have pushed back and said: "What do you mean by that? What are you not doing? Where is your evidence?" and when you interrogate it and sit down with the officers, they are already starting to implement some of the recommendations. I think you will see that with Growth, Housing and Environment in a couple of

weeks. Sometimes I think the stock answer is the go to answer without thinking it through and when we have challenged them: "You are doing that, do you not think that is contributing to implementing that recommendation?"

Director of Risk and Audit:

The system itself will have a common stance, so in terms of the Executive Management Team there will be a report that says these are the reasons for blockages or interdependencies or things of that nature so it will come to the fore.

Ms. M. Scott:

Another example perhaps in terms of blockages is when we are told that it is somebody's responsibility that has not been recruited yet. There is that sense then that you are going to bring in somebody and no work has been done. So how would you propose to do that sort of answer?

Chief of Staff:

All of the recommendations have now got a Director General attached to them for ownership, and that includes recommendations where it is across departments because that was a bit issue where it fell between 2 or 3 departments, nobody knew who was going to lead on it or be the author and owner of it. There is now an agreed officer for that Director General and underneath that an operational officer because clearly the Director General may not have the time to make sure, on a day-to-day basis, that the work is being done but there is also an operational officer for that. That has been agreed between Director Generals and with the departments. So even if there is not the person in place yet there is somebody who is charged with taking ownership of that. If there are issues those issues are flagged.

Senator S.C. Ferguson:

Who is going to keep the database up to date? Who is going to have the responsibility?

Chief of Staff:

That is the audit team.

Chief Internal Auditor:

Yes, the database itself will be managed by and the responsibility of the head of financial governance who sits in the risk and internal team, and we have seconded someone from internal audit to that team to give enough resources and capabilities to do that but without compromising our independence. But there is a senior officer who is responsible for taking ownership of that database with a secondary person doing Q.A. (quality assurance) who has been seconded from internal audit to validate the inputs to that. I hope the C. and A.G. will not find this missing.

Senator S.C. Ferguson:

The waiting and priorities, again will it be the internal audit team who are going to assess and measure these?

Chief Internal Auditor:

No, it is not appropriate for the internal audit team to decide what the priorities are or measure in terms of what the priorities are or assign them. That would be for the Executive and I will hand over to the Chief of Staff because she will be able to articulate that in more detail, but it would not be for internal audit to set the priorities because that is not our role.

Chief of Staff:

That would be for a discussion at the management team to set those priorities. However, Catherine's team would make sure ... they would be the independent reviewer to make sure that what we said we were going to do and what we were prioritising we have done, and if we are not doing it why we have made those changes to what we are doing but it would not be Catherine who would be setting it. She needs to maintain her independence so she can make sure we are doing what we said we were doing.

Senator S.C. Ferguson:

If we ask for information based on a theme like performance management or by project like, for instance, Public Finance Law, will you be able to extrapolate the data in that way?

Director of Risk and Audit:

So by theme we can do that quite quickly. That can show all the recommendations by year, by theme and then the detailed data below. Can it be interrogated by a word search on Public Finance Law? I would need to check with the I.T. people. At the moment you can ask it questions, the Power BI data, you can ask a number of question but that may be one of the things that we need to just look into in terms of future development. The software has got lots things that it can do that we have not really explored yet because we have tried to get it to a place that is really useable and helping you to show that the recommendations have been responded to.

Senator S.C. Ferguson:

How are the recommendations and actions linked to promised outcome based measures for government?

Director of Risk and Audit:

Okay, the Government Plan is being developed at the moment. That will set what the outcome based measures are going to be as we look forward. I think within the C. and A.G. themes there are a number of themes that you can relate to those. We probably need to do a cross-check as to how they relate to each other going forward.

Chief of Staff:

What we would want to be able to do, and I think we can do it in the same way that we have done with your themes, putting your themes in, you want to be able to do it around the due diligence. That was done in October 2017 to January 2018 in terms of what we found that needed to change within the organisation. We want to be able to categorise your recommendations as part of that because some of the recommendations and some of the reports did inform the due diligence around that so we can then start to see the changes we are making at the moment, not just around the target operating model but under the organisational structure and also in terms of culture and behaviour, in terms of the financial transformation and how we are doing decision making and performance management. We want to be able to categorise recommendations in that way and I think we can do that. Clearly we wanted to be able to do it by your themes at first because then we can demonstrate back to you that we are making a difference. I think you can cut it a number of ways. It has the ability to do that.

The Deputy of St. Peter:

No, I was just saying when we went to meet with you that was one of the questions. It is your management tool but can you tailor it for the views of the data that we want to see for our benefit and the answer, I think, was ... well, you give the answer, it is not for me to do that.

Director of Risk and Audit:

When we send you the slide pack that has some different cuts of data in terms of different reports by financial management theme, by corporate learning or by recommendations that still need to be allocated. So it is pretty flexible.

The Comptroller and Auditor General:

Just to be useful, just to wrap it up, in a number of the reports I started to cross-refer back to other reports where the recommendations were relevant to that area. Have you been able to go back and pick up all of those? In essence, I got tired of recommending the same thing so rather than reproducing them all you have is: "Please see recommendations made in X." Have you picked all of those up and are they all in?

Chief of Staff:

They are.

The Deputy of St. Peter:

You mentioned the support the Chief Executive is giving for this particular tool. Does he have a login? Does he have access to it? Is he using it? If so, how often?

Chief of Staff:

He does not have a login because we have kept it very tight at the moment while we are doing the validation because we do not want people to move the data around. Clearly once we ...

The Deputy of St. Peter:

He could have read only. [Laughter]

Chief of Staff:

He can see it but clearly we want to keep the ownership while we are interrogating the data and doing the validation to make sure that we have the right version control and that people are not going in. Once that is all done, it is the responsibility of the departments, as Catherine said, while audit are looking after the database the ownership of the actual recommendations and the improvements lie with the departments, not with ...

The Deputy of St. Peter:

What is your process going forward for taking just literally the dashboard, the front page, and then distributing that to relevant D.G.s (Director Generals) and to the Chief Executive? What sort of frequency should that go out so they are updated with any sort of change and they are reminded - because they are busy people - of the priorities and make commitments to this process?

Chief of Staff:

We have at our management team, on a monthly basis we now have reports on F.O.I. (Freedom of Information), we will have reports on performance, we have reports on financial accounting and we intend to have reports on these on a monthly basis. We will discuss it by exception. So if there are issues that are raised by the report where perhaps things are not moving the way they should be or there has been an issue flagged, we will then discuss that by exception and then we will have the quarterly report that will come to management team and to yourselves as well.

Senator S.C. Ferguson:

So far all the Director Generals are enthusiastic, I take it?

Chief of Staff:

I think they are. I think they were a bit reticent at first wondering what we were doing but I think they see this as a helpful tool for them.

Deputy I. Gardiner:

Do you have plans to include scrutiny panel reports?

Chief of Staff:

Yes, we can do that as well. We just wanted to start here because we did not want to run before we can walk. Once we have this embedded then we can roll it out and we hope it can do a number of other things for us, but we wanted to get the evidence right first.

Mr. A. Lane:

I would just like to understand how you ensure you do not fall into managing the numbers. So, in other words, how do we make sure you do not end up making a big claim about closing off 500 actions when the 5 really important actions are the ones you have not done yet?

Chief of Staff:

I think that is where we come to the outcomes, so it is not just about the recommendations in the C. and A.G.'s report, is it the comments that go with that and those comments will be part of that database. It is not just about, yes, we closed down 30 recommendations in the month, it is about what improvements have we made. Okay, it would be great for Karen to hear that we have closed those down if she agrees with them but it is about the outcomes and the improvements.

Ms. M. Scott:

Sorry, as I understand it, when you are looking at the improvements and you are looking at the improvement of the customer experience you mentioned due diligence, much of that was an internal exercise less than the one that will go to the public itself. So is there more work to be done?

Chief of Staff:

It was not just an internal exercise, there were lots of stakeholder meetings held and interviews held. I do not know, Catherine, if you were involved at the time, I was not here but from what I have seen it was not just about looking internally, it also was about going out to stakeholders and holding interviews with people to get the understanding of where they thought government was ...

Ms. M. Scott:

It was beyond social security and taxes and other areas.

Chief of Staff:

Yes.

Ms. M. Scott:

So we will see that reflected in this Jersey standard?

Chief of Staff:

Yes.

Senator S.C. Ferguson:

Super, everybody happy? Nothing else.

The Deputy of St. Peter:

On time.

Senator S.C. Ferguson:

Thank you very much indeed.

[16:00]