



REPORT OF THE PARLIAMENTARY STANDING COMMITTEE OF THE PUBLIC ACCOUNTS ON: THE WORK AND ACTIVITIES OF THE PUBLIC ACCOUNTS COMMITTEE OVER THE PERIOD FROM JUNE 2018 TO NOVEMBER 2019

**TO HIS HONOUR THE SPEAKER AND THE MEMBERS OF THE HONOURABLE HOUSE OF
ASSEMBLY:**

The Parliamentary Standing Committee on the Public Accounts has the honour of submitting the following Report:

1 Introduction

Following our last report to this Honourable House on the visit of the Public Accounts Committee to the Welsh Parliament in Cardiff and to the Houses of Parliament at Westminster, tabled on 27th April 2018, we have pleasure in submitting our latest report.

Your Public Accounts Committee (PAC) is pleased to report to the Honourable House of Assembly on the work and activities of the Committee over the period dating from our last Report to the House to the present, that being from mid-2018 up to November 2019. It is anticipated that Your Committee will produce separate Reports on its findings, observations and recommendations arising out of our deliberations on those major matters which the Committee examined closely.

2 Meetings

Your Committee held some 14 formal meetings over the period and deliberated on several matters as determined by Members of the Committee, with multiple senior Public Officers having been

invited to meet with the PAC for discussions on relevant matters and requests for relevant documentation to be supplied to the Committee in aid of our deliberations. In addition to this work, Your Committee undertook a formal Clerk Attachment from the UK House of Commons in February 2019, which involved a comprehensive and exhaustive two-week schedule of seminars and meetings conducted by the Chair and the Clerk in conjunction with a former Clerk to the House of Commons Public Accounts Committee, Dr. Steven McGinness, on all aspects of PAC operations and best practice. These sessions were actively attended by most Members of the Committee, with all Members participating in at least a couple of the sessions. The Chair and Clerk also participated in the 2019 UK Overseas Territories Project Forum on Oversight of Public Finances, a 3-day seminar held in early March 2019 in Miami, Florida.

PAC meetings/activities were held on the following dates:

- June 5th, 2018
- June 26th, 2018
- July 10th, 2018
- July 12th, 2018
- December 4th, 2018
- December 11th, 2018 (Quorum not present)
- December 13th, 2018
- January 22nd, 2019
- January 29th, 2019
- February 4th – 15th, 2019 (Clerk Attachment Programme)
- February 14th, 2019
- March 5th – 7th, 2019 (UKOTP Oversight of Public Finances Forum – Miami, Florida)
- May 28th, 2019
- June 18th, 2019
- October 22nd, 2019 (Special Orientation Session at Office of Auditor General)

3 Witnesses

Your Committee did not conduct any Public Hearings over the period, but multiple ‘in camera’ meetings with various persons appearing before the Committee were undertaken to glean further information and documentation of benefit to Your Committee from the relevant Public Officers and/or public entities.

Listed below are the various persons who met with and/or provided information to the PAC over the period:-

- Head of the Public Service
- Accountant General of Bermuda
- Auditor General of Bermuda

- Director of Internal Audit
- Permanent Secretary in the Ministry of Public Works
- Former Acting Director in the Parks Department
- Chairman of the Public Service Commission
- Secretary to Public Service Commission/Director of Human Resources

4 Work and Activities of the PAC over the Period

It was determined that in order to have meaningful discussions, individual Members of the PAC would determine which topics were of particular interest, and were asked to give input on their preferences for enquiries. The Chair undertook to consider all recommendations in order that the Committee could proceed in a non-partisan fashion, that whatever topic would be chosen, the enquiry would be led by the Member proposing it, with contributions from all Members to ensure a robust and meaningful outcome.

In addition, your Chair, along with the Clerk to the Committee joined the Auditor General and the Director of Internal Audit as active participants in the UKOTP 2019 Forum on Financial Oversight, a 3-day Seminar with multiple sessions, hosted and funded by the UKOTP in Miami, Florida. During this conference, attended by PAC Chairs and Clerks, as well as Auditors General and Internal Auditors from many of the Overseas Territories, we were reminded of best practices for reporting by the PACs to their respective Parliaments. Each OT Committee was required to prepare a case study to encourage relevant discussion. As we were undertaking an enquiry on Administrative Leave around that time, we crafted our case study around that matter, with the appropriate redaction of any sensitive information.

We point out that the final phase of the UKOTP programme will include another Forum on Financial Oversight to be held in London from December 9-11, 2019; and it is intended that the Chair, Clerk to the Committee, the Auditor General and the Director of Internal Audit will also be in attendance. This Forum will also be hosted and funded by the UKOTP.

Recently, your Committee was invited to meet with the Auditor General for a special Orientation Session for Members in order to have a fuller understanding of the work of the professional Staff in the Office of the Auditor General, and how our respective responsibilities should dovetail to ensure optimum outcomes. It was highlighted that while the Auditor General can only opine on matters relating to her audit, she cannot enquire of the responsible civil servants as to their progress on her recommendations. That job is left

for the PAC in order that both entities can work together for an optimum outcome for good and effective public accountability.

The Orientation Session with the Auditor General and Staff was undertaken in October this year, and was highly informative for Members. Among the lessons for the PAC were:-

- Awareness of the number of entities audited by the Auditor General
- Overview of the number of public Funds audited by the Auditor General
- Information on the OAG Staffing levels
- Approaches taken with public entity audits and different types of Audit Opinion
- Strengthening the relationship between the PAC and the Auditor General

Your Committee has taken note of the Reports of the Auditor General on the work of the Office of the Auditor General for the Years ending March 31, 2011 through March 31, 2017, which was dated August 31, 2018, as well as the Report on the Year ending March 31, 2018, which was dated June 14, 2019.

We are mindful that the recommendations made by the Auditor General in these Reports provide the basis for further detailed investigations by your Committee, such that any outstanding or still unresolved matters can be investigated and followed-up as the Committee deems necessary or appropriate.

The best practice recommendations that emanated from the Clerk Attachment training indicated that we should consider making a separate report to the House on each individual topic examined in detail by the PAC rather than incorporating all matters that were investigated within one report. This same practice was also reiterated at the UKOTP conference in Miami.

It was also a key point that there should be a structured follow up for any outstanding items that emanate from either the Auditor's Reports or from prior PAC deliberations.

Your Committee has accepted these recommendations and will table, under separate cover, the reports on those matters that came under our close examination during the period covered.

To highlight, your Committee undertook extensive enquiries as follows:

- a) With the Accountant General to get clarity on the process employed for addressing and resolution of any breaches of Financial Instructions that may have occurred. This involved follow-up work by the Committee on the findings and recommendations from a previous PAC report on Breaches of Financial Instructions
- b) An exhaustive enquiry with respect to the issue of Administrative Leave within the Public Service, the costs to government of such leave and the process through which any employee who is disciplined by the department head can exercise their right of final appeal to the Public Service Commission
- c) Work on preparations for the arrival of and sessions with the Clerk Attachment, and the ensuing planning for the holding of a PAC enquiry meeting under his observation to obtain feedback on our procedures and performance.

Included in the Clerk Attachment discussions for appropriate topics that could be discussed for further detailed enquiry:

1. Meeting with the Auditor General and receipt of the governing legislation for the AuG – completed.
2. Meeting with the Director of Internal Audit and receipt of the governing legislation – completed.
3. Perennial challenges for the AUG with obtaining updated accounts from the Parish Councils – ongoing.

(The full Agenda for the Clerk Attachment Programme can be accessed separately.)

We also discussed the role of the PAC in light of the new Parliamentary Oversight Committees that have been appointed, in order that effective accountability is evidenced and the difference between the retrospective enquiries emanating from Reports of the Auditor General, and the prospective enquiries that may be undertaken by the Oversight Committees.

The Committee considered seeking the Speaker's approval for requesting the services of legal counsel on specific or contentious matters that might arise for the PAC and might require legal advice or clarification of the Committee's authority or rights.

Your Committee discussed and considered how it might use media outreach and social media engagement to further promote public understanding of the role and functions of the PAC and what it is all about.

The PAC discussed and considered the extent to which it should engage in its more traditional examination of historical expenditures and projects reported on by the Auditor General/OAG, and the extent to which it could consider actively examining or investigating current on-going public programmes/projects supported by funds already appropriated by Parliament.

In addition to the major examinations, Committee Members also discussed possible deliberations on:-

- Pending litigation involving the Government of Bermuda and the potential liabilities for Government resulting from such cases (information on this was requested from the Solicitor General, but was not forthcoming).
- The work of the ACBDA and all aspects of the America's Cup 2017 programmes.
- The issue of mold problems in various public buildings/facilities and mold remediation works by W+E.
- Bermuda Health Council/Dept. of Health Insurance re Hospital and Health Insurance Fees; and the methodology that BHeC uses to devise Hospital Fees, etc.
- The effectiveness of the training provided to Public Officers regarding Government's Financial Instructions and compliance with F.I.
- The PAC took note of the numerous Departmental and Quango reports tabled in the House and will look at these for matters/issues that might warrant possible investigation by the Committee going forward.

5 Attendance

Your Committee's attendance was generally good and we were always able to obtain a quorum, except for one occasion. Any particular challenge in respect of attendance of any Member was discussed with the Speaker for input and appropriate resolution.

6 Recommendations

It has been clear during our deliberations that the work of the Committee could be enhanced if there were more dedicated staff and resources focused on the work of the PAC to assist with the procedural aspect of the requirements, notwithstanding the stellar job that is provided by the Clerk to the Committee, who has multiple duties within the Legislature Office outside of his work for the PAC.

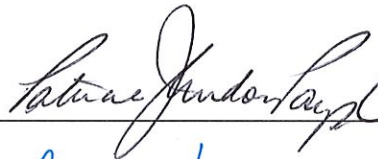
Your PAC recommends that surplus capacity in other Public Service areas, such as Library staff may be considered to be seconded to the Department of the Legislature with a view to enabling a cross-ministry education and assistance in areas of research or other useful functions.

7 Conclusion

The PAC would like to acknowledge the advice and assistance provided by the Auditor General, Mrs. Heather Thomas, and her professional staff during our deliberations; as well as the extensive work done on behalf of the Committee by Deputy Clerk to the Legislature Mr. Clark W Somner, and in one instance, the support of former Assistant Clerk to the Legislature Ms. Sierra O’Meally. As noted above, individual reports on the enquiry, observations and recommendations on specific matters will be submitted under separate cover.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

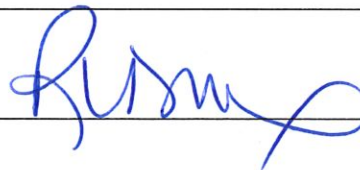
Hon. Patricia J. Gordon-Pamplin, J.P., M.P. – Chair



Mr. N.H. Cole Simons, J.P., M.P.



Ms. Renee D.L. Ming, J.P., M.P.



Ms. Susan E. Jackson, J.P., M.P.



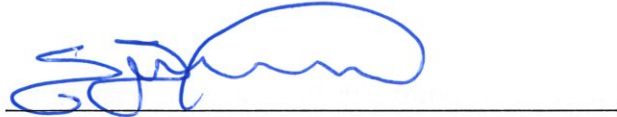
Mr. Neville S. Tyrrell, J.P., M.P.



Mr. Dennis J.R. Lister, J.P., M.P.



Mr. Scott A. Simmons, J.P., M.P.



Dated: 29th November 2019