



# **REPORT OF THE PARLIAMENTARY STANDING COMMITTEE OF THE PUBLIC ACCOUNTS ON: BREACHES OF FINANCIAL INSTRUCTIONS AND CORRECTIVE MEASURES**

**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**

Your Public Accounts Committee (PAC) is pleased to report to the Honourable House of Assembly that we have had concerns raised by Members about the issue of breaches or infractions of the Financial Instructions for Officers in the Public Service, the extent and frequency of such breaches, the related costs to Government, the recording and registering of such Infractions by the Accountant General, corrective measures taken by the relevant Accounting Officers and any disciplinary measures taken by the Financial Secretary for serious infractions. As such, your Committee decided to revisit this issue, which has also been addressed in previous PAC Reports.

Your PAC held a number of discussions on this subject during in camera meetings, and also received extensive information and input from the Accountant General during an in camera meeting with him. The Accountant General provided the Committee with a copy of the Register of Breaches of Financial Instructions, maintained and periodically updated by him, following a formal request from the Committee. Meetings involving discussion and examination on this subject were held on the following dates:

- March 27, 2018 (First request for information from ACG)
- June 5, 2018
- June 26, 2018
- July 10, 2018
- July 12, 2018

## 2 Witnesses

The list below identifies the persons who appeared before the PAC at 'in camera' meetings and provided information to the Committee:-

Oral Testimony:

- Accountant General of Bermuda

## 3 Findings

Your Public Accounts Committee has discovered over the course of 3 years that the volume of reporting, whether financial or not, has increased from the initial request for reporting raised by your PAC in April 2016. The PAC identified that an infractions register would provide best practice reporting of breaches and your PAC has seen improved reporting. It is important that the register be viewed as a suitable means for promoting awareness of Financial Instruction requirements and enhanced accountability within the Public Service.

Following the first Infractions Register, the Financial Secretary submitted a written reply to the PAC on procedures in place at the Ministry of Finance for overseeing and managing compliance with Financial Instructions.

The latest update from the Accountant General was the third update on the Register of Financial Instruction Breaches/Infractions. Your Committee believes that our continuing follow up on PAC requests for updates has improved the reporting and oversight of incidents, resolution timelines and solutions.

Excerpts from the Financial Secretary's written reply:-

**Self-reporting:** Section 2:14 of Financial Instructions requires Government employees to self-report any breaches of Financial Instructions whether or not there is a financial loss to the Government.

**Decentralised Accounting:** Government has decentralised accounting for numerous years. The Accountant General's Department has placed Financial Controllers in each Ministry and in key revenue generating and large departments.

**Reporting:** Breaches are reported to the Accountant General's Office where a register of all breaches is maintained. The Accountant General reports breaches to the Financial Secretary, and subsequently the Cabinet Secretary, who both have authority to determine if any disciplinary action is required for reported breaches.

**Training:** The Cabinet Office and Ministry of Finance have collaborated to develop an enhanced Financial Instructions Training Programme. The key aim is to raise awareness and understanding of Financial Instructions with a view to positively impact compliance and reporting. Department of Human Resources is responsible for coordinating, tracking and monitoring so that we are sure the training is taking place.

#### **4 Recommendations**

Given the findings, Your Committee makes the following recommendations:-

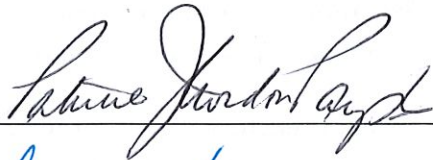
- a. Your PAC recommends that quarterly Financial Instructions Training Programmes be mandatory and administered to eligible Government employees.
- b. Quangos introduce their own Financial Instructions and engage their staff in a Financial Instructions Training Programme
- c. Continue with annual reporting of the Infractions Register to PAC
- d. Employment contracts include binding disciplinary procedures where appropriate
- e. Improve compliance and reporting of Financial Instructions breaches
- f. Investigate further the effectiveness of self-reporting .

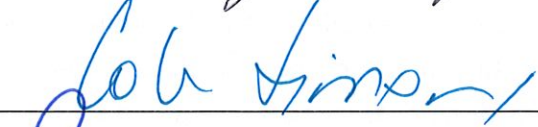
#### **5 Conclusion**

The PAC would like to acknowledge the advice and assistance provided by the Accountant General and Financial Secretary during our deliberations; as well as the sterling work done on behalf of the Committee by Deputy Clerk to the Legislature Mr. Clark W Somner.


Your Committee requests that this Report be forwarded to the Ministry of Finance for consideration and response on the Recommendations made by the Committee.

**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: 29<sup>th</sup> November 2019**