

EXECUTIVE COUNCIL

PUBLIC

Title:	Response to the Public Accounts Committee Letter “Follow-up Report – FIG Mortgages” of 13 April 2017
Paper Number:	34/18
Date:	25 July 2018
Responsible Director:	Financial Secretary
Report Author:	Financial Secretary
Portfolio Holder:	MLA Roger Spink and MLA Roger Edwards
Reason for paper:	This paper is submitted to Executive Council: To meet a statutory requirement
Publication:	This report should be made public after submission to the Legislative Assembly on 30 August 2018
Previous papers:	N/a
List of Documents:	Appendix A – PAC letter “Follow-up Report – FIG Mortgages” of 13 April 2017 Appendix B – FIG Handover Notes

1. Recommendations

Honourable Members are recommended to:

- a) approve submission of the attached response to the Assembly;
- b) that this report be made public after submission to the Legislative Assembly on 30 August 2018.

2. Additional Budgetary Implications

None.

3. Executive Summary

3.1 The Public Accounts Committee submitted a report to Members of the Legislative Assembly on 27 April 2017 following the issuing of a FIG Internal Audit Follow-up Report on FIG Mortgages on 24 February 2017.

- 3.2 The Internal Audit recommendations in relation to FIG Mortgages have now been cleared.
- 3.3 The PAC raised an additional recommendation about a lack of handover between contract officer posts.
- 3.4 The response is from the perspective of the Treasury.

4. PAC Recommendation and FIG Response

4.1 PAC Recommendation

- 4.2 **The Public Accounts Committee were: “concerned to hear that there was only limited implementation of the original report, particularly as the root cause of the problem appears to be a lack of handover notes within the Treasury on departure of a contract officer. This issue occurs on a seemingly regular basis. We would like assurance from MLAs that action is being taken to address this across the whole of the FIG”.**

FIG Response

- 4.3 Accepted from a Treasury perspective.
- 4.4 The Treasury function at FIG comprises four main functions: Finance, Tax, Pensions and Internal Audit.
- 4.5 The administration of FIG Mortgages (including the guarantee of up to £19,000 for the Standard Chartered Joint Mortgage Scheme) takes place with the Finance section of Treasury.
- 4.6 By way of background, the Finance section contains nine full time posts (including the Financial Secretary, but excluding his Personal Assistant), of which four post holders are contractors and a further two post holders are the partners of contractors. Five finance staff have been in post for less than a year. The longest serving of the nine finance staff has been in post for two and a half years.
- 4.7 The Financial Secretary is aware of the need to build resilience within the finance function, to mitigate against the knowledge attrition and efficiency impacts of staff turnover, which is what PAC refers to in their letter of 13 April 2017.
- 4.8 Actions are being taken to help improve the ability to continue to deliver finance services where there is the potential for high staff turnover.
- 4.9 There are examples of this process working well in Government (E.g. Natural Resources). However it is recognised that the handover from one officer to another is a key component in any transitional process, hence action is being take to ensure this is consistently done across all directorates. This will assist any new postholder to carry out their duties effectively.

4.10 To aid the planning and compilation of Handover notes, the Director of Human Resources has developed Guidance notes and a Handover Note Template which has been agreed by Corporate Management Team. This guidance does not seek to replace activities where the handover process works well but to act as a checklist for those who are planning any transitional arrangements.

4.11 Reducing staff turnover

4.12 Where appropriate, overseas contracted staff are being encouraged to move to longer term contracts. Combined with the development of system and processes, to ensure information and knowledge is retained, it is believed that this will also help improve the retention of corporate knowledge.

4.13 Professional Career Progression is being encouraged and Treasury is an example where a structure career development plan has been in place for some years. These initiatives aim to provide opportunities for staff and may assist our efforts to retain staff.

4.14 In a recent staff survey with Treasury, the physical working environment in the Secretariat was cited as an area that could be improved. Some remedial action is being taken here, such as replacing broken or unsuitable furniture and where practicable operational teams are being relocated.

4.15 Making systems more effective

4.16 The Finance team are putting in place some measures to streamline some processes, and eliminate wasted staff time. An example of this is having workflows and electronic storage of purchase transactions. Similar action is being taken in other directorates, which aims to improve access to information and streamline management and general work processes.

4.17 Documenting systems and procedures

4.18 KEMH have recently invested in a system that makes the procedures and policies of a department easy to access and maintain by the relevant staff. Within Finance, many procedures are documented, but they are stored in a disparate number of locations. Corporately the development of an intranet will also enable access to corporate documents (such as the Management Code) more accessible.

5. Options and Reasons for Recommending Relevant Option

5.1 None

6. Resource Implications

6.1 Financial Implications

6.2 None – other than the on-going financial implication of the hidden staff time cost of new staff learning new processes.

6.3 Human Resource Implications

6.4 There are no direct HR matters relating to this report. However, the actions being taken across Government are aimed at ensuring directorates are able to limit staff turnover and effectively manage turnover when it does occur.

6.5 Where there is a transition from one postholder to another, there is an obligation on Service Managers and Directors to ensure appropriate arrangements are in place to retain corporate knowledge and assist the incoming employee during their induction process.

6.6 Other Resource Implications

6.7 None

7. Legal Implications

7.1 The Public Accounts Committee Ordinance 2009 section 14(1) states:

7.2 “If the Committee, in reporting to the Legislative Assembly, recommends that the Government should or should not take a course of action, the Governor is to submit within six months a written response to the Assembly”.

8. Environmental & Sustainability Implications

8.1 None

9. Significant Risks

9.1 None

10. Consultation

10.1 The PAC report has been shared and agreed with the Financial Secretary

11. Communication

N/A

Appendix A

Shackleton House PO Box 420 Stanley Falkland Islands FIQQ1ZZ
Tel +500 22905 Email: pacsecretary@horizon.co.fk

Ref: PAC/17/04/04

13th April 2017

Members of the Legislative Assembly
Gilbert House
Stanley

Dear Members,

Follow-up Report – FIG Mortgages

At our Committee Meeting held on 2nd November, the Chief Internal Auditor appraised us of a follow-up report on FIG Mortgages.

We were concerned to hear that there was only limited implementation of the original report, particularly as the root of the problem appears to be due to a lack of hand-over notes within the Treasury on departure of a contract officer. This issue occurs on a seemingly regular basis. We would like assurance from MLAs that action is being taken to address this across the whole of the FIG.

Yours sincerely,



Dr Andrea Clausen
Vice-Chairman
Public Accounts Committee

cc: Chief Internal Auditor



Falkland Islands Government

Handover Notes

Definition:

Handover Notes are documents created by staff members who are about to leave their positions, either temporarily or permanently, to assist their successor to carry out their duties.

Purpose:

To provide the staff member's successor with key knowledge and information regarding the position so that the transition period is as short and smooth as possible.

Who:

Any staff member who is about to leave his/her position permanently is required to write a Handover Note. They shall be written even when a staff member is leaving his/her position to assume new duties within the same mission or office. In the case of a temporary absence, particularly if the absence is longer than four weeks, it is strongly suggested that the staff member shall agree with the supervisor on whether a Handover Note should be written and if so how detailed it needs to be. A staff member who was temporarily covering the functions due to a colleague's absence shall also write a Handover Note to ensure a smooth transition back.

When:

Handover notes shall be finalised during the week before the staff member leaves his/her position. Ideally, there should be a period of overlap with the staff member's successor. If this is not possible, the staff member should send the handover note to his/her successor before departing and supplement the note with phone conversations or by e-mail. If the successor has not yet been appointed, the staff member should leave a handover note with his/her supervisor. When staff members assume duties at new positions, they should request a Handover Note from their predecessors, if one was not received already.

How:

Handover Notes should be no longer than 4-5 pages, excluding attachments. They should be factual rather than analytical. The attached template should be used. Sections of the template that do not apply to the staff member may be ignored.

Reporting:

Handover Notes do not need to be cleared by supervisors. The departing staff member should provide a copy of the Handover Note to his/her successor and his/her supervisor. Handover Notes are a required step of the mission check-out process. The supervisor should indicate that they received a Handover Note from the staff member during the check-out process (for example, on check out forms or in a separate note to Personnel).

Distribution, archive and access:

The successor, his/her office and the mission's Personnel section shall maintain a copy in the files. If the information and knowledge is still valid and relevant, the successor may pass it on to the next successor, along with his/her own Handover Note. Handover Notes may be widely shared, with the consent of the author. They are not intended as confidential documents.



Falkland Islands Government Handover Notes

Name:			
Job Title:		Post Ref No:	
Department:			
Date of Hand over Note:			

Duration of Assignment :	
Start Date	End Date

Brief Description of Duties: <i>(This section may be kept brief when up-to-date terms of reference (TOR) are attached)</i>

Supervisor & Reporting Procedures:

Regular/re-occurring meetings, reports or procedures:

Key Documents/reference material to read: (attach when possible)



Falkland Islands Government Handover Notes

Status of recent and current projects/reports/meetings:			
Name of project/report/meeting			
Status:			
Action Needed:			
Partners:			
Budget: (if applicable)			
Critical issues/challenges/priorities:			

Repeat as many times as necessary. Indicate priority projects.

Where to find files: (hardcopy and electronic)

Calendar of major activities and/or events: (Optional)

Contacts: (Internal & External)				
Name	Organisation	Phone	E-mail	Comments

Your contact details after departure:			
Phone:		Email:	

Signature

Date

Suggested attachments:

- TOR/Job Description
- Office staffing structure, division of workforce, organigram
- Key documents for the post