

**EXPLANATORY MEMORANDUM TO THE
PARLIAMENTARY COMMISSIONER ORDER**

2004 No. 2670

1. This explanatory memorandum has been prepared by the Cabinet Office and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Description**

2.1 The Parliamentary Commissioner Order 2004 adds the Government Actuary's Department to Schedule 2 of the Parliamentary Commissioner Act 1967. Schedule 2 lists the Government departments and certain other public bodies within the jurisdiction of the Parliamentary Commissioner for Administration (the Parliamentary Ombudsman). The purpose of the Order is to extend the Ombudsman's jurisdiction to include the Government Actuary's Department so that the Ombudsman can conduct a full investigation into Equitable Life.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 None.

4. **Legislative Background**

4.1 As set out in paragraph 2.1 the purpose of this Order is to add the Government Actuary's Department to Schedule 2 of the Parliamentary Commissioner Act 1967. The Government Actuary's Department is currently not within the Ombudsman's jurisdiction. The Schedule was last updated in 2003 by the Parliamentary Commissioner Order 2003.

4.2 In July this year the Parliamentary Commissioner for Administration (the Parliamentary Ombudsman) announced her decision to conduct a further investigation into the prudential regulation of Equitable Life. To enable the Ombudsman to conduct a full investigation into Equitable Life the Ombudsman requested that the Government extend her jurisdiction to include the role of the Government Actuary's Department in relation to the prudential regulation of insurers prior to this function being transferred to the Financial Services Authority in April 2001. The Government agreed to this request (announced to the House on 22 July 2004 *Official Report, 22 July 2004, col. 87WS*) and to make the necessary amendment to the legislation as soon as possible.

5. **Extent**

5.1 This instrument applies to all of the United Kingdom.

6. **European Convention on Human Rights**

The Minister for the Cabinet Office has made the following statement regarding Human Rights:

In my view the provisions of the Parliamentary Commissioner Order 2004 are compatible with the Convention rights.

7. Policy background

7.1 Schedule 2 of the Parliamentary Commissioner Act 1967 lists the Government departments and certain other public bodies that fall within the Ombudsman's jurisdiction. This Order will add the Government Actuary's Department

7.2 Under the Parliamentary Commissioner Act 1967, as amended by the Parliamentary Commissioner Act 1994, the Parliamentary Commissioner for Administration investigates complaints of maladministration against Government Departments and certain other public bodies. Schedule 2 and 4 of the 1967 Act lists the Government departments and bodies currently within the Ombudsman's jurisdiction.

7.3 Following a number of complaints, the then Ombudsman conducted an investigation (begun in October 2001) into the role played by the Financial Services Authority and to a lesser extent the Treasury in the fall of Equitable Life in the period 1 January 1999 – 8 December 2000. The Ombudsman's report was published in July 2003 and found no evidence of maladministration by the FSA or the Treasury. In April 2004 she launched a consultation exercise to help her decide whether to carry out a further investigation into the regulation of Equitable Life. She announced her decision to carry out a further investigation on 19 July 2004 in which she asked the Government to extend her jurisdiction to include the Government Actuary's Department so she can conduct a full investigation into Equitable Life.

7.4 There is a strong interest of MPs and policyholders in the Ombudsman's investigation in the role of the Government Actuary's Department.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 There will be no immediate impact on the public sector, however, any impact will not be felt until the Ombudsman has completed her investigation.

9. Contact

Paul Ballinger at the Cabinet Office Tel: 020 7276 2473 or e-mail: paul.ballinger@cabinet-office.x.gsi.gov.uk can answer any queries regarding the instrument.