

25 February 2016

FUNDAMENTAL CHANGE IN ARRANGEMENTS FOR FINANCIAL MANAGEMENT REQUIRED

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG) Karen McConnell has today (25 February 2016) published her second report on financial management within the States of Jersey. She considers arrangements across the States for:

- financial monitoring and forecasting; and
- financial and performance reporting.

She then, based on her two major reviews of financial management and review of the States' Financial Directions, proposes a way forward for financial management across the States.

The latest review found that there was a weak linkage at a States-wide level between the management of finance and the management of performance. The report concludes that there is a need to develop a States-wide Corporate Plan to act as a bridge between the Strategic Priorities of the Council of Ministers, the Medium Term Financial Plan and departmental Business Plans. The review recommends integrating financial and performance reporting so that outcomes can be measured alongside costs and the impact of investment and disinvestment decisions can be monitored.

The review also identifies that systems and processes need to improve to strengthen the quality and timeliness of corporate reporting and to reduce the volume of inefficient processing. The report concludes that cultural change is required, alongside structural change, the upskilling of financial and non-financial managers and the replacement of the States' main accounting system. The review recommends undertaking a fundamental review of financial management across the States using a recognised model, such as that prepared by the Chartered Institute of Public Finance and Accountancy, to drive improvement in financial management.



Karen McConnell said:

“There is a need for substantial change in the financial management of the States to support reform. Management of money should be better aligned to the management of performance and delivery. A cultural shift is needed in the approach to financial management supported by changes in systems, processes and structures and by the development of financial management skills of staff across the States. A modernised finance function will spend less time on transaction processing and control activities, freeing up resources to support decision making and change.”

“This is a demanding agenda. Its implementation will take time. But it is essential to support the recent, planned and potential changes in the way the States deliver public services.”

The report will be available on the Jersey Audit Office’s website from 0930 on 25 February at (www.jerseyauditoffice.je).

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Notes to Editors:

- The Office of Comptroller and Auditor General ('C&AG') was established in 2005 and operates under the Comptroller and Auditor General (Jersey) Law 2014
- The remit of the C&AG includes the audit of financial statements and wider consideration of public funds, often expressed as 'value for money'
- Karen McConnell was appointed in 2013 and the term of office was extended in 2014 to December 2019.
- Formerly of the UK Audit Commission ('the Commission'), Karen held a variety of senior positions, including leading the Audit Practice
- The Office of Comptroller & Auditor General is known as the 'Jersey Audit Office'
- Contact details are: Lincoln Chambers (First Floor), 31 Broad Street, St Helier JE2 3RR T:716800 / E: enquiries@jerseyauditoffice.je

Comptroller and Auditor General's Policy regarding issue of reports and contact with the media:

- Press releases will be published by the Jersey Audit Office to accompany the publication of each report
- Embargo times will be set at 0001 hours on day of publication - for both press releases, reports, and all other information pertaining to the publication date
- Other press releases/ statements may be made on an occasional basis, and not necessarily dependent upon the publication of a report. They will be subject to the same embargoes
- With any report issued, the opportunity is available for members of the press to request factual clarification, by email, of points contained therein
- Any comments made additional to any reports, will be included within any press release(s) as issued by the Jersey Audit Office, in the form of a quotation by the C&AG. These comments will be available for publication; but there will not be any supplementary live or pre-recorded interviews offered or undertaken by either Karen McConnell or the employees of the Jersey Audit Office
- The C&AG is prepared, on an occasional basis, to provide articles for publication in the local media, following a specific request and consideration of the relevant topic
- All public information, including press releases and reports, are accessible on the Jersey Audit Office website at www.jerseyauditoffice.je

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