

Thursday 06 December 2018

SHARPER FOCUS NEEDED ON FUNDING AND MONITORING OF ARM'S LENGTH ORGANISATIONS

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Karen McConnell, has today (6 December 2018) published a report on Arm's Length Organisations (ALOs) focussing on Visit Jersey.

The States have a large number of ALOs with a range of responsibilities and accountability arrangements. In 2017 the C&AG published a report, *Oversight of Arm's Length Organisations*, in which she identified weaknesses in the States' arrangements. Following that review she decided to include further work on ALOs in her work programme, focussing on individual ALOs. Visit Jersey is the first of these reviews.

Visit Jersey was established in 2015 and is one of the larger ALOs. Its mission is to promote tourism both to and within Jersey in an innovative, economic and efficient way. It is funded through an annual grant of approximately £5 million. It has an establishment of 14 staff and is governed by an independent Board.

Karen McConnell concluded that the best outcomes for the Island will be achieved if the States sets relevant targets for ALOs in the context of clear strategic objectives. In the case of Visit Jersey targets were agreed, but these were not clearly linked to the States' strategic objectives and there should have been more effective challenge before the targets were agreed.

She also concluded that the States' approach to the oversight of Visit Jersey has developed in response to the findings in her 2017 report on the *Oversight of Arm's Length Organisations*. She found that a more structured approach had been adopted, with documented assessments against relevant factors and better defined roles for officers. She welcomed those developments but also identified that more needed to be done to ensure the changes were properly implemented.

Within Visit Jersey she found that the arrangements for corporate governance and monitoring performance were generally well developed for an organisation of its size. However, she identified scope for improvement in some areas of corporate governance and in performance management.

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Karen McConnell said:

“Best value for money for the Island is secured when the States have clear objectives and link funding to the achievement of measurable outcomes. This demands rigour in monitoring delivery and a constructive partnership approach with a well-governed ALO. Progress has been made but there is more for the States and Visit Jersey to do.

“Many of my findings and recommendations apply to other ALOs and, indeed, to the funding of ALOs overall, as the funding of one ALO cannot be considered in isolation. I recognise that the States, as part of the move to a new Target Operating Model, have appointed senior staff with an enhanced focus on partnerships. This gives an opportunity to strengthen the States’ approach across a wide range of ALOs, including Visit Jersey.

“In my report I have made some initial observations on the remuneration of the Visit Jersey Board. I am currently undertaking a wider piece of work looking at arrangements for determining remuneration for Board members of States-owned entities and ALOs. I plan to report the conclusions from that work in 2019.”

The report will be available on the Jersey Audit Office’s website from 0930 on Thursday 6 December 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’
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- 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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