

Thursday 05 December 2019

IMPROVEMENTS REQUIRED IN GOVERNANCE ARRANGEMENTS AND SUPPORT FOR NON-MINISTERIAL DEPARTMENTS

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Karen McConnell, has today (5 December 2019) published a report on *Non-Ministerial Departments*.

Jersey has a range of individual bodies described as Non-Ministerial Departments. They have diverse roles and operate under different legislation. The common feature is that accountability does not lie to Ministers. Accountable Officers for Non-Ministerial Departments, usually the Chief Officers, are accountable directly to the States Assembly (through the Public Accounts Committee).

This report evaluates the arrangements for governance and accountability of Non-Ministerial Departments. It also evaluates the effectiveness of support services to Non-Ministerial Departments, focussing on the finance function. Throughout the report the focus is on the scope for improvement, including through collaboration. The report focusses on the larger Non-Ministerial Departments (Probation and After-Care Service, the Viscount's, Judicial Greffe, Law Officers', Bailiff's Chambers and the States Greffe).

Karen McConnell recognises that Non-Ministerial Departments have distinct and important roles. They have, however, a shared and important constitutional independence from Government. But that constitutional independence does not relieve them of a duty to demonstrate the highest standards of governance and accountability for the use of public funds. Nor does it mean that there cannot be a constructive and positive relationship with the Government of Jersey, recognising their constitutional position while facilitating the provision of customer focussed support services.

The review identified:

- a history of significant cultural barriers that impact on the development of a new way of working between Non-Ministerial Departments and the Government;
- weaknesses in the implementation of the statutory relationship between the Treasurer of the States and Non-Ministerial Departments;
- an absence of a common documented understanding of the relationship between the Government of Jersey and Non-Ministerial Departments;

- some weaknesses in internal governance of Non-Ministerial Departments. It recognises, however, the significant steps that individual Non-Ministerial Departments have taken and the particular challenges faced by smaller departments in implementing certain elements of governance arrangements; and
- limited formal mechanisms for oversight of the governance of Non-Ministerial Departments.

To address these issues, the C&AG recommends:

- strengthening the operation of the relationship between the Treasurer of the States and Non-Ministerial Departments;
- clarifying, formalising and strengthening the relationship between the Government of Jersey and Non-Ministerial Departments;
- working collaboratively to address identified weaknesses in governance; and
- facilitating a genuine business partnering approach between the Government of Jersey and Non-Ministerial Departments.

Karen McConnell said:

“In this report I have recommended the adoption of strengthened arrangements for oversight of the governance of Non-Ministerial Departments. These arrangements must recognise and respect their constitutional independence and could perhaps be achieved through establishing an advisory Audit Committee reporting to the Accountable Officers of Non-Ministerial Departments. Through such a mechanism strengthened assurances on internal control could also be provided to the Treasurer of the States in the context of his wider responsibilities for the public finances of Jersey.

“The provision of support services to Non-Ministerial Departments presents challenges, not least because of their diverse nature. Failing to provide effective support, however, represents poor value for money and results in increased risk.

“I welcome the adoption of a business partnering model by the Government. However, it is in its infancy and full and effective implementation requires not just structural but also cultural change. My findings in relation to the finance function are echoed for other support services such as Human Resources, Information Technology and Estates.

“Finally I believe there is a need for the sequential agreement of a series of documents to clarify and aid understanding of the relationships between the



Government and the different Non-Ministerial Departments, including in relation to the provision of support services.

“I welcome the positive response to my findings from Officers within the Non-Ministerial Departments and from within Government and look forward to the development of effective Business Partnering.”

The report will be available on the Jersey Audit Office’s website from 0930 on Thursday 5 December 2019 at (www.jerseyauditoffice.je).

The report *Non-Ministerial Departments* can be found at:
<https://www.jerseyauditoffice.je/our-work/2019/>

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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, corporate governance, internal control 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 31 December 2019. Following the introduction of the Comptroller and Auditor General (Jersey) Law 2014 the term of office is now fixed at seven years and is non-renewable
- Formerly of the UK Audit Commission (‘the Commission’), Karen held a variety of senior positions, including leading the Audit Practice
- Karen has a full programme of work which she intends to fulfil before the end of her term of office. Lynn Pamment has been appointed as the new C&AG from 1 January 2020. Handover arrangements are in place overseen by the Board of Governance of the C&AG
- The Office of Comptroller and Auditor General is known as the ‘Jersey Audit Office’
- Contact details are: de Carteret House, 7 Castle Street, St Helier, Jersey JE2 3BT / 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, where set, will be at 0001 hours on the day of publication - for press releases, reports and all other information pertaining to the publication date



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- 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 where set
- 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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