

Monday 27 April 2020

Stronger governance and oversight arrangements needed for insurance

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Lynn Pamment, has today (27 April 2020) published a report on ***Insurance***.

The report focusses on the effectiveness of the arrangements in place in respect of insurance within the States of Jersey. The arrangements reviewed included governance and oversight of insurance, identification of risk, policies for insurance and self-insurance, decision making, tendering procedures and the arrangements for identifying and managing insurance and self-insurance claims.

The work was undertaken and the report was prepared before the Coronavirus pandemic. Therefore it does not reference or consider its impacts.

Lynn Pamment found that, until recently, there has been little governance and oversight of the States' insurance arrangements and that the States do not have a robust or systematic approach for identifying existing and emerging insurable risks. The mechanism for recharging contributions to departments does not provide any financial incentive for departments to improve their risk management arrangements or seek to reduce the number or financial impact of their claims.

The C&AG found that the States' arrangements for procuring insurance have fallen short of best practice. She also found that, in contrast to the good practice information available for claims made against the Minister for Health and Social Services, the States have poor management information on past and current other insurance claims.

Lynn Pamment said:

“The States have recognised that they face significant challenges in developing their arrangements for insurance and have drafted an ambitious and forward-looking Insurance Strategy and Improvement Plan. This is a timely and much needed document.

“However, the effective implementation of the Insurance Strategy and Improvement Plan will be dependent on ensuring that the insurance function has the capacity to deliver it and is supported by stronger governance and oversight arrangements for insurance.”

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The Insurance report will be available on the Jersey Audit Office's website from 0930 on 27 April 2020 at <https://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, corporate governance, internal control and wider consideration of public funds, often expressed as 'value for money'.
- Lynn Pamment took up the Office of C&AG on 1 January 2020 for a fixed term of seven years. 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.
- **The C&AG has updated her 2020 Audit Plan in the light of the Government's Coronavirus response:**

"The Coronavirus pandemic has presented unprecedented challenges for us all, including its effect on our everyday lives. The unparalleled nature and scale of the fiscal measures being taken in response to Coronavirus reinforce the need for strong public financial management.

"Equally strong public accountability for the resources used in fighting the pandemic, through high quality financial reporting, will also be essential to making their overall impact on public sector finances fully transparent.

"This revised plan sets out how I intend to deliver the responsibilities of the Comptroller and Auditor General (C&AG) under the Comptroller and Auditor General (Jersey) Law 2014 ('the 2014 Law'). This will include looking at Government preparedness for the pandemic, the spending on the direct health response and also the spending on measures to protect businesses and individuals from the economic impact."
- The 2020 Audit Plan can be found at:
<https://www.jerseyauditoffice.je/wp-content/uploads/2020/04/JAO-Audit-Plan-2020-April-2020-update.pdf>
- The Office of Comptroller & Auditor General is known as the 'Jersey Audit Office'.

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- 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
- 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 Lynn Pamment or the staff 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