

Friday 05 June 2020

MORE SYSTEMATIC GOVERNMENT ASSESSMENT AND REPORTING OF THE BENEFITS TO THE TAXPAYER OF THE STATES OF JERSEY DEVELOPMENT COMPANY NEEDED

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Lynn Pamment, has today (5 June 2020) published a report on ***The States of Jersey Development Company*** (SoJDC).

The report focusses on the extent to which certain arrangements in respect of SoJDC comply with the principles set out in the proposition adopted by the States Assembly that established the Company in 2012. In particular, it looks at the operation of the shareholder function by the Government; arrangements for transfer of land from the Government to SoJDC and arrangements for wider accountability of SoJDC. The report also considers the governance and internal controls within SoJDC.

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 the Government does not yet have an integrated strategic framework for asset management and regeneration, but it is making progress on this. She also found that, since the establishment of SoJDC, the Government has not undertaken a formal review of the role of SoJDC to satisfy itself that the outcomes to date are meeting the objectives set out in the original proposition.

The C&AG noted that whilst there have been noticeable improvements in the exercise of the shareholder function within Government in the last two years, there is scope for further development, including an improved Memorandum of Understanding between the Government and SoJDC.

Lynn Pamment also found scope for some improvements in the governance arrangements and internal controls in place within SoJDC, in particular in respect of remuneration and procurement policies.

Lynn Pamment said:

“SoJDC has delivered a range of major projects for the Island with profits available for further developments, public realm projects or dividends for the Government. The Government has not however systematically assessed or reported the benefits to the taxpayer arising from its relationship with and investment in SoJDC. It should do so on an ongoing basis.

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The Government should also seek to finalise and implement a coherent estates management strategy as a matter of priority.

There should be greater clarity in remuneration policies, including bonus arrangements at SoJDC. There should also be greater transparency in reporting the results of SoJDC to reflect overall performance, including the impact of land provided by Government at no cost.”

The States of Jersey Development Company report will be available on the Jersey Audit Office’s website from 0930 on 5 June 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

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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 C&AG has launched a public consultation on public audit in Jersey including a proposed new Code of Audit Practice.** The consultation can be found at:
<https://www.jerseyauditoffice.je/wp-content/uploads/2020/05/CAG-Code-of-Audit-Practice-Consultation-Paper-29.05.2020.pdf>
- The Office of Comptroller & 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
- 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