

States Employment Board – Follow up

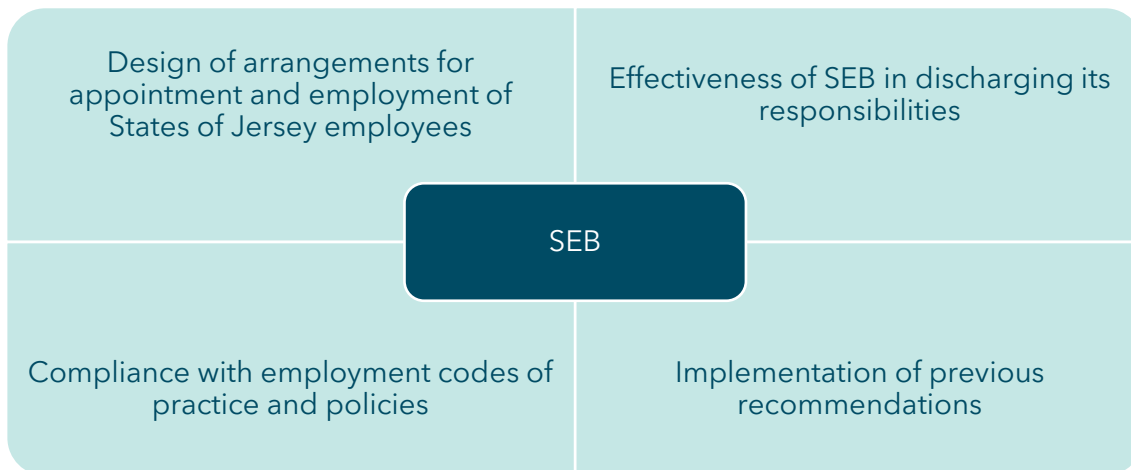
Project Specification

Background

In 2019 the Comptroller and Auditor General (C&AG) undertook a review of the performance of the States Employment Board (SEB). The Employment of States of Jersey Employees (Jersey) Law 2005 established the SEB as the statutory employer of all States employees. The SEB has a pivotal strategic role, not least because staff costs make up over 30% of States' expenditure. Effective oversight of human resources (HR) is a critical component of the operation of the States.

The 2019 review evaluated performance in four areas.

Exhibit 1: Structure of the 2019 report



My predecessor concluded that the arrangements for the SEB were not fit for purpose. She found three main areas of weakness:

- the framework for the oversight of HR management relating to:
 - the establishment and functions of the SEB. For example, the SEB is on the one hand responsible for ensuring that the public service conducts itself with economy, efficiency and effectiveness - a function that is impossibly

broad to perform. But, on the other hand, it is given no duty to monitor the implementation of the employment codes of practice that it issues

- the establishment and functions of the Jersey Appointments Commission (JAC). In particular, the statutory framework did not give sufficient protection to the independence of the JAC; and
- ambiguities and gaps in the current arrangements. For example, the absence of oversight of most aspects of HR arrangements for States owned companies and Arm's Length Organisations; and the absence of independent oversight of contentious termination of employment, including where a compromise agreement is reached.
- the arrangements to enable the SEB to discharge its functions, in particular:
 - the SEB had not adopted an overarching People Strategy that includes: the States' future workforce requirements; the assumptions, values, beliefs and aspirations which guide the SEB as an employer; how the SEB intends to discharge its statutory duties; linkages to key strategic HR policies; and the respective roles and responsibilities of the SEB, the Principal Accounting Officer and the Council of Ministers
 - the SEB had focussed its work on some operational aspects of its responsibilities to the exclusion of some key strategic areas, such as monitoring the benefits secured by organisational change, controls over the total number of people employed and staff training and development
 - the SEB had not focussed sufficiently on securing improvements in key areas. Although some work was in hand, arrangements for development and maintenance of employment codes of practice and supporting HR policies and guidance were underdeveloped. Arrangements for ensuring the health, safety and wellbeing of employees were fragmented and fell short of good practice; and
 - the SEB was insufficiently transparent about its work.
- an insufficient focus by the SEB on monitoring of implementation, evidenced by:
 - the absence of mechanisms to monitor compliance with employment codes of practice and supporting HR policies (although an approach to monitoring was being developed); and
 - the absence of an active role in monitoring the implementation of C&AG recommendations, as well as those from other external sources, relevant to HR.

The Government accepted all 20 recommendations made and developed an action plan in response.

The Functions of the Comptroller and Auditor General (C&AG)

Article 11 of the Comptroller and Auditor General (Jersey) Law 2014 requires the C&AG to:

- provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Public Finances (Jersey) Law 2005
- consider and report to the States on:
 - the effectiveness of internal controls of the States, States funded bodies and funds
 - the economy, efficiency and effectiveness in the way the States, States funded bodies and funds use their resources; and
 - the general corporate governance arrangements of the States, States funded bodies and funds; and
- make recommendations to bring about improvement where improvement is needed.

Objectives of this follow-up review

The review will evaluate:

- the arrangements established to manage, monitor and report on implementation of agreed recommendations
- the progress made in implementing agreed recommendations
- the extent to which the changes made have been evaluated to ensure they address the improvement areas identified in the 2019 report; and
- the adequacy of plans for the implementation of any outstanding recommendations.

Scope

This follow-up review will have the same scope as the original 2019 work and so will consider:

- the key functions, powers and duties, membership, scope and reporting lines of the SEB and JAC
- the effectiveness of the SEB in discharging its functions in respect of:
 - work management
 - economy, efficiency, probity and effectiveness
 - employment codes of practice and supporting policies
 - health, safety and wellbeing
 - senior staff remuneration; and
 - transparency; and
- the effectiveness of arrangements for securing compliance with employment codes of practice and supporting policies.

This follow up review will also assess the progress made in implementing recommendations relating to HR oversight and management and to the SEB from the following previous C&AG reports:

- *Utilisation of Compromise Agreements - Follow Up* (May 2016)
- *Use of Consultants* (October 2016); and
- *Financial Management and Internal Control* (September 2019).

The objectives and/or scope of the review may be amended in the course of the review in the light of emerging findings or other matters arising.

Approach

The review will commence with an initial documentation request. The findings of the document review will be followed up by interviews with key officers and potentially with other stakeholders.

The detailed work will be undertaken by affiliates engaged by the C&AG.

Fieldwork will take place in phases. The first phase will commence in March 2021 and will be limited in scope. The second more substantive phase of work will commence in the final quarter of 2021.



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