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The Government has more to do to demonstrate that major and strategic projects, including capital projects, deliver value for money

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Lynn Pamment, has today, 20 November 2023, published a report on **Major and Strategic Projects, including Capital Projects**.

Major projects of investment and transformation can be high profile, complicated, fast-paced and undertaken in an environment with some degree of uncertainty. In 2022, the Government spent nearly £100 million on capital and major projects. The Government Plan 2023 to 2026 includes investment of almost £400 million in capital and major projects, excluding investment in new healthcare facilities.

The report considers the overall arrangements for managing major and strategic projects as a portfolio, including how the Government considers and monitors the deliverability of the overall programme. It also considers a sample of completed and ongoing projects against identified best practice. The projects reviewed are:

- Office Accommodation Project
- Replacement Bellozanne Sewage Treatment Works
- Combined Fire and Ambulance Station; and
- Mental Health Improvements (Orchard House).

Lynn Pamment found that the Government has developed a set of good Frameworks to cover the establishment, delivery and close of major and strategic projects, including capital projects. These Frameworks are however still relatively new. The C&AG concluded that there is more that is needed to be done to identify, manage and monitor project risks more effectively. She also noted that more generally, the link between risks and business cases could be improved.

Jersey Property Holdings (JPH) is responsible for the operational management of property for the majority of Government estate and typically acts in the role of a supplier in Government building projects. The C&AG found that this can increase the risk that client or user departments feel disempowered, detached or otherwise disengaged from

responsibilities and accountabilities concerning the physical building and any associated projects. Lynn Pamment noted that up to date, clearly understood Service Level Agreements (SLAs) are not in place between JPH and client or user departments which risks further confusion as to departmental responsibilities and accountabilities.

More generally, the C&AG identified a need to give attention to how finite commercial services expertise within Government is used effectively. She also found that the requirements in place can create a level of financial inflexibility, bureaucracy and uncertainty that increases the risk of delays in operational project delivery.

Lynn Pamment identified that there is scope to improve the identification, recording and monitoring of benefits realisation on individual projects.

Lynn Pamment said:

“Going forward the challenge for Government is ensuring compliance with the good practice Frameworks that have been established for major and strategic projects, including capital projects. Key to this will be education, training and the reinforcement of a culture across the Government that understands that project delivery is not an end in itself. It is instead a means to an end, which is to provide wider benefit to the residents of Jersey.

“Improving the way in which benefits realisation is identified, recorded and monitored will be critical in demonstrating that the programme of major and strategic projects, including capital projects, delivers value for money.”

The report *Major and Strategic Projects, including Capital Projects* can be found at: <https://www.jerseyauditoffice.je>

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Notes to Editors:

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- 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'
- The 2023 Audit Plan can be found at: www.jerseyauditoffice.je
- 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 fixed at seven years and is non-renewable.
- The Office of Comptroller and Auditor General is known as the 'Jersey Audit Office'.
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