

Comments on proposed amendments to the Public Finances (Jersey) Law 2005

Article in draft Law	Article in 2005 Law	Comment
15	32	Standards setters promulgate 'Accounting standards'. The 'accounting standards' issued by the Treasurer will provide for application of such standards with modifications and adaptations appropriate to the public sector in Jersey. The term 'proper practices' (used in the legislation for local government in England) would be more appropriate.
17	39	This is a useful amendment. It could be enhanced by instead referring to any person having responsibility for or custody of relevant records, thereby extending its application to self-employed persons and contractors.
Part 5		Fiscal Policy Panel
18	56A	The independence of the Panel is crucial and is potentially weakened by: <ul style="list-style-type: none"> • Appointments being on the sole recommendation of the Minister (with no indication of what happens if the States does not agree) • An indeterminate but renewable term of appointment (rather than a fixed non-renewable term enhancing the incentive to act without fear or favour) • The existence of wide grounds for removal by the Minister.
19	56C	The proposed legislation specifically refers to the strategic reserve and stabilisation reserve. However, other funds (including the Health Insurance Fund, Social Security Fund and Social Security (Reserve) Fund) form part of the total resources of the States (although not currently included within the States financial statements). Although these funds are governed by legislation other than the Public Finances (Jersey) Law 2005 the panel could usefully comment on all States funds and the overall economy.
19	56E	There is a duty to prepare a report where there is a proposal for a significant change in States expenditure but no parallel duty where there is a proposal for a significant change in States income. Income and

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		expenditure are both relevant to fiscal sustainability. The provision should be extended to income. The inclusion of income would mean that issues of timing of reports and confidentiality of the panel prior to the budget statement would need to be addressed.