

STATES OF JERSEY



DRAFT COMPTROLLER AND AUDITOR GENERAL (JERSEY) LAW 201- (P.98/2014): AMENDMENT (P.98/2014 Amd.) – COMMENTS

**Presented to the States on 30th June 2014
by the Council of Ministers**

STATES GREFFE

COMMENTS

Revocation of appointment to the office of Comptroller and Auditor General

The proposed legislation put forward by the Council of Ministers (“the Council”) specifies that the States may revoke the appointment of the Comptroller and Auditor General (“C&AG”) –

- on a proposition signed by the Chief Minister and Chair of the Public Accounts Committee (PAC); or
- on a proposition signed by at least 12 members of the States.

The PAC amendment proposes removing the option for a proposition to be brought forward by 12 members of the States.

The Council of Ministers recognises that this is an unusual provision and was included in the original legislation governing the role of the C&AG as a compromise to safeguard the position of the Comptroller, whilst at the same time enabling a group of States Members to bring forward a proposition to propose the revocation of an appointment should they feel they have just cause. The Law clearly specifies the grounds on which revocation can be proposed, with a requirement for the accompanying report to set out the details of the evidence to support any allegation. The drafting of the legislation ensures that a vexatious proposition cannot be lodged by an individual States Member.

The Council of Ministers supports this amendment.

Article 15 – Advisory Board to the Comptroller and Auditor General

The Council of Ministers attaches a high priority to the need to ensure that the office of the Comptroller and Auditor General is independent and that it cannot be directed on how the functions of its office are carried out.

However, the Council is also conscious that the office of the C&AG should be accountable for the resources provided to it, and that suitable governance arrangements are in place to control its activities, which is why it was felt necessary to incorporate the Board in the primary legislation.

Under the PAC’s proposals, the roles and responsibilities of the Board will be defined in an Order to be issued by the Chief Minister, in consultation with the Chairman of PAC.

Given that the PAC’s amendment specifies that the Chief Minister will be tasked with issuing an Order defining, amongst other things, the roles and responsibilities of any Board, the Council supports the amendment to Article 15.

However, on a more minor point, the Council wishes to point out it would expect that the cost of administering the Board would be met from within the existing budget of the office of the C&AG and would be subject to the normal States financial allocation process.

Article 19 – Duty to prepare annual report and accounts of office

The Council is not satisfied with the proposal that unaudited accounts would be presented for review by all States members.

The Public Finances (Jersey) Law 2005 requires that the States' annual financial statement is subject to independent audit, and that the statement is certified to indicate that it properly represents the activities of the States and was prepared in accordance with the prescribed accounting standards.

Those bodies which receive grant funding from the States of over £75,000 are required to provide audited accounts. The office of the C&AG receives approximately £770,000 each year in States funding.

The office of the C&AG is responsible for providing the States with independent assurances that the financial affairs of the States are regulated, controlled, supervised and accounted for in accordance with the relevant governing legislation, and it is therefore imperative that the office of the Comptroller and Auditor General can show that the same high standards are met.

The Council believes the cost of any audit should be minimal, and the benefits gained from such work should far outweigh the financial consideration.

Article 20 – Duty to report

This Article is a replica of the original Article approved by the States as part of its debate on the Public Finances (Jersey) Law 2005.

The Council supports the amendment.

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

As the Council of Ministers only met on Wednesday 25th June 2014, it was not possible to finalise these comments by the deadline of noon, Thursday 26th June.