

3.15 Deputy T.A. Vallois of the Minister for Treasury and Resources regarding the delegation of Ministerial powers under the Public Finances (Jersey) Law 2005:

Could the Minister for Treasury and Resources explain how Ministerial decision M.D.T.R. 20130106 dated 25th November 2013 concerning the delegation of Ministerial powers under the Public Finances (Jersey) Law 2005 and subordinate regulations, will enable the efficient and effective management of public finances?

The Deputy Bailiff:

Deputy, no doubt it was for short-hand that you did not use up too many words to get the question approved, but I wonder, for members of the public, if you would explain what the Ministerial decision is that is the subject of that question?

Deputy T.A. Vallois:

Yes, Sir. The Minister for Treasury and Resources is given the power under the Public Finance Law to delegate powers to his Assistant Minister or the Treasurer in order to carry out functions within the Treasury Department that this Assembly gives him the ability to do.

Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):

The States of Jersey Law enables all Ministers to delegate functions to either an Assistant Minister or an officer of the States. The Minister for Treasury and Resources has delegated responsibility for decisions relating to property matters to myself as his Assistant Minister and had delegated certain other functions to the Treasurer. These often relate to technical accounting matters, which rightly sit with the Treasurer's expertise and thus ensures that they are dealt with in an efficient manner. The ability of the Ministers to delegate ensures that more time is available to them to undertake matters relating to policy and strategy, which I am sure the States Assembly will accept that the Minister for Treasury and Resources is currently doing.

3.15.1 Deputy T.A. Vallois:

In particular in Ministerial decisions, there is an area which reflects on borrowing and authority is delegated to the Treasurer of the States with respect to this. Can the Assistant Minister advise where we could obtain the details openly, particularly in respect of the fact that they can borrow up to £20 million with a maximum repayment period of 10 years?

Deputy E.J. Noel:

I am just trying to find in the actual delegated powers, the area relating to borrowing.

Deputy T.A. Vallois:

Section 5 of the Ministerial Decision.

Deputy E.J. Noel:

The amount that the Treasurer is authorised to borrow is limited to £100,000 in any one financial year up to a maximum of £500,000. These are outlined in Sections 1.5 of the delegated powers, and I am happy to circulate these powers again - because obviously they are in the public domain already - to Members so they can read them themselves.

3.15.2 Deputy T.A. Vallois:

In terms of openness and transparency, if the Treasurer is being enabled to borrow money on behalf of the States, will that be reported in the accounts on an annual basis or will we have a 6-monthly report, or how will we be able to be aware of how much the States is borrowing, as agreed by the Treasurer?

Deputy E.J. Noel:

All delegated decisions are recorded and, where required, they are reported to the States in the 6-monthly financial updates which are presented to Members. In terms of the individual borrowing amounts, I must add that these are short-term borrowings, such as short-term overdraft facilities, which is the normal course of business for the States Treasurer.

3.15.3 Senator S.C. Ferguson:

I think the clear words are “where required” they will be reported. Does the Assistant Minister not realise that the Assembly is aware that the increased flexibility under Amendment 4 to the Public Finance Law, together with these delegations, which may be reported where required to the Assembly, that these matters will take control and accountability totally away from the Assembly?

Deputy E.J. Noel:

I do not agree with the sentiments from the Senator there. These delegated powers are available in the public domain, as is the Finance Law, and we operate within those laws and within these delegated powers.

3.15.4 Senator S.C. Ferguson:

Some of the items which are being looked at: contracts, no limit, blanket approval to increases in groups of charges, not necessarily taking into account the inflation policy. These are all coming away from States accountability and control. Does the Assistant Minister really think this is the way to run a government?

Deputy E.J. Noel:

They are not being taken out of accountability, the Minister is still accountable. You cannot delegate responsibility, the Minister is still responsible for all matters that he delegates to either myself or to the Treasurer. The mere fact that the Senator can quote extracts from the delegated powers and from the Finance Law is because they are already in the public domain.

3.15.5 Senator S.C. Ferguson:

But the Assistant Minister has already said they will be reported “where required”; it is not mandatory that they should be reported, the Minister can decide that he does not need to report. Does the Assistant Minister not understand this?

Deputy E.J. Noel:

I understand it perfectly well. If the Senator is unhappy that not all matters are reported then she is quite at will to bring a proposition to amend the law.

3.15.6 Deputy T.A. Vallois:

Another area of the Ministerial Decision I need to ask the Assistant Minister about is with regards to appointment of accounting officers. This was an amendment to the Public Finance Law in September of this year by this Assembly and it has been delegated to the Treasurer of the States. As Chair of P.A.C. (Public Accounts Committee) and endorsing the principles of accountability and transparency, could the Assistant Minister advise whether in the future P.A.C. will be expected to hold accounting officers, rather than just Chief Officers, to account for public financial management?

Deputy E.J. Noel:

I would imagine that P.A.C. should hold all States employees that are accounting officers accountable; where an individual has that power, then I would expect P.A.C. to be able to ask questions of those individuals.