

**STATEMENT TO BE MADE BY THE PRESIDENT OF THE ECONOMIC DEVELOPMENT  
COMMITTEE IN THE STATES ON TUESDAY, 22nd JUNE 2004**

The Economic Development Committee has considered the appointment of the Chairman of the Jersey Competition Regulatory Authority (JCRA) for some months. In considering this appointment the Committee consulted with the Appointments Commission as it is required to do and the Commission agreed that the existing Chairman could be reappointed without advertising the post if we were satisfied with his performance.

A proposition to reappoint the Chairman of the JCRA, P.63/2004 was lodged on 20th April 2004, and it was intended to debate this proposition before the term of office expired on 16th May 2004.

In 2003, the Economic Development Committee asked the Internal Audit department to carry out an Audit of the JCRA and at the end of April 2004 we received a draft report, which revealed significant weaknesses in the governance of the JCRA. Several weeks were allowed for the Authority to respond to this draft report but the final Internal Audit report still identified significant weaknesses.

The Economic Development Committee has now decided to withdraw the report and proposition and will not be proposing the re-appointment of the former Chairman whose contract has now expired.

Furthermore, I have involved the Chairmen of the Shadow Public Accounts Committee, who will be proposing to issue two reports, one into the issues raised by the internal Audit Report relating to the JCRA and a second relating to corporate governance and value for money issues where the States establish independent organisations similar to the JCRA.

As a result of withdrawing P.63/2004, the JCRA is without a Chairman, but the Committee has been advised that this does not affect the operation of the Authority.

However, as members will be aware, the Economic Development Committee is currently recruiting a new member of the Authority to be Executive Director and two other new members to be non Executive Directors. Before they are appointed, and hopefully in July 2004, the Economic Development Committee will be recommending to the States the name of a person to be appointed as Chairman in accordance with the 2001 Law.