14   Deputy R.J. Ward of the Minister for Treasury and Resources regarding the classification of States' expenditure in accordance with international best practice: (OQ. 15/2020)

In light of the Assembly's adoption of States' expenditure: classification in accordance with international best practice P.94/2019, will the Minister detail the actions to be taken in quarters one and 2 of this year to implement this decision, given the need to classify expenditure from 2021 in accordance with the Proposition?

Deputy S.J. Pinel (The Minister for Treasury and Resources):

The financial reporting team in the Treasury is currently focused on delivering the faster close and audit of the Annual Report and Accounts 2019 in line with the accelerated timetable. This will publish financial results to Members and the public much earlier than in previous years. Once the accounts are audited and published, officers will shift attention to the initial stages of the classification exercise, which will involve comparing existing budgets and spends of classifications with those identified in the United Nations best practice framework and scoping the work required. I am sure the Deputy appreciates that this is a large piece of work and, as stated in the Amendment to the Proposition, part of the initial phase in late quarter one will be an assessment of the additional resources required and a plan to make them available around other key priorities. Treasury officers will work with colleagues across all departments to agree appropriate classifications and identify any requirements to change the way in which expenditure is recorded.

2.14.1   Deputy R.J. Ward:

I think there was an answer there regards quarter one will be allocating resources. So what is the timescale given that it was agreed that 2021 spending in the Government Plan would be classified in this way and what exactly is so difficult about applying this when, for example, I know the Statistics Unit are very keen to get this to work?

Deputy S.J. Pinel:

As I mentioned in my opening remarks, the team in Treasury are completing the faster close of the accounts. The definition of "faster" being in 2017 the accounts were signed off on 30th May 2018 and published on 11th June. The 2018 accounts were signed off on 18th April 2019 and published on 24th April, so quite a considerable difference in closure, and the intention for the 2019 accounts to be published even earlier, by the end of the first quarter. So, with that in mind, and the lack of resources, there are quite a few vacancies in the Treasury team, then we will be recommending the implementation of the C.O.F.O.G., (Classification of the Functions of Government). Analysis is deferred to the 2020 accounts, allowing a project plan to be fully worked up. The analysis is, accordingly, likely to be first available to support preparation in 2021 for the Government Plan 2023 to 2025.

2.14.2   Deputy G.P. Southern:

I detected there in that mass of words an answer, which suggested that is a year's delay, is that the case?

Deputy S.J. Pinel:

The Proposition, the Amendment to the Proposition, did say that it would be for the 2020 year of assessment, but we have to develop the plan and the expenditure of how to do that.

2.14.3　Deputy R.J. Ward:

Obviously would the Minister share my concerns that when we pass something in the Assembly in quite a reasonable way that one would expect the wishes of the Assembly to be acted on as soon as possible and I still hope that the target for the classification of 2021 Government spend will be classified in this way. Particularly, would the Minister not agree, as it opens up clarity of spend in comparison, for example, the next election on the Island so people have greater clarity and therefore there is greater accountability?

Deputy S.J. Pinel:

Yes, I do agree with the Deputy, and I did say that it would be done as soon as is possible. The C.O.F.O.G. analysis will be presented alongside the Annual Report and Accounts.