

**THE COMPTROLLER & AUDITOR GENERAL'S PROGRAMME
2008-2010**

CONSULTATION DOCUMENT

31 OCTOBER 2008

Introduction

1. In September 2006, I published a Consultation Document in which I proposed a programme of work which I would implement during 2007. In the event, some elements of that programme were superseded by the Spending Review. The work undertaken and the results of the programme are set out and assessed in my Annual Report (which is being published simultaneously with this Document).
2. On its own, the conclusion of the Spending Review presented an opportunity for re-assessment of my programme of work. The merit of taking advantage of that opportunity is reinforced by the fact that, during the summer, I was re-appointed by the States for a period of five years.
3. This Consultation Document sets out my proposals for the work that I should undertake for the first half of this new period (i.e. 2009 and 2010). In addition to the work set out in this document, further work will be undertaken as occasion demands as has happened during the past three years.
4. Comments on these proposals are welcome and should be submitted to the address set out at the end of this document.

Objectives

5. Although the programme of work set out in the 2006 Consultation Document was in some respects overtaken by events, the objectives for that programme were not overtaken and are still relevant.
6. Thus, I propose that the work programme for 2009 and 2010 should continue to be aimed at the objectives set out in the September 2006 Consultation Document:
 - (1) to encourage higher standards of financial management and financial reporting within the States sector.
 - (2) to challenge all public bodies to deliver better value for money.
 - (3) to encourage continual improvement in public services so that they meet the changing needs of diverse communities and provide fair access for all.
 - (4) to promote high standards of governance and accountability.

- (5) to stimulate significant improvement in the quality of data and the use of information by decision makers.

Proposed programme

7. The activities which it is proposed to undertake to achieve these objectives are set out below.

Objective 1: Financial management and reporting

8. The proposed activities will include:
 - (1) the audit of the annual financial statements of the States.
 - (2) a review of any performance reports published by the States and of ways in which assurance can be provided as to their reliability.
 - (3) the audit of the financial statements of other funds for whose audit the C&AG is responsible.
 - (4) the publication of an annual assessment of the quality of financial management within the States. The elements of this assessment are described later in this document.

Objective 2: Value for money

9. The proposed activities will include:
 - (1) reviews of any major asset disposals by the States.
 - (2) publication of comparisons between the costs of the Island's public services and those of similar mainland services. The approach to this work is explained later in this document.

Objective 3: Continual improvement

10. The proposed activities will include:
 - (1) a review of benefit fraud management arrangements.
 - (2) a follow-up assessment of the States' response to the challenges set out in the conclusions of the Spending Review.

Objective 4: Governance and accountability

11. The proposed activities will include:
- (1) reviews of at least one States department annually.

Objective 5: Information for decision-making

12. The proposed activities will include:
- (1) a review of performance management practice within the States.

Annual assessment of financial management

13. Good financial management lies at the heart of effective management and the maximisation of value for money. Hence it is important to assess the quality of the financial management of the States and the effect of any changes.
14. The criteria which it is proposed will form the basis for this annual assessment are set out in summary form in the Appendix to this document and in detail in the accompanying Annex. These criteria have been based on the criteria used by the Audit Commission in assessing the financial management of local authorities in England.
15. Development of the annual assessment is likely to take some time with the result that the implementation is likely to be gradual.
16. A further Consultation Document will be published by the end of 2008 on the manner in which the annual assessment will be published.

Publication of service cost data

17. On two occasions in the recent past, the States have published reports comparing the costs of providing public services in the Island with the costs of similar services in other jurisdictions. It is proposed to publish each year a report providing a limited number of such comparisons as a basis for assessment of the States' performance in controlling public expenditure and the cost of services.

18. A further Consultation Documents will be published by the end of 2008 on the list of the comparisons to be published.

Comments on these proposals are welcomed and should be sent by 30 November 2008 to:

By post:

C Swinson, Comptroller & Auditor General
Morier House, Halkett Place, St Helier, Jersey JE1 1DD

By e-mail:

c.swinson@gov.je

APPENDIX ~ ANNUAL FINANCIAL MANAGEMENT ASSESSMENT
~ KEY QUESTIONS

19. How good are the States' financial, accounting and reporting arrangements?
 - (1) Do the States produce annual accounts in accordance with relevant standards and timetables supported by comprehensive working papers?
 - (2) Do the States promote external accountability?

20. How well do the States plan and manage their finances?
 - (1) How well based are the States' medium term financial strategy, budgets and capital programme and are they designed to deliver the States' strategic priorities?
 - (2) How well do the States manage performance against budgets?
 - (3) How well do the States manage their assets?

21. How well do the States safeguard their financial standing?

22. How well does the internal control environment enable the States to manage their significant business risks?
 - (1) Are their appropriate arrangements to identify and manage the States' significant business risks?
 - (2) Have the States maintained a sound system of internal control?
 - (3) Do the States have adequate arrangements to promote and ensure probity and propriety in the conduct of business?

23. How well do the States achieve good value for money?
 - (1) How well do the States currently achieve good value for money?
 - (2) How well do the States manage and improve value for money?