

**STATEMENT TO BE MADE BY THE  
CHAIRMAN OF THE PUBLIC ACCOUNTS COMMITTEE  
ON MONDAY 19th MARCH 2017**

**Reporting of Abortive Costs**

The Public Accounts Committee had intended to bring a proposition to this Assembly to introduce “Abortive Cost Reporting”. This is to ensure that these costs would be reported to this Assembly. The PAC want losses incurred by “aborting” projects to be more easily identified and reported on.

This is not an attempt to find blame, but merely an instrument for good practice. It will bring transparency and openness to accounting practices. It may well be that stopping a project, reporting an abortive cost, draws a line under the error and allows a fresh new approach. This is preferable to throwing good money after bad, and can often result in a saving in the long run. It can also alert others within the States of the error and instil a culture of learning, thus preventing the same error from occurring again.

The PAC wrote to the Treasurer and following our initial meeting with his Officers, it transpired that this was an area currently being explored by the Treasury. This is part of a larger programme by Treasury to update Financial Directions.

I am pleased to report there was much common ground, and the findings of the PAC are in this accompanying report. I hope the next Public Accounts Committee will keep an eagle eye on the progress of the Financial Directions, it will be in our legacy report, to ensure a satisfactory outcome for the future.

Sir, I would like to thank the Treasury Officers for their openness and willingness to progress this matter and our own PAC officer who has worked tirelessly on this project. This approach has negated the need for debate in this Assembly.

Whilst on my feet, as this is my last opportunity, I would like to place on record my most sincere thanks to the Controller and Auditor General, and the two lay members of PAC. Mr Robert Parker and Mr Michael Robinson, all have brought an enormous wealth of experience and knowledge to the Committee, and I and the Committee are most grateful to them.