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PAC REPORTS ON £200,000 STATES GRANT MADE TO FILM COMPANY

The Public Accounts Committee has completed its review into a £200,000 grant provided by the Economic Development Department to a company intending to shoot part of a film in the Island. The report published today is critical of the governance procedure prior to and subsequent to the decision to provide the grant.

The findings of this review must not be mistaken for the feelings of the Committee towards grants and in particular, grants for high risk industries. The Committee wishes it to be known that it supports the efforts of the Economic Development Department in the work it does towards economic diversity and growth in Jersey as indeed it would wish to support the film industry in Jersey.

In accepting that there is a degree of subjectivity in the making of a decision relating to the provision of grants and that there may be a case both for and against the grant, the Committee does not wish to second guess the decision for approving the money to this project. The responsibility of the Committee lies firmly in establishing whether a suitable process of governance was followed and whether taxpayer's funds have been suitably utilised and safeguarded.

The enquiries made by the Committee have revealed a catalogue of errors that show the governance of the grant was not at an appropriate level to ensure that taxpayer's money was being appropriately disbursed. Read the Committee's report at <http://www.scrutiny.gov.je/Pages/Reports.aspx>

Deputy Tracey Vallois, the Chairman of the PAC stated:

"This review has revealed numerous shortcomings in the process undertaken by the Economic Development Department. Some of these problems may have arisen because the requirements for due diligence, such as 'Know Your Customer' processes are not required in the Financial Directions governing grants.

The report makes numerous recommendations including:

- The Treasurer of the States must include due diligence requirements within Financial Direction 5.5.
- A guidance note should be introduced to all departments for robust contract management aligned to financial directions.

- Prior to Ministerial Decisions being signed, Accounting Officers must sign a compliance statement to say that Financial Directions have been complied with.

The PAC is hopeful that this film will be made and that it will provide the all the benefits for Jersey that the Department hope for. However, wherever public funds are being spent, the Committee is there to be asking questions to establish that the procedures undertaken ensure value for money for the taxpayer. ”

-Ends-

Copies of the report may be obtained from the States Bookshop at Morier House or on the Scrutiny website www.scrutiny.gov.je

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