



# | States Assembly

## States Greffe

Deputy Kirsten Morel  
Minister for Economic Development, Tourism, Sport and Culture

### **BY EMAIL**

9th September 2022

Dear Minister,

### **Economic and International Affairs (EIA) Scrutiny Panel - States-Owned Entities (SOEs) and Arm's Length Organisations (ALOs)**

The Economic and International Affairs Scrutiny Panel has followed with interest the developments in governance of States Owned Entities and Arm's Length Organisations, and is seeking an update on the commencement of implementation of recommendations made by the Comptroller and Auditor General (C&AG)<sup>1</sup> in recent reports, and the PAC in its report on Estate Management<sup>2</sup>. It has also reviewed the revised Report<sup>3</sup>, R.56/2022, setting out the Memoranda of Understanding (MOU) between the States of Jersey as Shareholder and the various bodies as well as the 2021 Annual Reports and Accounts of the wholly and majority owned States-Owned Entities<sup>4</sup>.

You may be aware that the previous EIA Panel corresponded with the Minister for Treasury and Resources (MTR), as shareholder representative for MOU on SOEs, throughout its term of office from 2018 to 2022. Following its receipt of the report undertaken by PWC, 'Review of Shareholder Governance' and subsequent correspondence clarifying certain points raised, it had no further communications with the MTR on this matter.

I set out the EIA's interest in ALOs and SOEs in some detail above, to illustrate the information the Panel already has. I do not wish to duplicate this information and the specific purpose of this letter to you in your role as Minister for Economic Development is to further understand what communications you have had with ALOs/SOEs in respect of their ongoing performance and strategy, in particular:

- Their economic objectives and how they dovetail with the objectives of your department(s) and the Government as a whole;
- The Ministerial direction you will take in relation to these bodies, including if or how that direction differs from the previous Government and/or your predecessor;
- What work is being undertaken or planned to measure ALO/SOE performance (over and above the guidance on Annual Reporting standards as set out by the C&AG<sup>5</sup>);
- What work is being undertaken or planned to set ALO/SOE performance targets to align with overall Government targets and priorities;

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<sup>1</sup> [Jersey Audit Office](#) – SOJDC (2020), [Jersey Audit Office](#) - States as Shareholder Follow Up (2019)

<sup>2</sup> [PAC Report - \(follow up\) Review of Estate Management 2021 - 15 October 2021.pdf \(gov.je\)](#)

<sup>3</sup> [r.56-2022 \(re-issue\).pdf \(April 2022\)](#)

<sup>4</sup> [R.96/2022 – Annual Report and Accounts of SOEs \(June 2022\)](#) \*

<sup>5</sup> [r.172-2021.pdf \(Good Practice Guide – Annual Reporting November 2021\)](#)

- How you will ensure Ministerial Accountability is maintained, where certain aspects of the points above are effectively delegated to a civil servant;
- How the PWC Review of Shareholder Governance findings and recommendations will be adapted to cover other ALOs and SOEs beyond Jersey Telecom and Jersey Post.

I would be grateful if you could provide a response to the above matters by 30th September 2022, together with an indication of whether, and if so, when, you would be available for a briefing to the EIA to further enhance the Panel's understanding of your progress. I note the EIA is due to hold its first Quarterly Hearing with you on Thursday 27th October from 10.30am to 12.30pm, to discuss your priorities but it may be that this topic is large enough to warrant a separate briefing.

If you have any questions regarding this or our work in general, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Moz Scott'.

Deputy Moz Scott  
**Chair**  
**Economic and International Affairs Scrutiny Panel**