



# Amendments to Public Finances (Jersey) Law 2005

Presentation  
May 2013



## Summary of proposed changes

---

- Part 2 - Establishment of Insurance Fund
- Part 3 - MTFP and heads of expenditure
- Part 4 - Administration - Treasurer of the States
- Part 4 - Administration - Accounting Officer Role
- Part 5 - Fiscal Policy Panel
- Part 6 – Future amendments to be made by Regulation



## Part 2 - Establishment of Insurance Fund

---

- Formal establishment of the existing Insurance arrangements in a Special Fund
- Purpose is to facilitate the provision of collective insurance arrangements and Financial Directions
- All States funded bodies will participate in the Fund
- The Minister will be able to enter into agreements with other bodies with connections with the States
- The States of Jersey currently manages a level of self insurance which will continue
- Currently the States hold £7.5 million to provide a buffer against future insurance claims which will be paid into the Fund.



## Part 2 - Establishment of Insurance Fund

---

- Amounts paid into insurance fund do not form part of annual income of the States
- Money can be withdrawn in accordance with Financial Directions for the purposes of the mutual insurance arrangements or if in the Minister's view the amount in the insurance fund exceeds that required
- Withdrawals can also be via an approval by the States in a budget.



## Part 3 - MTFP and heads of expenditure

---

- Re-instatement of provision which enables the Council of Ministers to take requests for additional funding to the States if insufficient funds are available (previously referred to as an Article 11(8) funding request)
- Formal recognition of the Central Planning vote to enable the Minister for Treasury and Resources to allocate funds to scope or assess the feasibility of proposed capital projects that start in future years.
- Greater flexibility enabling the transfer of funds between heads of expenditure for any reason (these must be approved by the Ministers involved and then by the Minister for Treasury and Resources)



## Part 4 - Administration - Treasurer of the States

---

- Treasurer to provide advice to the Council of Ministers on the public finances of Jersey
- Extension of the Treasurer's current role to report if public money has been dealt with unlawfully and following, consultation with the Comptroller and Auditor General, provide a written report on the matter to the States
- Variation to the Annual Accounts to be prepared in line with appropriate and approved Accounting Standards as laid before the States.



## Part 4 - Administration - Accounting Officer Role

---

- Currently Chief Officers are Accounting Officers; and
- The amendment proposes that Accounting Officer responsibility be extended to Special Funds, any States income, any money derived from taxation or any money forming part of trust assets.
- The accounting officer is personally responsible for the proper financial management of that fund or money



## Part 5 - Fiscal Policy Panel

---

- Fiscal Policy Panel (FPP) established in Report and Proposition 133/2006
- Role and format will continue to be to provide advice and make recommendations to the Minister for Treasury and Resources on the prevailing economic climate
- The Panel of at least 3 members will be appointed by the States for a 5 year or shorter period
- The Panel will produce:
  - an Annual Report
  - Reports for completion of the Draft Medium Term Financial Plan; and
  - Any other time that may be requested.



## Part 5 - Fiscal Policy Panel

---

- Report must include
  - (a) the strength of the economy in Jersey;
  - (b) the outlook for the economy in Jersey and, generally, world economies and financial markets;
  - (c) the economic cycle in Jersey;
  - (d) the medium and long-term sustainability of the States finances, having regard to the foregoing matters; and
  - (e) the use of, and transfers to or from, the strategic reserve fund and stabilisation fund, having regard to the foregoing matters.
- The Council of Ministers and Minister must have regard to a report produced by the FPP.



## Part 6 - Future amendments to be made by Regulation

---

- The amendment proposes that Parts 3 and 4 of the Law can in future be amended via Regulation (with the exception of taxation issues).