

Treasury and Exchequer Ministerial Decision Report



AMENDMENTS TO PUBLIC FINANCES MANUAL – SEPTEMBER 2023

1. Purpose of Report

To gain approval from the Minister for Treasury and Resources to amendments to the Public Finances Manual (PFM).

2. Background

The Public Finances Manual was issued with effect from 1st January 2020 by the Minister for Treasury and Resources. The Public Finances (Jersey) Law 2019 allows for amendments to be made by the Minister, and for the ability to make amendments to be delegated. Amendments delegated include those necessary to clarify requirements; those to ensure that the Manual is consistent with other published legislation, policies and procedures; and those which are required as part of an emergency as defined in Article 24 of the Public Finances (Jersey) Law 2019. All other amendments require Ministerial approval. The amendments proposed have been through the review process set in the Public Finances Manual for amendments which includes review by Accountable Officers and Heads of Finance Business Partnering as well as the Law Officers' Department. The proposed amendments are detailed in the attached table.

The Manual and all amendments must be issued to the States' Public Accounts Committee and made publicly available.

The amendments will be notified by letter to the Public Accounts Committee and will be effective from 1st September 2023.

In addition to the items below, the previously approved Conflicts of Interest section will go live and the Office of the Comptroller and Auditor General section will be moved from the category Risk and Audit to Accountability.

There are also minor amendments to four sections that have been approved by the Treasurer of The States under authority delegated by the Minister – see R.92/2023: Acceptance of gifts and hospitality, Changes to heads of expenditure, Financing, and Major, strategic and other projects. Details of minor changes made are available upon request.

Main section	Sub-section	Intro/ Principles/ Requirements	Para(s)	Description of change	Reason for change
Financial planning and budgeting	Civil Asset Recovery Fund	All – full section	New	New Section of the Manual (see appendix A). The Fund holds forfeited amounts resulting from court judgements. Its uses are restricted by legislation. Appendix A	New section
Financial planning and budgeting	Court and Case Costs Smoothing Reserve	All – full section	New	New Section of the Manual (see appendix B). It sets out the management of court and case costs. Appendix B	New section

Expenditure	Feasibility	All – full section	New	New Section of the Manual (see appendix C). This section sets out how the Feasibility head of expenditure approved in the Government Plan can be used. Appendix C	New Section
Risk and audit	Gifts and hospitality offered	All – full section	New	This new section (see appendix D), recommended by the C&AG, introduces requirements to declare gifts and hospitality offered, or seek permission to offer. Appendix D	New section
Expenditure	Grouped heads of expenditure	All – full section	New	New Section of the Manual (see appendix E). It sets out how Grouped heads of expenditure approved in the Government Plan can be used. Appendix E	New section
Risk and audit	Insurance	All – full section	New	New section of the Manual (see appendix F). This new section brings together in one place all matters relating to the States' insurance arrangements. Appendix F	New section
Accountability	Role of the Minister for Treasury and Resources	All – full section	New	New section of the Manual (see appendix G). This section is largely for information and expands on the contents of the Public Finances Law. Appendix G	New Section
Accountability	Role of the Treasurer of the States	All – full section	New	New section of the Manual (see appendix H). This section is largely for information and expands on the contents of the Public Finances Law. Appendix H	New Section

Expenditure	Rolling votes	All – full section	New	New section of the Manual (see appendix I). This section sets out how Rolling Vote heads of expenditure in the Government Plan can be used. Appendix I	New Section
Other	Specific States owned entities	All – full section	New	This new section (see appendix J) sets out arrangements for the relationship between the States and companies wholly or partly owned by the States. Appendix J	New Section
Expenditure	Arm’s Length Organisations	Requirement 6 and new supporting documents		Requirement 6 (see appendix K) - introduces a mandatory ALO Governance Checklist (see appendices K1 and K2). Appendix K Appendix K1 Appendix K2	Update
Assets	Leases	Introduction and background, Principles and Requirements		Proposed changes clarify definitions. Appendix L	Update

3. Recommendations

The Minister is recommended to approve amendments to the Public Finances Manual (PFM) and to agree that the Public Accounts Committee should be notified of the amendments and that the PFM be updated to reflect the approved amendments. The amendments to be effective from 1st September 2023. Training will be offered to officers on the amendments.

4. Reason for Decision

Under Article 31 of the Public Finances (Jersey) Law 2019 the Minister is responsible for issuing a Public Finances Manual (PFM) and may amend the PFM. A notice of all such amendments must be presented to the Public Accounts Committee as soon as practicable after amendments are made. The PFM and all amendments must be made publicly available.

5. Resource Implications

The proposed amendments should improve financial governance and control within the States of Jersey and there are no direct additional financial or manpower implications related to the amendments to the PFM.

