

# Treasury and Exchequer Ministerial Decision Report



## AMENDMENTS TO PUBLIC FINANCES MANUAL – FEBRUARY 2025

### 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 1<sup>st</sup> 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 **1 February 2025**.

Section	Sub-section	Intro/ Principles/ Requirements	Description of change
Accountability	Accountable Officers in Government Departments	All	<p>Change (requested by PAC) to make it mandatory to publish Letters of Instruction from Ministers to Accountable Officers.</p> <p>Change to make clear that an exemption must be sought to delegate functions to anyone who is not an employee.</p> <p>Change to reinforce the legal position re exceeding an approved head of expenditure.</p> <p>Change to clarify that SoJ Police can be delegates.</p> <p>Addition of reference to model Schemes of Delegation included in supporting documents for guidance.</p> <p> Accountable Officers in Governm</p>
Accountability	Accountable Officers in Non Ministerial States Bodies	All	<p>Change to make clear that an exemption must be sought to delegate functions to anyone who is not an employee.</p> <p>Change to reinforce the legal position re exceeding an approved head of expenditure.</p> <p>Change to clarify that SoJ Police can be delegates.</p>

			<p>Addition of reference to model Schemes of Delegation included in supporting documents for guidance.</p>  <p>Accountable Officers in Non Mini</p>
Expenditure	Arm's Length Bodies	All	<p>This section replaces the previous ALOs section. The changes include:</p> <ul style="list-style-type: none"> <li>• New categories for (and lists of) bodies (based on C&amp;AG report): <ul style="list-style-type: none"> <li>○ States Owned Entities</li> <li>○ States Established Delivery Entities</li> <li>○ States established independent bodies or office holders</li> </ul> </li> <li>• Revised list of risks.</li> <li>• Periodic structured reviews now a Principle.</li> <li>• List of responsible Accountable Officers now in supporting documents.</li> <li>• Changes to requirement on written agreements. <u>Model agreement and user guide</u> in supporting documents for bodies receiving grant funding over £1 million per year.</li> <li>• Changes to requirement on annual assessments – must now use the <u>Grant Pre-Payment Checklist</u> in supporting documents.</li> <li>• Reduction in number of <u>governance checklists</u> (in supporting documents) from two to one (to be used for bodies receiving grant funding over £1 million per year).</li> <li>• New requirement on reporting by Arm's Length Bodies.</li> </ul>  <p>Arm's Length Bodies.docx</p>
Assets	Assets	Intro, Requirement	<p>Inclusion of authorised departmental stock levels.</p>  <p>Assets.docx</p>
Background and introduction	N/A		<p>Revised definitions of propriety and regularity. Update to definition of States Bodies to be consistent with the Public Finances Law. Clarification of need to “comply or explain” for Principles. Clarification of process for updating the Manual.</p>  <p>Background and introduction.docx</p>

Accountability	Conflicts of Interest	Principle	<p>Addition of principle that all oversight and decision-making groups should include, as a standing item on agendas, identification of potential conflicts of interest.</p> <p>Commercial Services now to use corporate process for declaration of conflicts (as opposed to their own).</p> <p> Conflicts of Interest.docx</p>
Expenditure	Expenditure and procurement	All	<p>Clarity provided that use of the Procurement Best Practice and Procedures: User Guide and Toolkit includes use of any applicable Purchasing Frameworks.</p> <p>New requirement to consider economic, environmental, and social wellbeing of the island for expenditure over £100,000.</p> <p>Change related to travel by Ministers and Assistant Ministers.</p> <p>Change to refer to new Travel section.</p> <p>Change to requirement on supplier diligence – departmental responsibility, following guidance.</p> <p>New requirement on GST and VAT.</p> <p>New principle and requirement about employees gaining personally from States or Government spending.</p> <p> Expenditure and procurement.docx</p>
Expenditure	Expenses	Principle, Requirement	<p>New principle and requirement about employees gaining personally from States or Government spending.</p> <p> Expenses.docx</p>
Expenditure	Grants and sponsorships	All	<p>Changes to implement C&amp;AG recommendations, in particular learning lessons from Covid support schemes.</p> <p>Table to assist in classifying expenditure as grant or contract for services.</p> <p> Grants and sponsorships.docx</p>
Other	Jersey Overseas Aid	Intro, Requirements	<p>Update to the section which sets out which parts of the PFM apply to JOA.</p> <p> Jersey Overseas Aid.docx</p>

Financing	Lending	Introduction and background	<p>Change to clarify that payroll advances for People Services initiatives are not lending.</p>  <p>Lending.docx</p>
Expenditure	Special Payments	Intro, Requirements	<p>Minor amendments to clarify when notification or approval are needed.</p>  <p>Special Payments.docx</p>
Other	States Employment Board	Requirement 1	<p>Change to the requirement, to consult the Treasurer and TRM if an SEB decision might lead to increased spending for any department or head of expenditure.</p>  <p>States Employment Board.docx</p>
Expenditure	Travel	New section	<p>New section to replace the previous Business Travel Policy.</p>  <p>Travel.docx</p>
Supporting documents	ALBs Governance, Risk and Compliance Checklist	New supporting document	<p>New supporting document for Arm's Length Bodies section.</p>  <p>ALBs Governance, Risk and Compliance</p>
Supporting documents	ALBs Grant Agreement	New supporting document	<p>New supporting document for Arm's Length Bodies section.</p>  <p>ALBs Grant Agreement - Master</p>
Supporting documents	ALBs Grant Agreement User Guide	New supporting document	<p>New supporting document for Arm's Length Bodies section.</p>  <p>ALBs Grant Agreement User Gui</p>
Supporting documents	ALBs Grant Pre-Payment Checklist	New supporting document	<p>New supporting document for Arm's Length Bodies section.</p>  <p>ALBs Grant Pre-Payment Checkli</p>
Supporting documents	ALBs List of AOs	New supporting document	<p>New supporting document for Arm's Length Bodies section</p>

			 ALBs List of AOs.pdf
Supporting documents	Scheme of delegation template - Financial	New supporting document	Suggested model Schemes of Delegation for financial delegations (guidance).   Scheme of delegation template
Supporting documents	Scheme of delegation template - Non-Financial	New supporting document	Suggested model Schemes of Delegation for non-financial delegations (guidance).   Scheme of delegation template
Supporting documents	Special payments template	Amended supporting document	Updated to reflect revised section. Addition of a “lessons learned” field.   Special payments template.docx

### 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 **1 February 2025**. 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.

Report author: Head of Financial Governance	Document date: <b>xx January 2025</b>
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