

30 June 2009

## **COMPTROLLER & AUDITOR GENERAL PUBLISHES REVIEW OF FINANCIAL MANAGEMENT IN THE STATES**

The Comptroller & Auditor General, Chris Swinson OBE, has published a Review of Financial Management in the States, which provides some ideas on the States' need for financial management and ways in which current financial management practice in the States should develop.

This Review is designed to provide the basis for a forthcoming paper which will review practical experience of the operation of the Public Finances (Jersey) Law 2005 and will review the legislative framework within which the finances of the States are managed.

This paper provides a series of personal views on the key aspects of financial management, the role of a central finance department and what should be the role of central financial management within the States. Mr Swinson highlights the need for careful management of limited resources, growing financial pressure on all parts of the public sector and the need for strategic change within the States to improve its financial management.

He points out that the States have been slow to take advantage of the technology that is available within its current systems to do this effectively.

Mr Swinson goes on to say that he has long believed that improving the efficiency and effectiveness of the States requires an improvement in financial management, which he notes was also made clear from the transformation exercise carried out some years ago. As public expectations of the range and quality of public services increase, an under-developed state of financial management will be a strategic weakness.

He recommends a series of steps, including improving basic financial recording and report production, revision of the internal control framework to ensure the reliability of the provision of data, development of disciplines and ensuring financial management is as professional as possible' therefore requiring a review by the Treasury & Resources Department of all its functions.

The review to follow will look at the implications of these changes in the light of the Public Finances (Jersey) Law 2005.

**ENDS**