STATES OF JERSEY

GRANTS AND SUBSIDIES – FOLLOW UP (R.62 /2025): EXECUTIVE RESPONSE

Presented to the States on 17th June 2025
by the Public Accounts Committee

STATES GREFFE

COMMENTS

In accordance with paragraphs 69-71 of the Code of Practice for engagement between 'Scrutiny Panels and the Public Accounts Committee' and 'the Executive', the Public Accounts Committee (PAC) presents the Executive Response to the Comptroller and Auditor General's (C&AG) Report entitled: Grants and Subsidies – Follow up (R.62/2025, presented to the States Assembly on 30th April 2025).

Action Plan Timescales

The PAC notes that three of the seven recommendations have been agreed in principle by Government, subject to prioritisation (recommendations one, six and seven) and these all relate to the action theme of 'review and simplify guidance'.

Within the action plan accompanying the response it is stated that a workstream is due to be established to review existing data and sources of information to identify and address priority areas of perceived suboptimal guidance and controls. The target date for the implementation of this action theme is set at June 2026.

Action theme	Actions	Target date	Responsible Officer
Review and simplify guidance	• Establish a workstream that will review existing data and sources of information, including the C&AG report and good practice in other jurisdictions, to identify and address priority areas of perceived suboptimal guidance and controls. • From initial discovery work, update PFM and other sources of internal guidance on grants	End June 2026 End June 2026	Head of Corporate Governance Head of Financial Governance
Standardise documentation	• Use the outputs of the *Review and simplify guidance* action to inform work to standardise documentation, communicate changes across the organisation and embed into working practices.	End June 2026	Head of Corporate Governance

Further action is needed to update the Public Finances Manual (PFM) and other sources of internal guidance on grants. The deadline for implementing this action is also set at June 2026. The PAC would question whether the target date for the review of data and sources of information should be set prior to the target date for updating the guidance, given the sequencing of these actions do not appear to align within the action plan. It would suggest that Government review this to ensure the sequencing of the actions is clear and able to be monitored accordingly.

Furthermore, 'standardise documentation' also has the same target date of June 2026. The PAC is unclear how this deadline can be the same as those used for both actions under 'review and simplify guidance'. If the intention of Government is to use the outputs of the first action to inform this action, the PAC is of the view that the deadline cannot be the same date, specifically where emphasis is placed on the action to communicate and embed working practices across Government.

As stated previously, the PAC would suggest that Government review these proposed target dates to ensure that the actions are sequenced properly and achievable. It would also suggest that the Government should outline the manner in which it will be prioritising the work to achieve the action theme ‘review and simplify guidance’.

Recommendation Three

Recommendation	**R3** Implement the actions identified by Commercial Services to improve the consistency of documentation to meet the PFM requirements for new grants and grant schemes.
Risk of Non-Implementation	If not implemented, then positive actions identified from previous discovery work will not inform improvement action planning.
Risk Profile	Low
Other Considerations in prioritisation	It is acknowledged that some good work has been undertaken by the Commercial Services team. However, implementing the recommendations without first identifying areas for additional focus does not necessarily address the matter with a strategic approach.
Is the recommendation agreed?	Agreed subject to further identification of additional actions.
Improvement theme	The recommendations will inform the discovery work to **Review and simplify guidance.** Some or all may be taken forward for implementation, however, it is too early in confirm

The PAC notes in response that the recommendation is agreed ‘subject to further identification of additional actions’. It is noted within the improvement theme that this recommendation will inform the discovery work to be undertaken in relation to the action theme of ‘review and simplify guidance’. The PAC would like further clarity over the work that will be undertaken to identify areas for additional focus before the work on this action theme can commence.

Conclusion

The PAC is pleased to note that the recommendations in the C&AG report have all been agreed, albeit with three being agreed in principle subject to prioritisation, and one being agreed subject to further identification of additional actions.

The two key points the PAC would raise in response are:

- The Government should revisit the proposed target dates for the actions identified in the prioritised action plan to ensure that they are sequenced in the correct manner. The current action plan appears to suggest that some actions need to take place ahead of others, however, they are all given the same target date of June 2026.

- The Government should provide some further clarity over the work that needs to be undertaken to inform the ‘discovery work’ expected in response to the action theme ‘review and simplify guidance’.

Chief Executive and Treasurer of the States - Executive Response to C&AG Report: Grants and Subsidies Follow up

Summary of response:

The Chief Executive and Treasurer of the States welcome the report: Grants and Subsidies – Follow Up from the Comptroller and Auditor General. The findings of the audit provide a solid basis for a review of the policies in place around granting funds to organisations, with a view to simplifying decision-making processes and requirements, whilst ensuring that key considerations are recorded. This review will build on the initial discovery work undertaken by Commercial Services, as referenced by the C&AG in the report. It is anticipated that the outcomes will be a more robust governance process around granting, improved support to Accountable Officers with improved compliance with the Public Finances Manual and improved transparency around how decisions are made.

Whilst undertaking the review, officers will need to be mindful how any changes to policy align with other developments or guidance in place, such as the work of the Cross-Government Commissioning Group and grants to Arm's Length Bodies. In order to do so, officers involved in each of these workstreams will be represented on the grants review working group.

Risk assessment and decision rationale

Recommendations	**Risk of non-implementation**	**Risk profile** *(E,H,M,L)*	**Other considerations in prioritisation**	**Is the recommendation agreed?**	**Improvement theme** *(If applicable)*
R1 Implement a decision-making framework for the assessment, appraisal and award of grants and grant schemes.	If not implemented, then it would not be clear how the decision to grant was made, and there may have been other procurement routes to secure a service. The impact would be that value for money or ability to deliver outcomes might be adversely impacted.	L	The exact nature of a framework for an organisation as diverse as the States of Jersey, that is capable of being applied to all grants, is to be clarified. However, the principle of an uncomplicated framework that supports decision making without generating additional administrative requirement in its creation, maintenance (including those applying any framework), and oversight is supported. If changes to policy requirements are made, then officer time will be required to communicate and embed any change, as well as provide ongoing support, where required.	Agreed in principle – subject to prioritisation	**Review and simplify guidance**

R2 Critically evaluate and simplify the principles and requirements set out in the PFM, including clarifying the terminology and definitions used for the different forms of grant funding.	If not implemented, then the principles included in the guidance may not be met, and it may appear policy is not being followed, resulting in potential future challenge or reputational impact.	L	Delivering a public finance policy in respect of grants that provides greater assurance that outcomes will be delivered will mitigate any reputational risk and support improved delivery outcomes. However, any requirement for assessment against these principles would need to remain proportionate to the nature and size of grant.	Agreed.	**Review and simplify guidance**
R3 Implement the actions identified by Commercial Services to improve the consistency of documentation to meet the PFM requirements for new grants and grant schemes.	If not implemented, then positive actions identified from previous discovery work will not inform improvement action planning.	L	It is acknowledged that some good work has been undertaken by the Commercial Services team. However, implementing the recommendations without first identifying areas for additional focus does not necessarily address the matter with a strategic approach.	Agreed subject to further identification of additional actions.	The recommendations will inform the discovery work to **Review and simplify guidance.** Some or all may be taken forward for implementation, however, it is too early in confirm
R4 Document the evaluation of potential conflicts of interest between the States of Jersey and the grant receiving entity as part of grant approval.	If conflicts of interest are not declared, managed and recorded, there may be challenges in respect of whether grants have been awarded impartially – even if there are none – which could lead to reputational issues.	L	Adding an additional field to documentation to consider when appraising grant applications does not require significant effort or expense and will be addressed.	Agreed. A review of templates will be informed by the *Review and simplify guidance* work. A single change of templates is preferred to smaller iterative changes due to greater challenges in version control and use across the organisation.	**Standardise documentation**
R5 Require specific consideration of the Jersey Performance Framework and Island Outcomes in the grant approval process.	It these outcome frameworks are not considered in the design or award of grants, then it may not be clear how public funds are being applied towards outcomes for Jersey.	L	The Public Finances Manual section on Grants already includes the principle that grants should contribute towards the outcomes of the States of Jersey. More specific reference could be added to grants appraisal templates	Agreed.	**Standardise documentation**

			without significant effort or expense.		
R6 Set clear requirements in the PFM for regular monitoring of existing individual grants and grant schemes awarded, proportionate to the size of grant and the type of service being delivered.	If requirements are not clear, then large grants may have disproportionately little governance and documentation requirements, and vice versa. The impact would be that risk is not being well managed and there could be alternative delivery options that provide better value for money, or, in the alternate scenario, officer and grantee time may be expended on excessive governance, without significant risk.	M	The principle behind this recommendation is supported. There is a need to analyse available data that will support developing proportionate requirements.	Agreed in principle – subject to prioritisation	**Review and simplify guidance**
R7 Develop data analytics to identify total expenditure, either through grant funding or contracts for services, paid to grant receiving bodies.	If data analytics tools are not developed, then oversight of the total expenditure may be more challenging, less conducive to identifying duplications and opportunities to consolidate funding and may require additional officer time.	L	Working with existing data from accounting systems – which may have some limitations – the output of this recommendation will inform the **Review and simplify guidance** action**.** Implementation may also identify areas where data quality can be improved, subject to actions required to address being proportionate to benefit.	Agreed in principle – subject to prioritisation	**Review and simplify guidance**

Prioritised improvement plan:

Action theme	Actions	Target date	Responsible Officer
Review and simplify guidance	• Establish a workstream that will review existing data and sources of information, including the C&AG report and good practice in other jurisdictions, to identify and address priority areas of perceived suboptimal guidance and controls. • From initial discovery work, update PFM and other sources of internal guidance on grants	End June 2026 End June 2026	Head of Corporate Governance Head of Financial Governance
Standardise documentation	• Use the outputs of the *Review and simplify guidance* action to inform work to standardise documentation, communicate changes across the organisation and embed into working practices.	End June 2026	Head of Corporate Governance