

Part A: Code of Audit Practice

General

Q1. Do you agree with the overall structure and style of the draft Code? If not, what changes would you propose?

A. Yes

Section 1: Introduction

Q2. Do you agree with the explanation of the wider context of arrangements for public audit in Jersey? If not, why not?

A. Yes

Q3. Do you agree with the inclusion of a provision allowing the C&AG to issue guidance to the auditors whom they appoint and placing an obligation on the auditors to have regard to such guidance? If not, why not?

A. Yes – however see Q4.

Q4. Do you have any other observations on Section 1?

A. It needs to be borne in mind that JACS are not a States Department, so we need to ensure that firstly independence is seen in action and also the implications of any additional costs that may be incurred. Since 2016 JACS have lost 8% of the grant awarded and in 2020 the grant is frozen at 2019 levels, therefore in real terms a significant reduction to income therefore expenditure and costs have to be kept tightly in check.

Yes – Subject to the consent of independent grant funded organisations to both reasonableness/ appropriateness of such auditor guidance for their organisation and the associated cost (or that this cost be underwritten by the States of Jersey).

Section 2: General principles

Q5. Do you agree with the explicit adoption of the principles of public audit developed by the Public Audit Forum? If not, why not?

A. Yes

Q6. Do you agree with the inclusion of an Audit Quality Framework? If not, why not?

A. Yes

Q7. Do you have any other observations on Section 2?

A. No

Section 3: Work on the financial statements

Q8. Do you agree with the provisions relating to:

o liaison between auditors appointed by the C&AG and the C&AG;

o provision of information to the C&AG; and

o co-operation between auditors appointed by the C&AG?

If not, why not?

A. Yes – but ever mindful over costs and time delays.

Yes – subject to prior approval in the case of independent grant funded organisations and specifically where there is a resultant cost involved.

Q9. Do you agree with the expanded explanation of opinion on regularity issued by the auditor of the financial statements of the States of Jersey? If not, why not?

A. Yes

Q10. Do you agree with the expanded provisions relating to reporting on weaknesses in internal control and compliance with International Financial Reporting Standards

by the auditor appointed to audit the financial statements of the States of Jersey? If not, why not?

A. Yes

Q11. Do you agree with the expanded provisions relating to the work the C&AG undertakes before issuing a certificate on the financial statements of the States of Jersey and in considering whether or not to exercise their statutory right to add a note to the financial statements? If not, why not?

A. Yes

Q12. Do you have any other observations on Section 3?

A. No

Section 4: Work on internal control, corporate governance and economy, efficiency and effectiveness

Q13. Do you have any observations on Section 4?

A. No

Section 5: Follow-up of previous audit recommendations

Q14. Do you agree with the retention of a separate section on the follow-up of previous audit recommendations? If not, why not?

A. Yes

Q15. Do you have any other observations on Section 5?

A. No

Section 6: Reporting

Q16. Do you agree with the inclusion of provisions relating to reporting on audit quality and any instances of material non-compliance with the Code? If not, why not?

A. Yes

Q17. Do you have any other observations on Section 6?

A. No

Section 7: Liaison

Q18. Do you agree with the inclusion of sub-sections dealing with liaison with the Chief Internal Auditor of the States of Jersey and the Attorney General? If not, why not?

A. Yes

Q19. Do you have any other observations on Section 7?

A. No

Section 8: Other matters

Q20. Do you agree with the inclusion of a sub-section dealing with the exercise of the C&AG's wide-ranging statutory powers to obtain information from third parties? If not, why not?

A. Yes

Q21. Do you agree with the inclusion of a sub-section on data and records, dealing with the C&AG's duties under the Data Protection (Jersey) Law 2018 and the Public Records (Jersey) Law 2002? If not, why not?

A. Yes

Q22. Do you agree with the expansion of the provisions relating to the appointment of auditors of financial statements and the application of ethical standards to those auditors? If not, why not?

A. Yes

Q23. Do you agree with the inclusion of a sub-section dealing with the delegation of functions by the C&AG? If not, why not?

A. Yes

Q24. Do you have any other observations on Section 8?

A. No

Part B: Possible legislative changes

Entities to which the C&AG appoints auditors

Q25. Do you agree that the C&AG be given the power to appoint auditors of financial statements of all bodies established or controlled by the States (other than companies)? If not, why not?

A. Yes - subject to the exclusion also of those independent organisations to whom the auditor provisions apply 'as if they were a company'. In these instances, and with independent bodies, recommendations should be made by C&AG but subject to consultation with governing bodies and cost/value considerations being taken into account or underwritten.

Q26. Do you agree that the existing arrangements for the preparation of the financial statements of the Jersey Dental Scheme should be codified in legislation? If not, why not?

A. No comment

Q27. Do you agree that there should be a consistent statutory framework relating to the responsibilities and powers of auditors appointed by the C&AG? If not, why not?

A. Yes - bearing in mind reposes to Q25

Reporting by entities to which the C&AG appoints auditors

Q28. Do you agree that there should be a consistent framework for the production of Annual Reports and Accounts for public bodies? If not, why not?

A. In principle. However this has to take into account the different purposes and readers/stake holders of each set of accounts together with their individual and differing information & legal requirements. In the case of independent bodies any framework should be considered in liaison with governing bodies (or treated as some

additional form of 'group reporting' outside of the published financial statements.

Governance of the Office of the C&AG

Q29. Do you agree that there should be a statutory role for the Board of Governance in any consideration of revocation of the appointment of the C&AG? If not, why not?

A. Yes

Q30. Do you agree that there should be a statutory limitation on the liability of independent members of the Board of Governance or equivalent indemnity? If not, why not?

A. Yes

Q31. Do you agree that there should be:

- an increase in the maximum number of independent members of the Board Governance to four; and/or

A. Yes

- provision for a reduction in the quorum of the Board of Governance in limited circumstances to secure its continued operation?

A. No

Other matters

Q32. Are there any other areas in which you believe that public audit legislation should be amended? If so, what areas and why?

A. No