

Annual Reporting

Project Specification

Background

Annual Reports are a key means by which an entity tells the story of its year. Public annual reporting, done well, enables stakeholders to understand – with trust and confidence – an entity’s strategy and the risks it faces, how much money has been spent and on what, and what has been achieved as a result. It enables stakeholders to hold the entity to account effectively.

My 2020 report *Annual Reporting* (August 2020) and my *Good Practice Guide* (August 2020) were based on my review of the 2019 annual reports and, where available publicly, the annual accounts produced by the States of Jersey and 38 Jersey entities. My 2020 report considered the content of all the annual reports and accounts reviewed against a set of criteria that encompassed:

- minimum content that I consider to be best practice for accountability to public stakeholders
- essential elements of a good annual report; and
- over-arching principles for good public reporting.

I found that there were key areas where annual public reporting could be enhanced, in particular:

- inclusion of more comprehensive governance and accountability reports
- reporting on workforce and staff related matters
- remuneration reporting
- reporting on risks
- reporting on operations (including structures and delivery models); and
- more comprehensive reporting on measures of success.

The Government of Jersey has established a project board to oversee the implementation of the recommendations made in my 2020 report and the recommendations made in my Thinkpiece *Public Audit in Jersey* (January 2021). The work of this project board is now commencing and the implementation of some of the recommendations will require changes to legislation.

My 2020 report encouraged entities to adopt good practice on a voluntary basis until such time as new formal requirements are introduced.

The Functions of the C&AG

Article 11 of the Comptroller and Auditor General (Jersey) Law 2014 requires the C&AG to:

- provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Public Finances (Jersey) Law 2005
- consider and report to the States on:
 - the effectiveness of internal controls of the States, States funded bodies and Funds
 - the economy, efficiency and effectiveness in the way the States, States funded bodies and Funds use their resources; and
 - the general corporate governance arrangements of the States, States funded bodies and Funds; and
- make recommendations to bring about improvement where improvement is needed.

Objectives and scope of this review

This review will consider the 2020 Annual Reports of the States of Jersey, States controlled entities and entities established by the States, against updated criteria encompassing:

- minimum content that I consider to be best practice for accountability to public stakeholders
- essential elements of a good annual report; and
- over-arching principles for good public reporting.

The review will identify the progress being made by entities in improving their annual reporting. It will also seek to identify and share good practice through the publication of a Good Practice Guide.

The review will not follow up the specific recommendations made in my 2020 report but will instead evaluate the progress being made by entities, on a voluntary basis, to improve their annual reporting.

Approach

The review will be undertaken as a desktop exercise with the detailed work undertaken by an affiliate engaged by the C&AG.

Fieldwork will commence in May 2021.



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