

Annual Reporting

Frequently Asked Questions

What is the source of good practice used in your assessment of annual reports?

Our good practice is based on the UK Government Financial Reporting Manual (FRoM) published by H M Treasury and applicable to certain public sector bodies in the United Kingdom. The FRoM interprets and applies the requirements of UK Corporate Governance Code in a public sector context.

Will you be publishing the results of your assessment of the annual reports of individual organisations?

We do not intend to publish the results of the assessments of individual organisations.

If you would like to discuss our assessment of your organisation's annual report, please get in touch.

Is reporting in line with all the elements of best practice disproportionate for a small organisation?

We think that all organisations should aspire to comply with all relevant elements of best practice. However, we would emphasise that conciseness is an important element of effective annual reporting. Smaller, simpler organisations often need to say less to comply with best practice.

How many people should contribute to the writing of an annual report? Should it be just one person's responsibility?

Preparing an annual report draws on skills and knowledge across an organisation. Responsibility should not fall on one individual but clear leadership and accountabilities are needed to ensure that the annual report is comprehensive and coherent. The size of the team required is dependent on the size and complexity of the organisation.

In addition:

- assigning an individual to undertake a cold read and challenge of the annual report, going beyond proof reading, can contribute to improved communication; and
- it is important to plan for sufficient and early input by the Accountable Officer, Chief Executive or equivalent as the signatory of all elements of the annual report.

Do we have to repeat in the performance report or accountability report information already included in the financial statements?

Where information is already included in the financial statements, a cross reference to the relevant note in the financial statements will suffice.

What is the statutory deadline for reporting?

Deadlines for reporting, if any, are set in the legislation applicable to specific organisations or types of organisations. Where deadlines are set, they are usually four to nine months after the end of the financial year.

Regardless of any statutory deadline, accountability is enhanced by issuing the annual report as soon as practicable after the year end.

Who should sign off the performance report and accountability report?

Best practice is for the accountable officer, chief executive or equivalent to sign off both reports. However, we recognise that signature by the chair as well may reinforce ownership.

What does the sign off by the accountable officer, chief executive or equivalent mean?

The signature demonstrates acceptance of responsibility for the reports and the statements made in them.

Give privacy considerations, is it necessary to include individuals' signatures in the annual report?

It is not necessary to reproduce signatures: a name and date is sufficient in a published annual report.

How do we respond to internal or external concerns about the content and balance of the annual report?

The over-riding requirement is for the elements of the annual report to be fair, balanced and understandable, telling a full story. We recognise that there may be tensions in preparing the report, in particular about sensitive issues and where performance is not in line with targets.

We encourage early, constructive dialogue with a focus not on whether such issues are reported but about how. For example, some of the best practice reports provide context for non-attainment of targets and details of action taken and planned.

How do reconcile the need to report on risks with the confidentiality of some matters to which they relate?

Reporting on risks should be at a high level, focusing on the nature of the risks and the mitigating arrangements. The purpose is to provide confidence in the organisation's response rather than to disclose confidential information. Such disclosure is common in the private sector, for example, in respect of cyber security risks.

Does the performance report have to relate only to past performance?

The annual report primarily demonstrates accountability for the year to which it relates. However, the best annual reports link past performance to future plans.

When reporting on performance should include information on performance in previous years as well as in-year and planned performance?

Where information on performance in previous years is available and measured on a consistent basis its inclusion can provide valuable insights on trends and context for setting of targets.

What do you mean by ‘data breaches’?

The data breaches that should be referred to in the accountability report are those that are required to be reported to the Data Protection Authority under Article 20 of the Data Protection (Jersey) Law 2018.

Do we need to include pay ratios when we are a small organisation with a small number of staff?

Good practice includes disclosure of pay ratios other than in cases where disclosure would allow identification of the pay of an individual (except an individual whose remuneration is disclosed in the remuneration report).

An annual report may be fair, balanced and understandable but provide limited insight into the impact an organisation has had. How do we address this?

In preparing an annual report it is useful to focus where possible on outcomes (what the organisation has achieved) rather than just outputs (what the organisation has done) and inputs (what the organisation has spent or used). In preparing the annual report it is useful to ask the question ‘so what?’.

We recognise that there are elements of the performance report, such as sustainability, where expectations are changing and it may be difficult to answer the ‘so what?’ question. It is therefore important to challenge the content and presentation of the annual report each year in light of emerging best practice.