

# Annual Reporting

## Project Specification

### Background

An annual report is 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.

In each year since 2020 I have published a report on *Annual Reporting* accompanied in each year by a *Good Practice Guide*. I have also sought to encourage and to share best practice through delivery of workshops, the publication of Frequently Asked Questions (FAQs) and the publication of *Annual Report Self-Assessment Tools*.

My *Annual Reporting* reports have been based on my review of the annual reports and, where available publicly, the annual accounts produced by the States of Jersey, States controlled entities and entities established by the States. My reports 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 am pleased to see that most entities reviewed have made improvements to their annual reports since I started my work in this area in 2020. My 2022 Report noted that there have been some significant improvements:

- three-quarters of 2021 annual reports set out information on performance, accountability and (where relevant) their finances in single annual reports. This compares to just over half in 2020

- 66% of 2021 annual reports' overall content (43% in 2020) is fair or good compared to best practice; and
- 79% of annual reports (62% in 2020) demonstrated fair or good compliance with best practice principles.

Progress in respect of accountability and sustainability reporting has however been slower. My 2022 Report noted that for the 2021 Annual Reports reviewed:

- more than 40% of accountability reports are still poor or very poor compared to best practice. In particular, over 70% of remuneration and staff reporting (including disclosure of directors' pay and directors' interests) fell below best practice; and
- just under half of annual reports made no reference to climate issues and only five reported on sustainability using a relevant sustainability framework.

## The Functions of the Comptroller and Auditor General (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 2022 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.

These criteria were published in my *Annual Report Self-Assessment Tool* (January 2023). Entities were invited to send completed self-assessments to the Jersey Audit Office.

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 another *Good Practice Guide*.

## Approach

The review will be undertaken as a desktop exercise with the detailed work carried out by affiliates engaged by the C&AG. The review will be informed by entities' self-assessments where the self-assessment tools have been completed and shared with C&AG.

Fieldwork will commence in May 2023.



JERSEY AUDIT OFFICE

LYNN PAMMENT  
Comptroller and Auditor General

Jersey Audit Office, de Carteret House, 7 Castle Street, St Helier, Jersey JE2 3BT  
T: +44 1534 716800 E: [enquiries@jerseyauditoffice.je](mailto:enquiries@jerseyauditoffice.je) W: [www.jerseyauditoffice.je](http://www.jerseyauditoffice.je)