

Annual Reporting

16 October 2023

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Summary

Introduction

1. 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.
2. 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*.
3. Consistent with my 2020, 2021 and 2022 reviews, for this 2023 report I have reviewed the annual reports and, where available publicly, the annual accounts produced by the States of Jersey and by Jersey entities that are either:
 - identified by the States of Jersey in their annual report as controlled by the States; or
 - established by the States Assembly and required to prepare an annual report and/or accounts.
4. I have reviewed 38 annual reports for 2022 that were published by 31 July 2023. The full list of annual reports I have considered since 2020 is set out in Appendix One. I have 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.
5. The scoring methodology for assessing 2022 annual reports is set out in Appendix Two.
6. To assist entities in improving their performance I am also publishing a third *Good Practice Guide* updated for 2023 that draws out examples from the better performing entities.

Key Findings

7. In each of the last three years I have reported that annual reports of States controlled and States established entities have been getting better. This trend has continued for a fourth year. For 65% of 2022 annual reports I have reviewed I have noted improvements. As a result, in overall terms:
 - 76% of 2022 annual reports now have good or fair content compared to best practice (66% for 2021); and
 - 82% of 2022 annual reports are good or fair compared to best practice principles (79% for 2021).
8. The States of Jersey are making progress in implementing the wider recommendations from my 2022 report. However further work is still required to:
 - set out minimum annual reporting requirements for States controlled and States established entities; and
 - implement sustainability reporting.
9. Larger entities are able to devote greater resources to preparing their annual reports and they tend to be glossier and more attractive to read. Typically, they include more best practice content than I have found in those of smaller entities. However:
 - this is sometimes in addition to existing content and can make annual reports overly long and complex; and
 - some smaller entities succeed in providing best practice content whilst keeping their annual reports relatively brief.
10. Performance reports are generally stronger than accountability reports within annual reports. The key area for improvement in accountability reports concerns staffing issues, particularly remuneration of board members and of senior staff at smaller entities.
11. There has been little change in the timeliness of the publication of annual reports. Where reporting deadlines are set, 77% of entities met their deadline (75% for 2021 reports).
12. The States of Jersey have made improvements to their own annual report. I assessed the 2022 annual report as good. However, I note two important areas of inconsistency that need to be addressed:

- as in previous years, the States of Jersey are not required by the Jersey Financial Reporting Manual (JFReM) to consolidate all of their subsidiaries into their Group financial statements. The JFReM requirements are not compliant with International Financial Reporting Standards. The States of Jersey are aware of this and are working towards compliance in future years. Out of seven subsidiaries that are material to the States of Jersey Group, only three are consolidated; and
- there is an opportunity to enhance further the public financial reporting by Government departments.

Conclusions

13. I am pleased to see year-on-year improvements in the annual reports of States controlled and States established entities that I have reviewed. I encourage these entities to consider how to address the matters raised in this report and to use my updated *Good Practice Guide* to make further improvements.
14. I am also pleased to see progress made by the States of Jersey in improving their own annual report and in implementing some of my wider recommendations from 2022. Appendix Three consolidates recommendations from my previous reviews with those arising from issues identified in this report. I will continue to monitor the progress being made to address these recommendations.

Objectives and scope of the review

15. The review has evaluated 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.
16. These criteria and the scoring methodology are set out in Appendix Two.
17. The review sought to identify the progress being made by entities in improving their annual reporting. It also sought to identify and share good practice through the publication of an updated *Good Practice Guide*.

Detailed findings

Overall content

18. Exhibit 1 summarises the key elements I consider to be good practice in the single annual report.

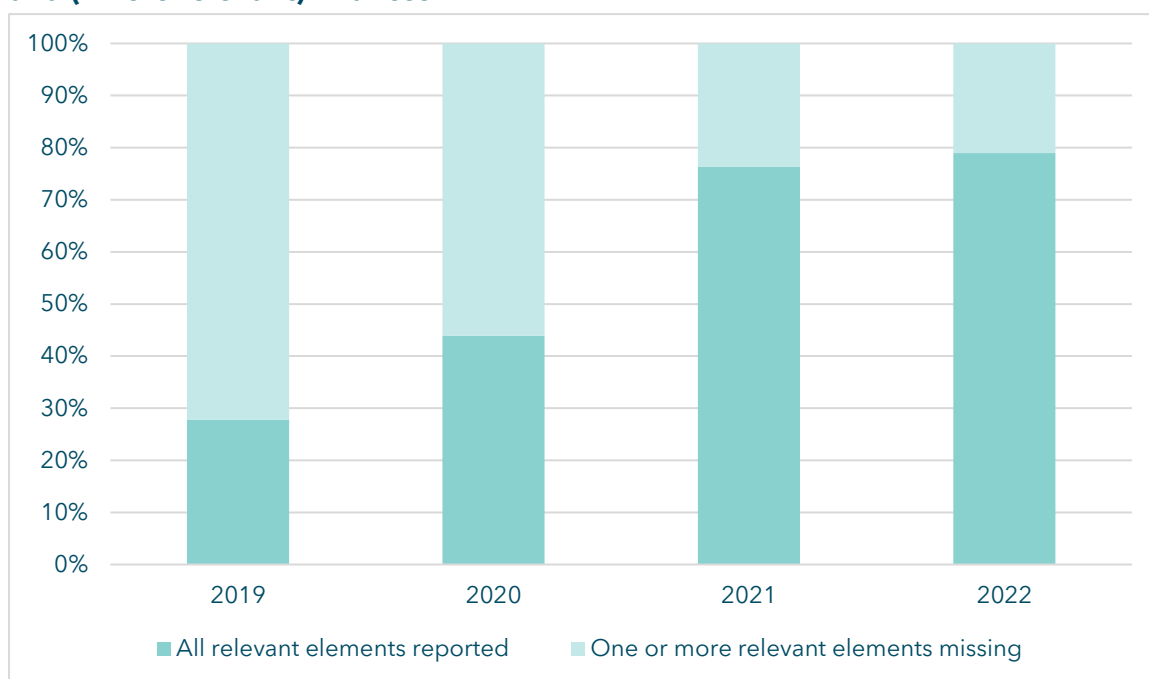
Exhibit 1: Good practice single annual reports



Source: Jersey Audit Office

19. Entities need to adapt good practice to their circumstances. For example:
- where entities are not required to prepare financial statements, I would expect annual reports to present other relevant financial information
 - exceptionally, where an entity has no income and expenditure, for example because costs are incurred by a third party, I would expect this to be explained; and
 - where an entity does not engage any staff, for example because services are contracted out, I would expect the annual report to set out the arrangements that are in place.
20. Of the annual reports reviewed for 2022, 79% included information on performance, accountability and (where relevant) finances. This represents a significant improvement compared to 2019 and 2020 and is a further improvement compared to 2021 annual reports (see Exhibit 2).

Exhibit 2: 2022 annual reports including information on performance, accountability and (where relevant) finances

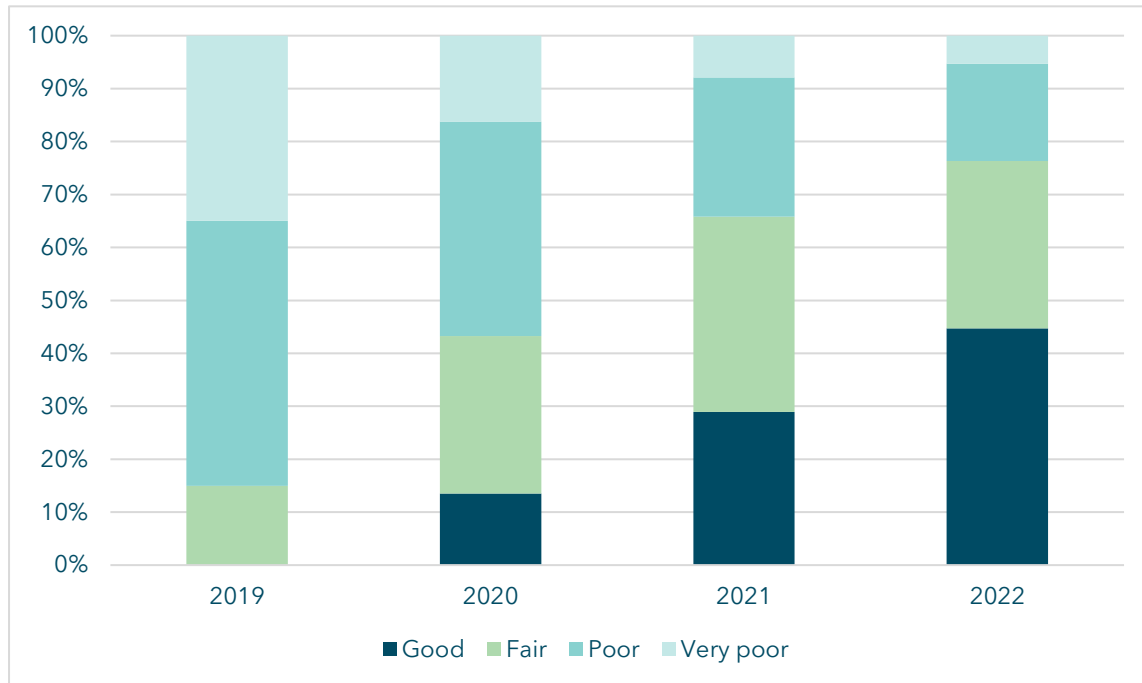


Source: Jersey Audit Office analysis of annual reports

21. In each of the last three years I have reported that annual reports of States controlled and States established entities have been getting better. This trend has continued for a fourth year:
- 65% of entities improved the content of their 2022 annual reports compared to 2021, with 21% making significant improvements; and

- 76% of entities now produce an annual report with content I judge as fair or good compared to best practice (see Exhibit 3).

Exhibit 3: Overall assessment of the content of annual reports 2019 to 2022



Source: Jersey Audit Office analysis of annual reports

22. As for 2020 and 2021 annual reports, entities generally made improvements to their 2022 annual reports by retaining the same structure and style as in previous years and seeking compliance with good practice by including additional content.
23. While including additional content typically provides more complete and useful information, entities also need to ensure that they consider the needs of their stakeholders:
 - larger entities, especially those with glossy and detailed annual reports, may need to review how they tell the story of the year. For example, could the key issues be presented more effectively and succinctly?
 - smaller entities may need to pay particular attention to proportionality when applying best practice. For example, if an entity's governance arrangements are straightforward, it may be sufficient to describe these more simply, and in less detail, than larger entities with more complex arrangements
 - many reports would benefit from better signposting, especially the larger and more complex annual reports. For example, few annual reports provide an overview of key sections to explain their purpose and summarise key messages; and

- few performance and accountability reports are signed and dated by the chief executive, accountable officer or equivalent.

24. Exhibit 4 sets out how three entities made significant improvements to their 2022 annual reports.

Exhibit 4: Entities making significant improvements

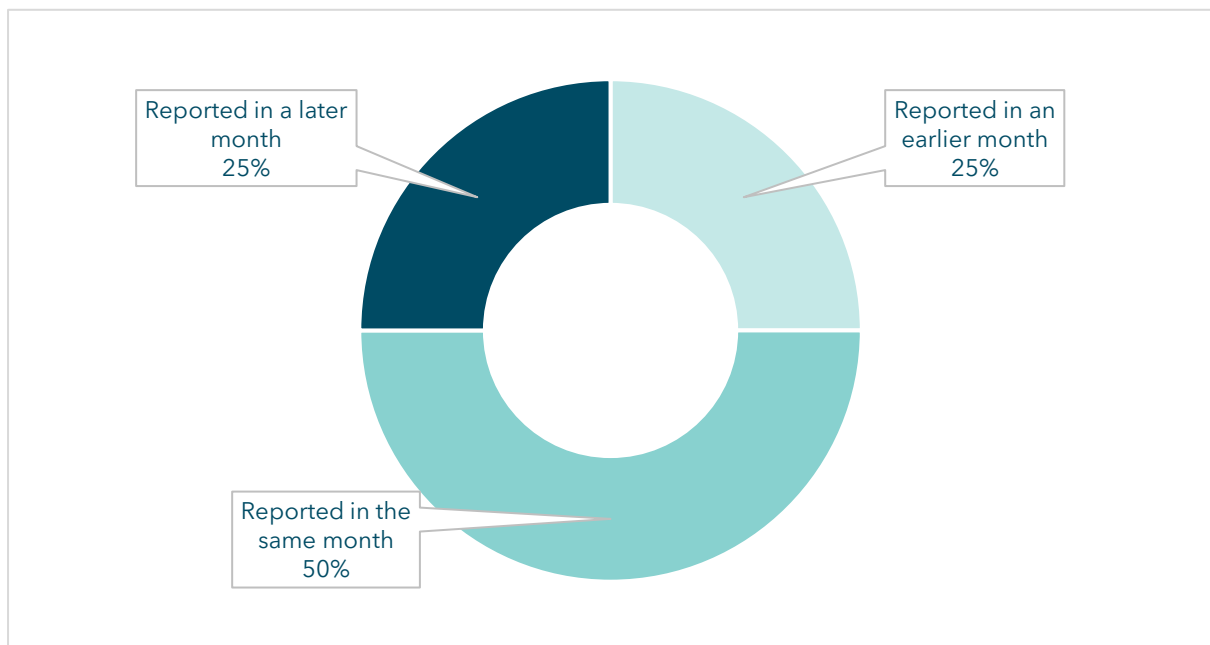
Entity	Areas of improvement
Jersey Sport	<p>The Jersey Sport annual report has, for many years, been attractively presented, easy to read and informative.</p> <p>The 2022 annual report builds on this strong base by setting out more clearly key information such as Jersey Sport’s strategy, key objectives, risks and performance.</p> <p>As a result, it is easier to understand what Jersey Sport is trying to achieve and the progress it has made during the year.</p>
JT	<p>Until 2021, JT produced two public reports: one was focussed primarily on the financial statements, the other on performance and corporate governance issues.</p> <p>For 2022, these were brought together in a single report that provides an overview covering all three areas. As a result, it is easier for stakeholders to gain an understanding of JT’s story for the year.</p>
Jersey Legal Information Board (JLIB)	<p>The 2021 JLIB annual report comprised the audited accounts and a single narrative commentary covering aspects relating to performance and accountability.</p> <p>For the most part, the 2022 annual report retains a similar narrative style but makes significant improvements by structuring its contents around good practice and providing additional information in line with my <i>Good Practice Checklist</i>. For a small entity, the accountability section is particularly impressive, especially the clear remuneration and staff report.</p>

Source: Jersey Audit Office analysis of 2021 and 2022 annual reports

Timeliness of publication of annual reports

25. There was little change in respect of timeliness of publication of annual reports for 2022.
26. For 2022, one half of entities reported in the same month as for 2021, one quarter reported in an earlier month and one quarter in a later month (see Exhibit 5).

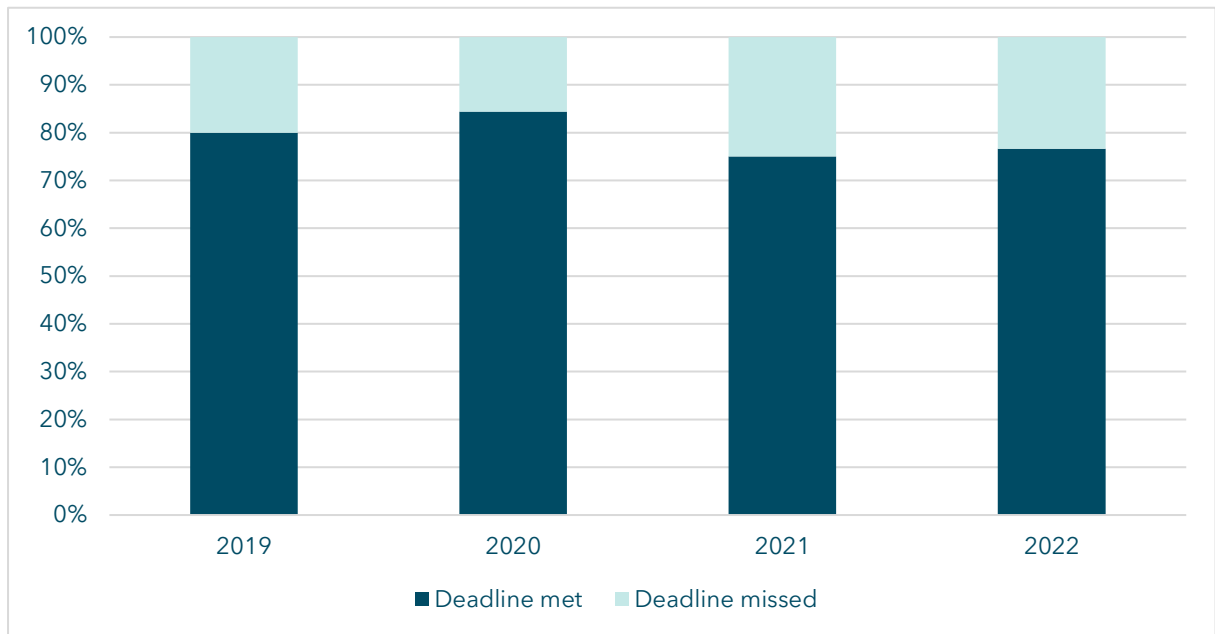
Exhibit 5: Reporting dates for 2022 annual reports compared to 2021 annual reports



Source: Jersey Audit Office analysis of 2021 and 2022 annual reports

27. For those entities with annual reporting deadlines, there was a slight improvement in the percentage of entities that met their deadline (see Exhibit 6).

Exhibit 6: Annual reports published within deadlines

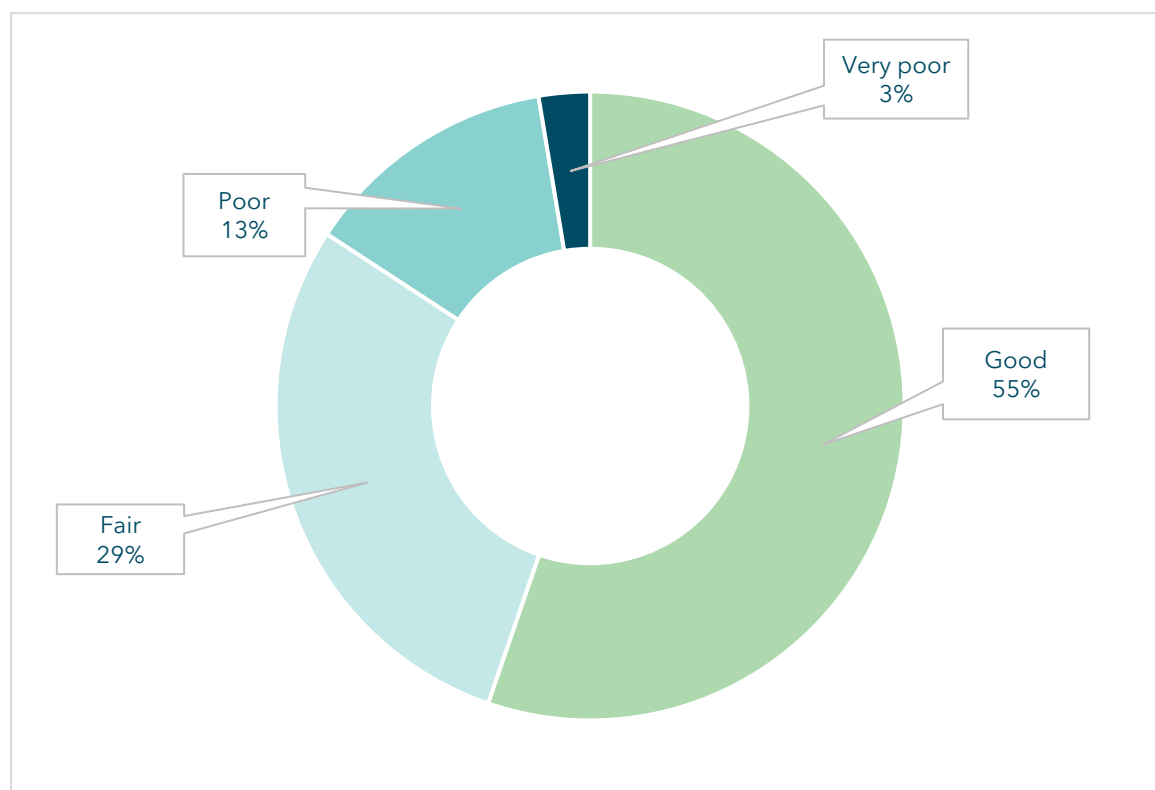


Source: Jersey Audit Office analysis of 2019 to 2022 annual reports

Performance reports

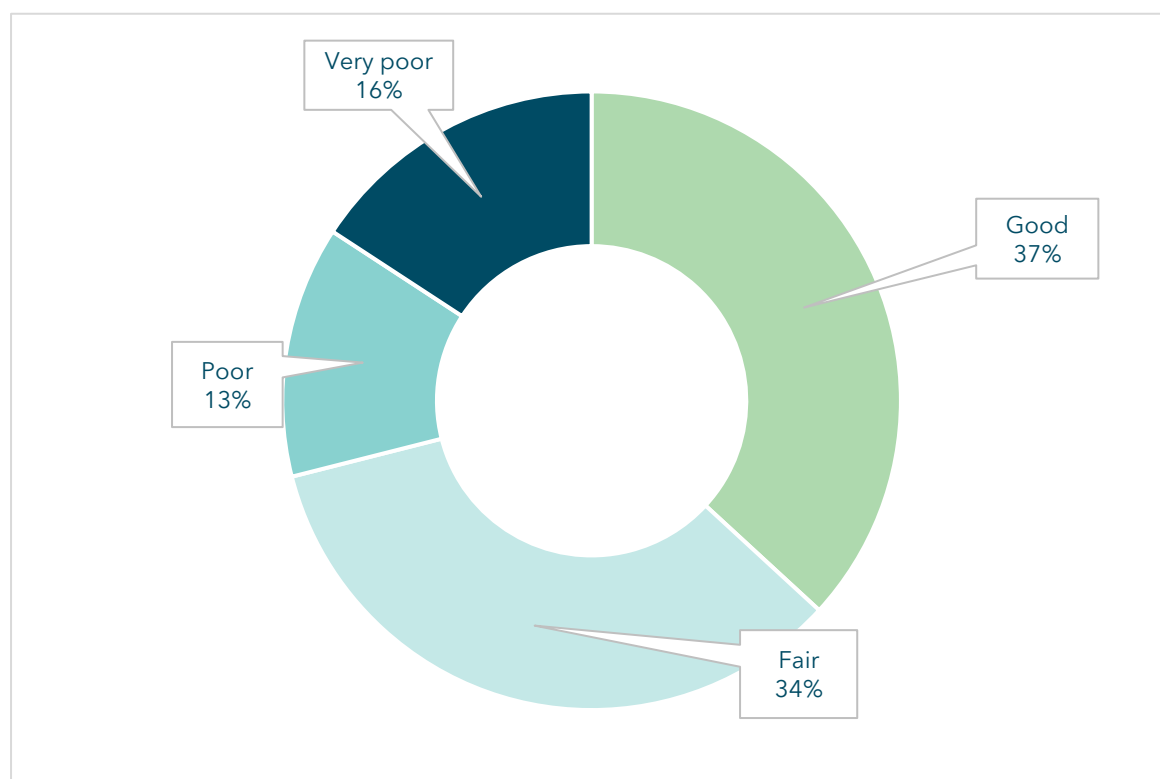
28. Performance reports should be:
- balanced, fair and understandable; and
 - tell the full story of an entity, including both positive and negative aspects of performance.
29. For 2021, I assessed 66% of performance reports as good or fair which was a marked improvement from previous years. For 2022 annual reports, I updated my methodology for assessing performance reports. This means that the results are not directly comparable to prior years. However, it is clear that performance reports have continued to improve. Using the updated methodology:
- 84% of performance reports are good or fair compared to the minimum content I would expect to be reported (see Exhibit 7); and
 - 71% of performance reports are good or fair when compared to best practice (see Exhibit 8).

Exhibit 7: 2022 performance reports compared to minimum standards



Source: Jersey Audit Office analysis of 2022 annual reports

Exhibit 8: 2022 performance reports compared to best practice



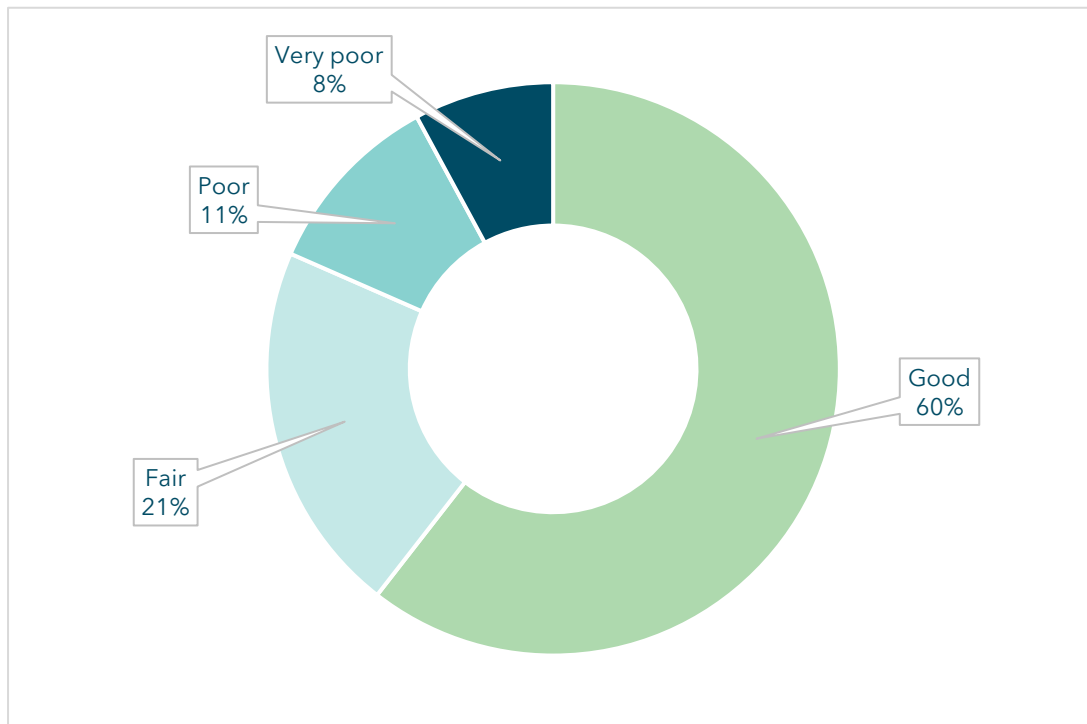
Source: Jersey Audit Office analysis of 2022 annual reports

30. The main areas that improved during 2022 annual reporting are similar to 2021:
 - clearer descriptions of organisational priorities
 - fuller discussion of risks facing the entity; and
 - more explicit analyses of performance against priorities.
31. These remain the key areas to address for those entities I assess as having poor and very poor performance reports.
32. There is also scope for further improvements to performance reports, including for those assessed as fair or good. The key areas are:
 - quantifying performance measures and risks and showing how they align with the entity's strategy and priorities
 - being clearer as to whether or not performance is satisfactory and what action is being taken to address poor performance; and
 - discussion of the entity's operating model and how it achieves value for money.

Accountability reports

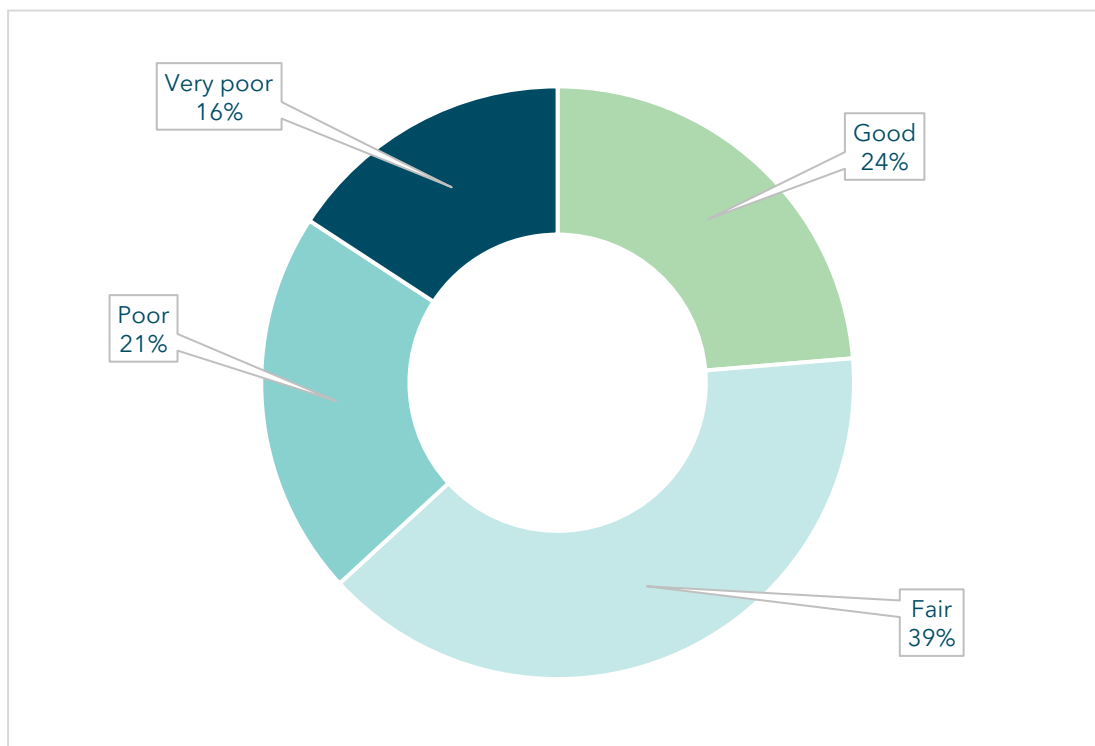
33. Accountability reports should be signed and dated by the chief executive, accountable officer or equivalent. They should contain at least two sections:
- a **corporate governance** report, which as a minimum should include:
 - the directors' or equivalent report
 - a statement of responsibilities; and
 - a governance statement; and
 - a **remuneration and staff** report.
34. Entities should provide at least a short overview of these sections and explain how they contribute to the entity's accountability and practice in the context of corporate governance norms and codes.
35. For 2021 annual reports, I assessed 58% of accountability reports as good or fair which represented an improvement from previous years. For 2022, I updated my methodology for assessing accountability reports which means the results are not directly comparable to prior years. However, there were undoubtedly further improvements made by entities in accountability reporting in 2022 annual reports. The results from my assessments using the revised methodology are:
- 81% of 2022 accountability reports are good or fair compared to the minimum content I would expect to be reported (see Exhibit 9); and
 - 63% of 2022 accountability reports are good or fair when compared to best practice (see Exhibit 10).

Exhibit 9: 2022 accountability reports compared to minimum standards



Source: Jersey Audit Office review of 2022 annual reports

Exhibit 10: 2022 accountability reports compared to best practice



Source: Jersey Audit Office review of 2022 annual reports

36. The rate of improvement for accountability reports is slower than for other elements of the annual report. 19% of 2022 accountability reports are still poor or very poor compared to minimum standards and 37% are poor or very poor compared to best practice.
37. The key areas where accountability reports fall short of best practice are:
- staff reporting and disclosure of remuneration of board members and of senior officers
 - disclosure of potential conflicts of interest of board members and senior officers (this is in addition to the process for managing conflicts which is often well described); and
 - highlights of the board and committee reports, an assessment of the board's performance and the actions being taken to make improvements.
38. Overall, there was an improvement in the information provided on staff and remuneration. However, in my view this continues to be the most important area for improvement, particularly for smaller entities. I repeat the comments I made in my 2022 report:
- staff and remuneration reporting is fundamental to ensuring transparency and accountability of public entities
 - balancing transparency with protecting information relating to individuals is challenging and this is an important area for the States of Jersey to consider in setting any minimum requirements; and
 - until the States of Jersey set out their minimum requirements for staff and remuneration reporting, improvements in accountability reports may remain limited.

Overall Good Practice Principles

39. There are, in my view, four overall principles for good practice in annual reports, as shown in Exhibit 11.

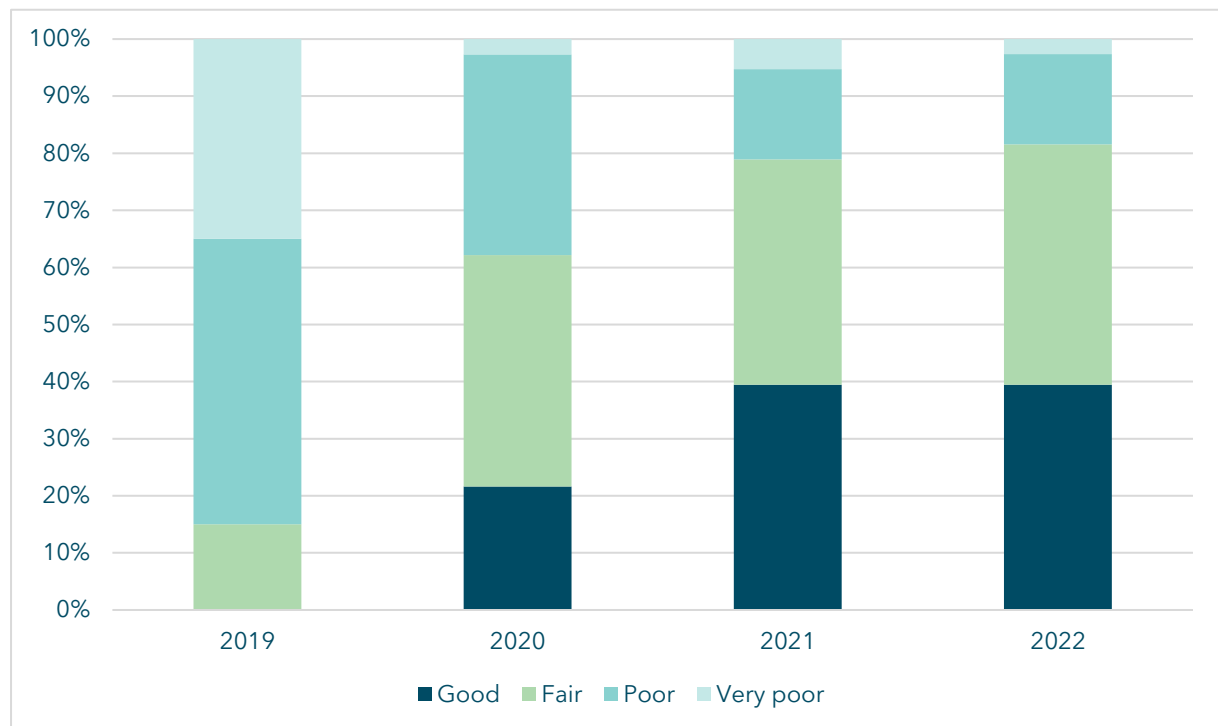
Exhibit 11: Overall principles for good practice annual reporting



Source: National Audit Office Good Practice in Annual Reporting January 2022

40. These principles should be evident across the sections of the annual report.
41. The proportion of annual reports demonstrating fair or good compliance with best practice principles now stands at 82%. Compliance has improved markedly over the first three years of my review, with a further improvement for 2022 annual reports (see Exhibit 12).

Exhibit 12: 2019 to 2022 annual reports compared to best practice principles



Source: Jersey Audit Office review of 2019 to 2022 annual reports



Supporting Accountability

42. As reported in previous years:

- most annual reports tend to emphasise positive aspects of performance and would tell a more balanced story by discussing areas where performance has been disappointing
- some entities, particularly those with regulatory roles, report on their findings or observations of other bodies, but provide limited information about their own organisation; and
- most annual reports included actions for future years but these were sometimes not easy to identify or not clearly set out.



Transparency

43. Many annual reports provide a significant amount of information and discuss what entities have done, their challenges and the risks they face. However, it is not always clear whether entities have achieved what they set out to achieve,

performed well or managed their risks successfully. Transparent annual reports focus on communicating these messages effectively by, for example:

- providing a clear line of sight to show how activities, performance measures, challenges and risks are derived from strategic objectives
- quantifying performance measures and risks
- being clear about whether performance is satisfactory and risks have been addressed; and
- providing short but insightful narrative to help stakeholders understand the context of the information provided.



Accessibility

44. The best annual reports have clearly been designed with stakeholders in mind by, for example, providing short summaries to highlight important messages.
45. An increasing percentage of the annual reports reviewed provide a commentary on finances in addition to audited accounts or other financial statements. However, for 2022 annual reports reviewed I was unable to locate any meaningful financial information (whether published as part of the annual report or elsewhere) for five entities.



Understandable

46. As in previous years, reports were generally well written in plain English. More reports are using tables, graphs and infographics to enhance understandability. As I reported last year however, there is scope for more entities to adopt this approach.
47. Also as reported in previous years, there is scope for entities to improve signposting within their annual reports. This is particularly relevant for annual reports that rely primarily on text to communicate messages and as entities seek to include more information to meet best practice.

Setting requirements for annual reporting

48. In 2022 I consolidated the recommendations from all of my previous reports into five recommendations. The current status of the implementation of these recommendations is summarised in Exhibit 13.

Exhibit 13: Current status of previous consolidated C&AG recommendations

Recommendation	Current status	Evaluation
<p>R1 Finalise and set out minimum requirements for annual reports and accounts for States established and States controlled entities. In doing so, consider:</p> <ul style="list-style-type: none"> • setting out different requirements depending on the nature and size of entities • specifying minimum requirements for reporting on performance, accountability and finances • requiring specific disclosures of remuneration of directors and staff • for entities required to publish financial statements: <ul style="list-style-type: none"> ○ specifying the accounting framework; and ○ specifying the degree of independent assurance that should be provided over the financial statements; and • for all entities, setting out the requirements for making the annual report and accounts public. 	<p>Recommendation accepted with target implementation date of 31 March 2024.</p> <p>The States are currently in the process of determining which entities meet the definition of States established and States controlled.</p> <p>Further work is then required to:</p> <ul style="list-style-type: none"> • identify the Accountable Officer holding lead responsibility • include States established and States controlled entities in the Accountable Officer appointment letters issued by the Principal Accounting Officer; and • introduce requirements into the Public Finances Manual for Accountable Officers to take steps to ensure that the States controlled and States established entities for which they are responsible meet minimum annual reporting standards. <p>Officers have reported that this further work is on track.</p>	<p>Progress is being made.</p>

Recommendation	Current status	Evaluation
<p>R2 Introduce a requirement for Statistics Jersey to produce an annual report.</p>	<p>Recommendation accepted with a target date of December 2024.</p> <p>Legislation is required to effect this change and is planned as part of wider changes designed to preserve the independence of Statistics Jersey.</p> <p>Reported by officers as being on track.</p>	<p>Progress is being made.</p>
<p>R3 Set out a public ambition and timetable for the production of a States of Jersey annual sustainability report. In doing so, consider:</p> <ul style="list-style-type: none"> • the Jersey Performance Framework and the Taskforce on Climate-Related Financial Disclosures (TCFD) recommended disclosures • whether the sustainability report should form part of the States of Jersey Annual Report and Accounts or be a separate report • publishing targets alongside actual performance and comparative data with other jurisdictions where this is available; and • the degree of independent assurance that should be provided over the data contained within the sustainability report. 	<p>The States of Jersey annual sustainability report is currently published as an appendix to the States of Jersey Annual Report and Accounts.</p> <p>The 2022 sustainability report was significantly improved from previous years and sets out the States of Jersey’s ambition for further improvements for sustainability reporting ‘over the next two years’.</p>	<p>Good progress is being made.</p> <p>Further work required to realise the States’ ambitions over the next two years.</p>

Recommendation	Current status	Evaluation
<p>R4 Set out minimum requirements for sustainability reporting by States established and States controlled entities. In doing so, consider how to apply the Jersey Performance Framework and the TCFD recommended disclosures.</p>	<p>Recommendation accepted with a target date of December 2023.</p> <p>Limited progress is reported by officers.</p>	<p>Limited progress has been made.</p>
<p>For all entities:</p> <p>R5 Continue to improve annual reporting. In doing so, consider:</p> <ul style="list-style-type: none"> any minimum requirements set out by the States of Jersey how to improve reporting on performance, accountability (including director and staff remuneration) and finances how to use an appropriate framework to improve sustainability reporting; and other good practice identified in this report and my <i>Good Practice Guide</i>. 	<p>Year on year improvements across the entities reviewed demonstrated as set out throughout this report.</p>	<p>Good progress is being made.</p> <p>Implementation of recommendations R1 to R4 will support further improvements in 2023 annual reporting and onwards.</p>

Source: Jersey Audit Office analysis

Reporting by the States of Jersey Group

49. The 2022 States of Jersey Group annual report was improved from 2021 and I assessed it as good in each of the areas I reviewed:
- overall content
 - performance reporting
 - accountability reporting; and
 - best practice principles.
50. The improvement in performance reporting was particularly strong:
- all minimum performance reporting items were disclosed
 - it was far easier to understand how the Common Strategic Policy drives activity; and
 - information on performance targets and risk was more comprehensive.
51. I was also pleased to note that:
- the annual report was easier to navigate, for example through improved signposting of its content and publishing (and providing a link to) a separate document setting out Government department annual reports
 - there was improved presentation of sustainability issues and extended sustainability reporting to include social issues; and
 - the States of Jersey carried out a self-assessment of their 2022 annual report to identify areas for improvement in future years.
52. However, there are opportunities to improve further the financial reporting:
- at the States of Jersey Group level; and
 - for Government departments, States controlled entities and States established entities.
53. As in previous years, and in line with the JFRm, the States of Jersey Group 2022 accounts consolidated three of their material subsidiaries, but not the States' four largest subsidiaries. Instead, the Group accounts include these subsidiaries at fair value. The States are aware that the current approach does not comply with International Financial Reporting Standards and intend to move to fully consolidated accounts on a staged basis from 2024.

54. Full consolidated accounts prepared on a consistent basis would provide better financial information to support policymakers and enhance scrutiny and accountability. Full consolidated accounts would also provide additional information to external users such as credit rating agencies.
55. The States have not yet prepared a project plan or a clear timetable to support their ambitions.
56. There is a lack of consistency in the financial reporting requirements of Government departments, States controlled entities and States established entities:
- the Statement of Outturn Against Approvals contained in the States of Jersey annual report shows how each department has performed against its budget. However the States do not set minimum requirements for more granular financial reporting in Government department annual reports. Such minimum requirements could, for example, set out requirements to report expenditure against budget at sub-head level; and
 - as reported in my July 2023 Thinkpiece [Mid-Term Reflections](#), there is a lack of consistency in the financial information that individual States established and States controlled entities are required to publish. For example:
 - some entities, such as limited companies, are required to publish audited accounts that follow relevant accounting practice; and
 - others are not required to prepare accounts or have no audit requirement.
57. In my view, all Government departments, States established and States controlled entities should disclose or publish relevant financial information to assist stakeholders in assessing the performance of the entity. Where financial transactions of an entity are included within the States of Jersey Accounts, the relevant financial information could be disclosed either within the States of Jersey Accounts or within the entity's own annual report, or both.

Recommendations for the States of Jersey

- R1** Set out a project plan and timetable for the preparation and publication of full consolidated States of Jersey Group accounts.
- R2** Set out minimum requirements for more granular financial reporting in Government department annual reports.

Developments in sustainability reporting

58. The purpose of sustainability reporting is to encourage organisations to take positive action to address environmental, social and governance (ESG) issues by:
- setting out the organisation’s ESG ambitions; and
 - reporting the progress it is making in achieving these ambitions.
59. Sustainability reporting includes, but is wider than, reporting on climate change (see Exhibit 14).

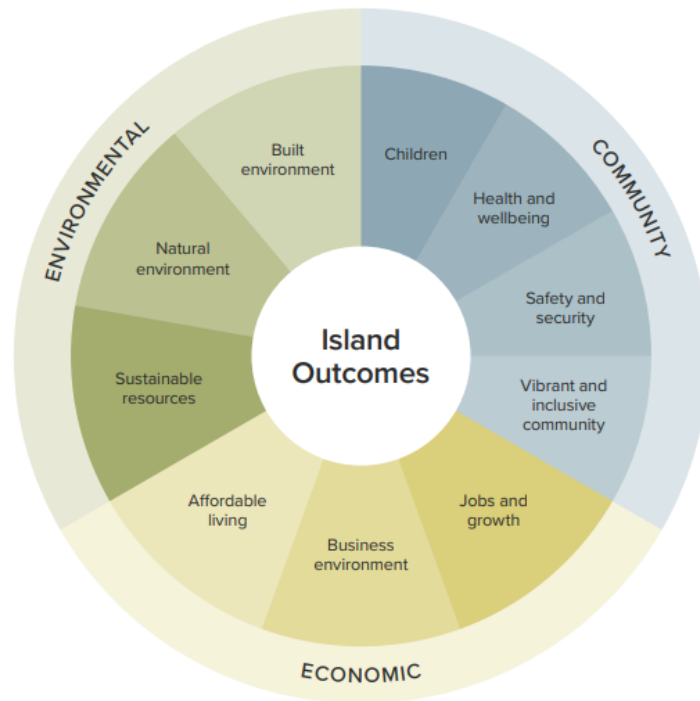
Exhibit 14: Potential areas of sustainability reporting

Area	Potential reporting issues
Environment	<ul style="list-style-type: none"> • Climate change • Use of natural resources • Polluting discharges • Waste • Biodiversity and ecosystem conservation
People	<ul style="list-style-type: none"> • Employees and workforce • Social matters
Human rights	<ul style="list-style-type: none"> • Reporting criteria used • Supply chains • High risk areas for civil and political rights • Impacts on indigenous and local communities • Conflict-affected areas • Data protection
Anti-corruption	<ul style="list-style-type: none"> • Commitment to fight against corruption • Whistleblowing channels
General positive impacts	<ul style="list-style-type: none"> • Impact of products/services • Opportunities

Source: Jersey Audit Office Annual Reporting Workshop 2022

60. There is a range of international frameworks in place and being developed. These include:
- **Task force on Climate-related Financial Disclosures (TCFD)** – created by the Financial Stability Board to improve and increase reporting of climate-related financial information
 - **International Sustainability Standards Board (ISSB)** – established by the trustees of the International Financial Reporting Standard (IFRS) Foundation to develop reporting standards that will result in a high-quality, comprehensive global baseline of sustainability disclosures focussed on the needs of investors and the financial markets
 - **International Public Sector Accounting Standards Board (IPSASB)** – develops accounting standards and guidance for use by public sector entities. IPSASB is currently researching and scoping public sector specific sustainability projects
 - **UN Sustainable Development Goals (SDGs)** – in 2015 the UN published 17 SDGs in an urgent call for action by all countries in a global partnership. The SDGs recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality and spur economic growth – all while tackling climate change and working to preserve our oceans and forests; and
 - **Global Reporting Initiative (GRI)** – the GRI publishes standards for sustainability reporting that are designed to be used by any organisation regardless of size or sector.
61. The States of Jersey have developed their own Performance Framework (Exhibit 15). This comprises a set of measurements by which the Island’s progress towards sustainable wellbeing goals can be judged. The Framework consists of two parts:
- Island outcome indicators; and
 - service performance measures.

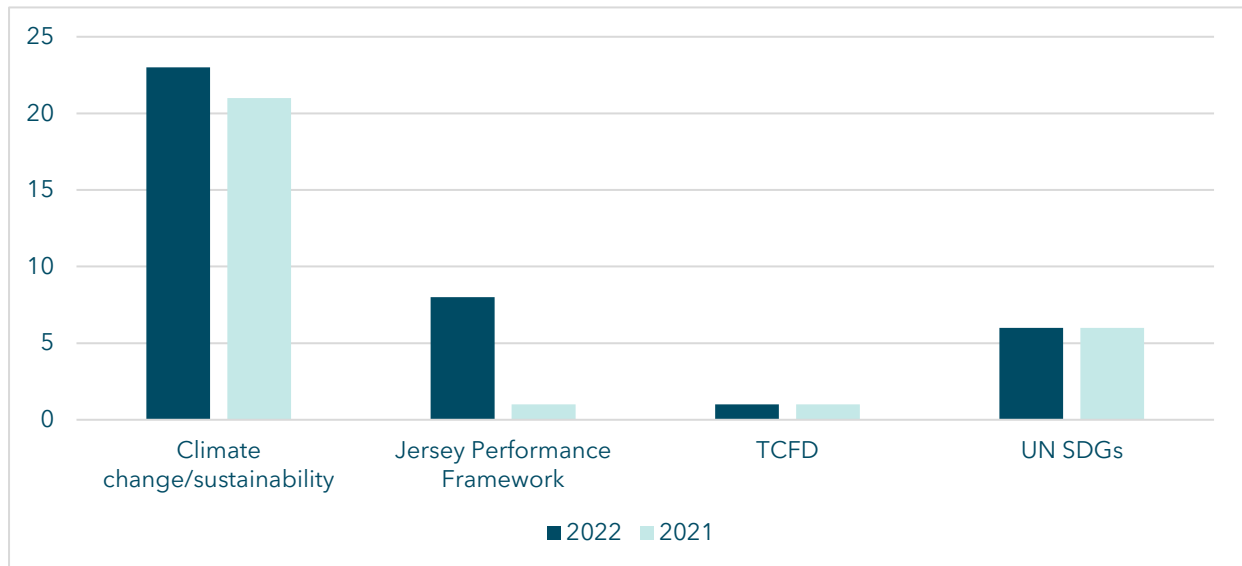
Exhibit 15: Jersey Performance Framework (Island Outcomes and Sustainable Wellbeing)



Source: Government of Jersey

62. The States of Jersey have not set out minimum reporting requirements for entities in respect of sustainability. However, 23 out of the 38 annual reports reviewed for 2022 refer to climate change or sustainability issues. This compares to 21 out of 38 for 2021 (see Exhibit 16).

Exhibit 16: Annual reports referring to climate change/sustainability issues and relevant reporting frameworks



Source: Jersey Audit Office analysis of 2021 and 2022 annual reports

63. Although this increase is modest, I also noted that the quality of the climate and sustainability reports was generally higher in 2022, with eight annual reports referring to the Jersey Performance Framework compared to just one in 2021 annual reports. Some entities noted that they were looking to develop and improve reporting on climate and sustainability in future years.
64. In the absence of minimum sustainability reporting requirements, it is pleasing to see improvements by some entities on a voluntary basis. In my view, however, unless minimum sustainability reporting requirements are established by the States of Jersey there is a risk that entities may not implement improvements to reporting at an appropriate pace.

Appendix One

Annual reports and accounts reviewed

The reviews for each year encompassed a desk-based evaluation of the latest published annual reports and financial statements of the following entities available at the time of the fieldwork. For the 2022 annual reports, I reviewed annual reports available at 31 July 2023. The criteria used are set out in Appendix Two.

Entity	Documents reviewed	Years reviewed			
		2019	2020	2021	2022
Andium Homes	Annual Report	✓	✓	✓	✓
Bureau des Iles Anglo-Normandes	<i>Not available in any year</i>				
Care Commission	Annual Report	✓	✓		✓
Channel Islands Brussels Office	<i>Not available in any year</i>				
Charity Commissioner	Annual Report	✓	✓	✓	✓
Charity Tribunal	Annual Report		✓		✓
Children's Commissioner	Performance Report	For 2018 to 2019	✓	✓	✓
Complaints Panel	<i>Not available in any year</i>				
Criminal Injuries Compensation Board	Three year report	For 2016 to 2018			
Data Protection Authority	Jersey Office of the Information Commissioner Annual Report	✓	✓	✓	✓
Digital Jersey	Annual report and financial statements	✓	✓	✓	✓

Entity	Documents reviewed	Years reviewed			
		2019	2020	2021	2022
Director of Civil Aviation	Annual Report to the States Assembly	✓	✓	✓	✓
Financial Services Commission	Annual Report		✓	✓	✓
Financial Services Ombudsman	Annual Report	✓	✓	✓	✓
Gambling Commission	Annual Report and Accounts	✓	✓	✓	✓
Government of Jersey London Office	Financial Statements		✓	✓	
Independent Prison Monitoring Board	Annual Report	✓	✓	✓	✓
Jersey Advisory and Conciliation Service	Annual Report	✓	✓	✓	✓
Jersey Appointments Commission	Annual Report	✓	✓	✓	✓
Jersey Bank Depositors Compensation Scheme	Annual Report and Audited Financial Statements	For year to 31 January 2019	For year to 31 January 2021	For year to 31 January 2022	For year to 31 January 2023
Jersey Business	Annual Report and Accounts	✓	✓	✓	✓
Jersey Competition Regulatory Authority	Annual Report and Accounts	✓	✓	✓	✓
Jersey Consumer Council	Annual Report	For 2018	✓		

Entity	Documents reviewed	Years reviewed			
		2019	2020	2021	2022
Jersey Electricity	Annual Report and Accounts	✓	✓	✓	✓
Jersey Employment and Discrimination Tribunal	Annual Report	✓	✓	✓	✓
Jersey Finance	Annual Report	✓	✓	✓	
Jersey Heritage and the Archivist	Annual Report				✓
Jersey Law Commission	<i>Not available in any year</i>				
Jersey Legal Information Board	Annual Report and Financial Statements	✓	✓	✓	✓
Jersey Overseas Aid Commission	Annual Report	For 2018	✓		✓
Jersey Post International Limited	Business Review	For 2018	✓	✓	✓
Jersey Probation and After-Care Service	Annual Report and Strategic Priorities			✓	✓
Jersey Resolution Authority	Annual Report				✓
Jersey Sport	Annual Report	For 2018	✓	✓	✓
Jersey Teachers' Superannuation Fund	Annual Report	✓	✓	✓	✓

Entity	Documents reviewed	Years reviewed			
		2019	2020	2021	2022
JT	Annual Report and consolidated financial statements	✓	✓	✓	✓
Jersey Water	Annual Report and Financial Statements	For year to 30 September 2019	✓	✓	✓
Mental Health Tribunal	<i>Not available in any year</i>				
Multi-Agency Public Protection Arrangements	Annual Report		✓	✓	
Office of the Comptroller and Auditor General	Annual Report and Accounts		✓	✓	✓
Police Complaints Authority	Annual Report	✓	✓	✓	✓
Ports of Jersey	Annual Report	✓	✓	✓	✓
Prison Service	Annual Report		✓		
Public Employees' Pension Fund	Annual Report	✓	✓	✓	✓
Public Lotteries	Report		✓		
Safety Council	Financial Statements		✓	✓	✓
States Assembly	Annual Report	✓	✓	✓	
States Employment Board	Annual Report	✓	✓	✓	✓

Entity	Documents reviewed	Years reviewed			
		2019	2020	2021	2022
States of Jersey	Annual Report and Accounts	✓	✓	✓	✓
States of Jersey Development Company	Annual Report and Consolidated Financial Statements	✓	✓	✓	✓
States of Jersey Police	Annual Report	For 2018		✓	
Statistics Jersey	<i>Not required to produce an Annual Report</i>				
Tenancy Deposit Scheme	<i>Not available in any year</i>				
Visit Jersey	Annual Report and financial statements	✓	✓	✓	✓

Appendix Two

Scoring methodology for 2022 annual reports

Throughout this report I have categorised annual reports as 'Good', 'Fair', 'Poor' or 'Very Poor'. The categorisation is based on the following boundaries:

- Good = 75% or more of the relevant score available
- Fair = 50% to 74% of the relevant score available
- Poor = 25% to 49% of the relevant score available; and
- Very poor = less than 25% of the relevant score available.

The scoring methodology for individual 2022 annual reports is set out in the following tables.

Overall Content

	Criteria	Mark available	Guidance notes
1.	The annual report and accounts include: <ul style="list-style-type: none">• a performance report• an accountability report; and• the financial statements.	2 to 3	Good practice annual reports typically set out three distinct sections. However, provided all three areas are covered and are easily identifiable, alternative structures may be appropriate. Where entities are not required to publish audited financial statements, other relevant financial information should be provided (for example an income and expenditure statement). Exceptionally, where the entity has no income or expenditure, this section should be marked out of two.
	Total for overall content	2 to 3	

Performance Report - minimum

	Criteria	Mark available	Guidance notes
2.	Performance reporting is fair, balanced and understandable.	1	
3.	The performance report tells the full story of the entity.	1	This should include both positive and negative aspects of how the entity has performed across the year, so that users can have confidence in any judgements and so that it is clear that reporting is trustworthy and transparent.
4.	The annual report demonstrates that the Accountable Officer, Chief Executive, or equivalent has taken ownership of the reporting of performance.	1	This is typically achieved by the most senior executive officer signing and dating: <ul style="list-style-type: none"> • a distinct performance report; or • the annual report as a whole.
5.	The performance report contains: <ul style="list-style-type: none"> • a statement of purpose • a statement from the lead Minister, Chief Executive or equivalent setting out their perspective on how the entity has performed • the key issues and risks that could affect the entity in delivering its objectives • a performance analysis showing performance against priorities (and any other organisational strategic objectives and goals) • information on environmental matters • other non-financial information such as social responsibility, respect for human rights, anti-corruption and anti-bribery matters and diversity • a financial review; and 	6 to 8	A going concern statement is only required where there are reasons for going concern to be called into doubt. This means that for most entities this section should be marked out of seven. Exceptionally, where an entity has no income or expenditure, a financial review may also not be required. In such cases this section should be marked out of six.

	Criteria	Mark available	Guidance notes
	<ul style="list-style-type: none"> where relevant, an explanation of the adoption of the going concern basis. 		
	Total for Performance Report minimum	9 to 11	

Performance Report – best practice

	Criteria	Mark available	Guidance notes
6.	<p>Strategy:</p> <ul style="list-style-type: none"> clarity around purpose, strategic objectives and key programmes/projects balanced view of progress against objectives details of plans to implement priorities; and strategy clearly linked to performance measures and risks. 	4	
7.	<p>Risks:</p> <ul style="list-style-type: none"> clear articulation of the entity's risk management process risks reflect the external environment and implications for the entity clear links between risks, strategic objectives and the annual report narrative quantified risks and realistic planned and implemented mitigations; and discussion about how the dynamic of the risk profile has changed over time, including developments in relation to specific risks disclosed. 	5	

	Criteria	Mark available	Guidance notes
8.	<p>Operations:</p> <ul style="list-style-type: none"> discussion of the entity's delivery model narrative around how business operations support wider Government (or other) objectives <i>for significant contracted-out services, discussion of how these contracts are awarded and how the entity manages the ongoing contract; and</i> <i>consideration of capital investment and how it achieves value for money.</i> 	2 to 4	<p>Discussion of the delivery model should describe how the entity delivers its activities (for example in-house teams, contractors). It may also include discussion of:</p> <ul style="list-style-type: none"> the reason for using the entity's delivery model how it achieves value for money; and different delivery models. <p>Where there are no significant contracted out services, the mark available for this section should be reduced by one.</p> <p>Where there is no capital investment (or any capital investment is not material) the mark awarded for this section should be reduced by one.</p>
9.	<p>Measures of success:</p> <ul style="list-style-type: none"> quantified key performance indicators (KPIs) aligned to strategic objectives balanced assessment of goals achieved and performance against targets; and graphics used to illustrate performance. 	3	
10.	<p>Financial performance:</p> <ul style="list-style-type: none"> an understandable and fair reflection of financial performance which is consistent with the underlying financial statements; and discussion of actual performance against expected/budgeted performance. 	0 to 2	<p>Exceptionally, where the entity has no income or expenditure, this section is not marked.</p>

	Criteria	Mark available	Guidance notes
11.	<p>External factors:</p> <ul style="list-style-type: none"> an annual report that considers the external drivers that influence and impact on current objectives; and innovative reporting on sustainability and climate change. 	2	External drivers might include the cost of living crisis, the UK's EU exit and the continuing impact of the COVID-19 pandemic.
	Total for Performance Report - best practice	16 to 20	

Accountability Report – minimum

	Criteria	Mark available	Guidance notes
12.	The annual report demonstrates that the Accountable Officer, Chief Executive, or equivalent has taken ownership of accountability reporting.	1	<p>This is typically achieved by the most senior executive officer signing and dating:</p> <ul style="list-style-type: none"> a distinct accountability report; or the annual report as a whole.
13.	<p>The accountability report includes information on:</p> <ul style="list-style-type: none"> the governance structure the board's (or equivalent) commitment to high standards of governance how the board (or equivalent) works effectively to govern the entity remuneration of board members (or equivalent) and other senior staff; and staffing or equivalent (such as a contracted-out workforce). 	4 to 5	<p>Good practice annual reports typically set out this information in two distinct reports on:</p> <ul style="list-style-type: none"> corporate governance; and remuneration/staffing <p>However, provided all issues are covered and are easily identifiable, alternative structures may be appropriate.</p> <p>Where an entity has no staff or equivalent, this section should be marked out of four.</p>
	Total for Accountability Report - minimum	5 to 6	

Accountability Report – best practice

	Criteria	Mark available	Guidance notes
14.	<p>Information provided on corporate governance includes a directors' report that sets out:</p> <ul style="list-style-type: none"> the names of the Chair and Chief Executive (or equivalent) the composition of the management board (or equivalent). details of entity directorships and other significant interests held by members of the management board (or equivalent) which may conflict with their management responsibilities; and information on personal data related incidents where these have been formally reported to the Jersey Office of the Information Commissioner or confirmation that no incidents have been reported. 	4	<p>This information is typically provided as a directors' report (or equivalent). Alternative structures may be appropriate.</p> <p>The management board (or equivalent) may include advisory and/or non-executive members. It comprises those who have had authority or responsibility for directing or controlling the major activities of the entity during the year. This means those who influence the decisions of the entity as a whole, rather than the decisions of individual directorates.</p> <p>Entities may prefer to provide a link to an online register of interests instead of detailed disclosures in the annual report.</p>
15.	<p>Information provided on corporate governance includes a statement of responsibilities of the Accountable Officer (or equivalent) comprising:</p> <ul style="list-style-type: none"> an explanation of responsibilities of the Accountable Officer <i>a statement to confirm that, as far as they are aware, there is no relevant audit information of which the entity's auditors are unaware, and that the Accountable Officer has taken all the steps that they ought to have taken</i> 	1 to 3	<p>For entities that are not required to publish audited financial statements, the second and third bullet points are not required, and this section should be scored out of one.</p>

	Criteria	Mark available	Guidance notes
	<p><i>to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information; and</i></p> <ul style="list-style-type: none"> <i>a statement from the Accountable Officer to confirm that the annual report and accounts document as a whole is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts document and the judgements required for determining that it is fair, balanced and understandable.</i> 		
16.	<p>Information on corporate governance includes statements on:</p> <ul style="list-style-type: none"> the governance framework of the entity, including information about the board's (or equivalent) committee structure, its attendance records and the coverage of its work the board's (or equivalent) performance, including its assessment of its own effectiveness highlights of board committee (or equivalent) reports, notably by the audit and nomination committees; and an account of corporate governance including (where relevant) an assessment of compliance with any adopted corporate governance codes. 	4	<p>Not all entities are required to comply with a specific corporate governance code.</p> <p>Where an entity is required, or chooses, to comply with a specific corporate governance code, the account of corporate governance should include the board's (or equivalent) assessment of its compliance with explanations of any departures.</p>

	Criteria	Mark available	Guidance notes
17.	<p>Information on the remuneration of board members (or equivalent) includes:</p> <ul style="list-style-type: none"> the policy on the remuneration of directors (or equivalent) for the current and future years components and the overall single total remuneration figure for each director (or equivalent); and fair pay data such as: <ul style="list-style-type: none"> comparisons of the highest paid director's remuneration with average, lower quartile, mid-point and upper quartile staff remuneration the range of staff remuneration; and an explanation for significant changes from previous years. 	2 to 3	<p>Components of the total remuneration figure may include:</p> <ul style="list-style-type: none"> salary and allowances performance pay or bonuses payable non-cash benefits accrued pension benefits; and compensation for loss of office and other severance payments. <p>This information may be set out in any part of the annual report. For example, some entities may wish to rely on remuneration disclosures included in the financial statements.</p> <p>Where no staff are employed, the fair pay data is not required and this section should be marked out of two.</p>
18.	<p>The staff report includes the following information:</p> <ul style="list-style-type: none"> number of senior staff (or equivalent) by band staff numbers and costs staff composition including (where available) a gender analysis of directors, senior officers and employees sickness absence data staff policies applied during the year, for example in respect of disabled persons, diversity and equal opportunities other employee matters such as employee consultation and/or participation, health 	0 to 7	<p>Entities that do not employ any staff should not complete this section and complete section 19 instead.</p> <p>Entities that do employ staff will need to define senior staff and the pay reporting bands. For example, English local authorities report in bands of £5,000 the number of:</p> <ul style="list-style-type: none"> staff earning more than £50,000 a year who are statutory officers or report directly to the head of the paid service; and all staff earning more than £150,000 a year. <p>Entities with small workforces will need to be sensitive to disclosing personal information, particularly for non-senior staff. Where entities have such concerns, they may instead</p>

	Criteria	Mark available	Guidance notes
	<p>and safety at work, trade union relationships and human capital management (for example career management and employability, pay policy); and</p> <ul style="list-style-type: none"> • exit packages - summary data on the use of exit packages agreed in year. 		prefer to provide a commentary on key issues such as gender balance.
19.	<p>For entities that do not employ any staff the annual report sets out clearly:</p> <ul style="list-style-type: none"> • that it does not employ any staff; and • how the entity carries out its activities (for example all activities delivered by board members, staff provided by the Government of Jersey, appointment of contractors/affiliates, use of volunteers) 	0 to 2	This section applies only to entities that do not employ any staff.
	Total for Accountability Report - best practice	13 to 21	

Best Practice Principles

	Criteria	Mark available	Guidance notes
20.	<p>Accountability:</p> <ul style="list-style-type: none"> telling the story of the entity in a fair and balanced way compliance with the relevant reporting requirements; and clear action points to take forward. 	3	
21.	<p>Transparency:</p> <ul style="list-style-type: none"> frank and honest analysis consideration of the challenges the entity is facing appropriate use of data; and quantification of risks and performance measures. 	4	
22.	<p>Accessibility:</p> <ul style="list-style-type: none"> highlights key financial statement trends within the narrative concise summaries of key points; and consideration of how the entity engages with key stakeholders and meets their needs. 	3	
23.	<p>Understandable:</p> <ul style="list-style-type: none"> plain English to explain difficult concepts infographics and diagrams to communicate important messages; and clearly integrated report structure to help users navigate it effectively. 	3	
	Total for Best Practice Principles	13	

Appendix Three

Summary of Recommendations

I have made two recommendations for the States of Jersey in this report:

- R1** Set out a project plan and timetable for the preparation and publication of full consolidated States of Jersey Group accounts.
- R2** Set out minimum requirements for more granular financial reporting in Government department annual reports.

In 2022, I consolidated my recommendations from all of my previous reports on annual reporting into five recommendations. These recommendations remain relevant, and their current status is set out below.

Recommendation	Current status	Evaluation
<p>R1 Finalise and set out minimum requirements for annual reports and accounts for States established and States controlled entities. In doing so, consider:</p> <ul style="list-style-type: none"> • setting out different requirements depending on the nature and size of entities • specifying minimum requirements for reporting on performance, accountability and finances • requiring specific disclosures of remuneration of directors and staff • for entities required to publish financial statements: <ul style="list-style-type: none"> ○ specifying the accounting framework; and ○ specifying the degree of independent assurance that should 	<p>Recommendation accepted with target implementation date of 31 March 2024.</p> <p>The States are currently in the process of determining which entities meet the definition of States established and States controlled.</p> <p>Further work is then required to:</p> <ul style="list-style-type: none"> • identify the Accountable Officer holding lead responsibility • include States established and States controlled entities in the Accountable Officer appointment letters issued by the Principal Accounting Officer; and • introduce requirements into the Public Finances Manual for Accountable Officers to take steps to ensure that the States controlled and States established entities for which they are responsible meet minimum annual reporting standards. 	<p>Progress is being made.</p>

Recommendation	Current status	Evaluation
<p>be provided over the financial statements; and</p> <ul style="list-style-type: none"> for all entities, setting out the requirements for making the annual report and accounts public. 	<p>Officers have reported that this further work is on track.</p>	
<p>R2 Introduce a requirement for Statistics Jersey to produce an annual report.</p>	<p>Recommendation accepted with a target date of December 2024.</p> <p>Legislation is required to effect this change and is planned as part of wider changes designed to preserve the independence of Statistics Jersey.</p> <p>Reported by officers as being on track.</p>	<p>Progress is being made.</p>
<p>R3 Set out a public ambition and timetable for the production of a States of Jersey annual sustainability report. In doing so, consider:</p> <ul style="list-style-type: none"> the Jersey Performance Framework and the Taskforce on Climate-Related Financial Disclosures (TCFD) recommended disclosures whether the sustainability report should form part of the States of Jersey Annual Report and Accounts or be a separate report publishing targets alongside actual performance and comparative data with other jurisdictions where this is available; and the degree of independent assurance that should be provided over the data contained 	<p>The States of Jersey annual sustainability report is currently published as an appendix to the States of Jersey Annual Report and Accounts.</p> <p>The 2022 sustainability report was significantly improved from previous years and sets out the States of Jersey’s ambition for further improvements for sustainability reporting ‘over the next two years’.</p>	<p>Good progress is being made.</p> <p>Further work required to realise the States’ ambitions over the next two years.</p>

Recommendation	Current status	Evaluation
within the sustainability report.		
<p>R4 Set out minimum requirements for sustainability reporting by States established and States controlled entities. In doing so, consider how to apply the Jersey Performance Framework and the TCFD recommended disclosures.</p>	<p>Recommendation accepted with a target date of December 2023.</p> <p>Limited progress reported by officers.</p>	<p>Limited progress has been made.</p>
<p>For all entities:</p> <p>R5 Continue to improve annual reporting. In doing so, consider:</p> <ul style="list-style-type: none"> • any minimum requirements set out by the States of Jersey • how to improve reporting on performance, accountability (including director and staff remuneration) and finances • how to use an appropriate framework to improve sustainability reporting; and • other good practice identified in this report and my <i>Good Practice Guide</i>. 	<p>Year on year improvements across the entities reviewed demonstrated as set out throughout this report.</p>	<p>Good progress is being made.</p> <p>Implementation of recommendations R1 to R4 will support further improvements in 2023 annual reports and onwards.</p>



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