

# Annual Report Self-Assessment Tool

16 January 2024

## Introduction

1. This self-assessment tool sets out the criteria that the Comptroller and Auditor General (C&AG) will use in 2024 for reviewing 2023 annual reports. It is based on best practice observed in this and other jurisdictions and adapted for Jersey. The tool includes guidance notes on how to apply the criteria to different entities.
2. The C&AG is making the tool available to support entities in drafting their 2023 annual reports.
3. The C&AG also invites entities to email the completed tool to the Jersey Audit Office at [enquiries@jerseyauditoffice.je](mailto:enquiries@jerseyauditoffice.je). If entities send the completed tool, the C&AG will use it to inform her review of their annual report and in providing feedback to the entity. Please only send the C&AG self-assessments of your final version of your entity's annual reports. The C&AG is unable to comment on self-assessments of draft versions.
4. In addition to the scored areas, the C&AG is encouraging entities to enhance their sustainability reporting and disclosures. The self-assessment tool contains a useful reminder of frameworks which can be used for good practice climate and sustainability reporting.

## Self-assessment tool – summary scores

Area	Mark available	Mark awarded	Commentary
Overall Content	2 to 3		
Performance Report - minimum	9 to 11		
Performance Report - best practice	18 to 22		
Accountability Report - minimum	5 to 6		
Accountability Report - best practice	13 to 21		
Best Practice Principles	13		
<b>Total</b>	<b>60 to 76</b>		

## Overall Content

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Overall content</b>				
1.	<p>The annual report and accounts include:</p> <ul style="list-style-type: none"> <li>• a performance report</li> <li>• an accountability report; and</li> <li>• the financial statements.</li> </ul>	2 to 3			<p>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.</p> <p>Where entities are not required to publish audited financial statements, other relevant financial information should be provided (for example an income and expenditure statement).</p> <p>Exceptionally, where the entity has no income or expenditure, this section should be marked out of two.</p>
	<b>Total for overall content</b>	<b>2 to 3</b>			

## Performance Report

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Performance Report - minimum</b>				
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 readers 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"> <li>• a distinct performance report; or</li> <li>• the annual report as a whole.</li> </ul>

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Performance Report - minimum</b>				
5.	<p>The performance report contains:</p> <ul style="list-style-type: none"> <li>• a statement of purpose</li> <li>• a statement from the lead Minister, Chief Executive or equivalent setting out their perspective on how the entity has performed</li> <li>• the key issues and risks that could affect the entity in delivering its objectives</li> <li>• a performance analysis showing performance against priorities (and any other organisational strategic objectives and goals)</li> <li>• information on environmental matters</li> <li>• other non-financial information such as social responsibility, respect for human rights, anti-corruption and anti-bribery matters and diversity</li> <li>• a financial review; and</li> <li>• <i>where relevant, an explanation of the adoption of the going concern basis.</i></li> </ul>	6 to 8			<p>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.</p> <p>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.</p>
	<b>Total for Performance Report minimum</b>	<b>9 to 11</b>			

## Performance Report – best practice

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

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Performance Report - best practice</b>				
8.	<p>Operations:</p> <ul style="list-style-type: none"> <li>discussion of the entity's delivery model</li> <li>narrative around how business operations support wider Government (or other) objectives</li> <li><i>for significant contracted-out services, discussion of how these contracts are awarded and how the entity manages the ongoing contract; and</i></li> <li><i>consideration of capital investment and how it achieves value for money.</i></li> </ul>	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"> <li>the reason for using the entity's delivery model</li> <li>how it achieves value for money; and</li> <li>different delivery models.</li> </ul> <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 available for this section should be reduced by one.</p>



	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Performance Report - best practice</b>				
9.	Measures of success: <ul style="list-style-type: none"> <li>quantified key performance indicators (KPIs) aligned to strategic objectives</li> <li>balanced assessment of goals achieved and performance against targets; and</li> <li>graphics used to illustrate performance.</li> </ul>	3			
10.	Financial performance: <ul style="list-style-type: none"> <li>an understandable and fair reflection of financial performance which is consistent with the underlying financial statements; and</li> <li>discussion of actual performance against expected/budgeted performance.</li> </ul>	0 to 2			Exceptionally, where the entity has no income or expenditure, this section is not marked.
11	Environmental, social and governance (ESG) <ul style="list-style-type: none"> <li>sustainability reporting considers environmental, social <b>and</b> governance issues</li> <li>sustainability related information includes:               <ul style="list-style-type: none"> <li>governance arrangements around climate risks and opportunities</li> <li>strategy in respect of climate risks and opportunities</li> </ul> </li> </ul>	4			Good practice sustainability reports typically bring ESG issues together in a single section. However, provided all three areas are covered and are easily identifiable, alternative structures may be appropriate.  Further guidance on sustainability related

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Performance Report - best practice</b>				
	<ul style="list-style-type: none"> <li>○ how the entity identifies, assesses, and manages climate-related risks; and</li> <li>○ metrics and targets used to assess and manage relevant climate-related risks and opportunities;</li> <li>● annual report summarises the entity's <ul style="list-style-type: none"> <li>○ performance against sustainability metrics and targets; and</li> <li>○ contribution towards a recognisable sustainability framework (such as the <a href="#">Jersey Performance Framework</a> or <a href="#">UN Sustainable Development Goals</a>); and</li> </ul> </li> <li>● other external drivers that influence and impact on current objectives considered.</li> </ul>				<p>disclosures is available from <a href="#">the Task Force on Climate-Related Financial Disclosures</a> and <a href="#">The IFRS foundation</a>.</p> <p><a href="#">The International Federation of Accountants</a> has published a sustainability checklist for small and medium enterprises. States controlled and States established entities may find this helpful.</p> <p>External drivers might include the cost of living crisis, international conflict and the continuing impact of issues such as the UK's EU exit and the COVID-19 pandemic.</p>
	<b>Total for Performance Report - best practice</b>	<b>18 to 22</b>			

## Accountability Report - minimum

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Accountability Report - minimum</b>				
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"> <li>• a distinct accountability report; or</li> <li>• the annual report as a whole.</li> </ul>
13.	<p>The accountability report includes information on:</p> <ul style="list-style-type: none"> <li>• the governance structure</li> <li>• the board's (or equivalent) commitment to high standards of governance</li> <li>• how the board (or equivalent) works effectively to govern the entity</li> <li>• remuneration of board members (or equivalent) and other senior staff; and</li> <li>• staffing or equivalent (such as a contracted-out workforce).</li> </ul>	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"> <li>• corporate governance; and</li> <li>• remuneration/staffing</li> </ul> <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>
	<b>Total for Accountability Report - minimum</b>	<b>5 to 6</b>			

## Accountability Report – best practice

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Accountability Report - best practice</b>				
14.	<p>Information provided on corporate governance includes a directors' report that sets out:</p> <ul style="list-style-type: none"> <li>the names of the Chair and Chief Executive (or equivalent)</li> <li>the composition of the management board (or equivalent).</li> <li>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</li> <li>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.</li> </ul>	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>

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Accountability Report - best practice</b>				
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"> <li>• an explanation of responsibilities of the Accountable Officer</li> <li>• <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 to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information; and</i></li> <li>• <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></li> </ul>	1 to 3		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 one.	

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Accountability Report - best practice</b>				
16.	<p>Information on corporate governance includes statements on:</p> <ul style="list-style-type: none"> <li>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</li> <li>the board's (or equivalent) performance, including its assessment of its own effectiveness</li> <li>highlights of board committee (or equivalent) reports, notably by the audit and nomination committees; and</li> <li>an account of corporate governance including (where relevant) an assessment of compliance with any adopted corporate governance codes.</li> </ul>	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>
17.	<p>Information on the remuneration of board members (or equivalent) includes:</p> <ul style="list-style-type: none"> <li>the policy on the remuneration of directors (or equivalent) for the current and future years</li> </ul>	2 to 3			<p>Components of the total remuneration figure may include:</p> <ul style="list-style-type: none"> <li>salary and allowances</li> <li>performance pay or bonuses payable</li> </ul>

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Accountability Report - best practice</b>				
	<ul style="list-style-type: none"> <li>components and the overall single total remuneration figure for each director (or equivalent); and</li> <li>fair pay data such as: <ul style="list-style-type: none"> <li>comparisons of the highest paid director's remuneration with average, lower quartile, mid-point and upper quartile staff remuneration</li> <li>the range of staff remuneration; and</li> <li>an explanation for significant changes from previous years.</li> </ul> </li> </ul>				<ul style="list-style-type: none"> <li>non-cash benefits</li> <li>accrued pension benefits; and</li> <li>compensation for loss of office and other severance payments.</li> </ul> <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>Subject to ensuring compliance with the Data Protection (Jersey) Law 2018 (the DPJL), the staff report includes the following information:</p> <ul style="list-style-type: none"> <li>number of senior staff (or equivalent) by band</li> <li>staff numbers and costs</li> </ul>	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</p>

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Accountability Report - best practice</b>				
	<ul style="list-style-type: none"> <li>• staff composition including (where available) a gender analysis of directors, senior officers and employees</li> <li>• sickness absence data</li> <li>• staff policies applied during the year, for example in respect of disabled persons, diversity and equal opportunities</li> <li>• other employee matters such as employee consultation and/or participation, health and safety at work, trade union relationships and human capital management (for example career management and employability, pay policy); and</li> <li>• exit packages - summary data on the use of exit packages agreed in year.</li> </ul>				<p>authorities report in bands of £5,000 the number of:</p> <ul style="list-style-type: none"> <li>• staff earning more than £50,000 a year who are statutory officers or report directly to the head of the paid service; and</li> <li>• all staff earning more than £150,000 a year.</li> </ul> <p>Entities will need to ensure that they do not breach the DPJL by, for example, unintentionally disclosing personal information. This is particularly relevant for entities with small workforces or where information, such as exit packages, applies to a small number of individuals.</p> <p>Where entities have such concerns, they:</p> <ul style="list-style-type: none"> <li>• should consult their data protection lead; and</li> <li>• may instead prefer to provide information on relevant policies and</li> </ul>



	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Accountability Report - best practice</b>				
					<p>procedures and a commentary on their effectiveness and reasonableness.</p> <p>Further information on personal information is provided by the Jersey Office of the Information Commissioner (JOIC) <a href="#">personal data checklist</a>.</p>
19.	<p>For entities that do not employ any staff the annual report sets out clearly:</p> <ul style="list-style-type: none"> <li>• that it does not employ any staff; and</li> <li>• 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).</li> </ul>	0 to 2			This section applies only to entities that do not employ any staff.
	<b>Total for Accountability Report - best practice</b>	<b>13 to 21</b>			

## Best Practice Principles

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Best Practice Principles</b>				
20.	Accountability: <ul style="list-style-type: none"> <li>telling the story of the entity in a fair and balanced way</li> <li>compliance with the relevant reporting requirements; and</li> <li>clear action points to take forward.</li> </ul>	3			
21.	Transparency: <ul style="list-style-type: none"> <li>frank and honest analysis</li> <li>consideration of the challenges the entity is facing</li> <li>appropriate use of data; and</li> <li>quantification of risks and performance measures.</li> </ul>	4			

	Criteria	Mark available	Mark awarded	Self-assessment commentary	Guidance notes
	<b>Best Practice Principles</b>				
22.	Accessibility: <ul style="list-style-type: none"> <li>• highlights key financial statement trends within the narrative</li> <li>• concise summaries of key points; and</li> <li>• consideration of how the entity engages with key stakeholders and meets their needs.</li> </ul>	3			
23.	Understandable: <ul style="list-style-type: none"> <li>• plain English to explain difficult concepts</li> <li>• infographics and diagrams to communicate important messages; and</li> <li>• clearly integrated report structure to help users navigate it effectively.</li> </ul>	3			
	<b>Total for Best Practice Principles</b>	<b>13</b>			

## Climate Related Disclosures

The Taskforce on Climate-related Financial Disclosures (TCFD) was established in December 2015 by the Financial Stability Board. While reporting using the TCFD recommended disclosure framework is not currently mandatory, several companies across the world have begun to use this as a disclosure framework. The TCFD recommended disclosures are shown below.

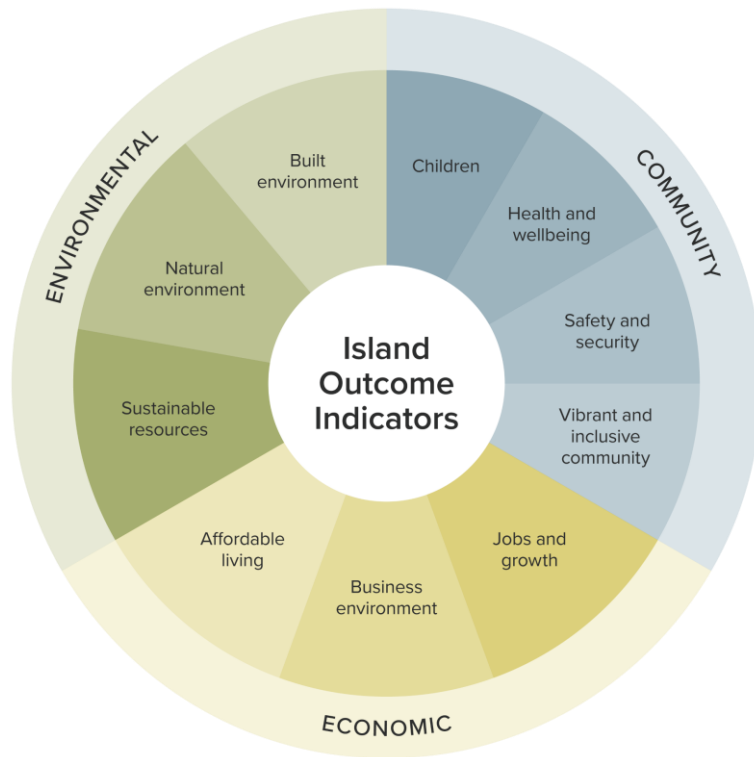
Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Disclose how the organisation identifies, assesses and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
<b>Recommended disclosures</b>			
a) Describe the Board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	a) Describe the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	b) Describe the organisation's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2 degree or lower scenario.	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Source: Recommendations of the Task Force on Climate-related Financial Disclosures

## The Jersey Performance Framework

The Jersey Performance Framework measures the progress that Jersey makes towards achieving sustainable wellbeing.

Entities are encouraged to consider reporting their contribution to the Jersey Performance Framework in their annual report.



Source: Government of Jersey



JERSEY AUDIT OFFICE

LYNN PAMMENT

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