

Office of the Comptroller and Auditor General

Annual Report and Accounts 2023

Key Highlights



8 Reports, 1 Thinkpiece and
1 Good Practice Guide issued
Updated Code of Audit Practice issued



27 Public Accounts Committee Meetings supported
Annual Reporting workshop attended by 41
delegates from 16 bodies

Key Performance Indicators

Met

Partly
met or
not
measured

Not met

Direction
of travel



High performing audit
organisation

4

-

-



Supporting effective
scrutiny and accountability

4

-

-



Making a difference

1

2

-



Building a better
organisation

2

-

1



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The 2023 Annual Report and Accounts tells the story of the Office of the Comptroller and Auditor General (also known as the Jersey Audit Office, or JAO for short). It sets out the JAO's performance, governance arrangements and finances for the year and is designed to enable stakeholders to hold us to account.

It sits alongside the Comptroller and Auditor General's Annual Report of Findings published in February 2024 which summarises findings and recommendations made by the Comptroller and Auditor General (C&AG) during 2023. It also sits alongside the Jersey Audit Office Audit Quality Transparency Report 2023 published in May 2024. All reports are available on the Jersey Audit Office website www.jerseyauditoffice.je

If you need a version of this report in an alternative format for accessibility reasons, or any of the exhibits in a different format, please contact enquiries@jerseyauditoffice.je with details of your request.

Introductory Statement

2023 was a year of transition for the Jersey Audit Office (JAO) in which we continued to make progress across most of the ambitions set out in the JAO Strategy for 2023-26 – to be a high-performing audit organisation, support effective scrutiny and accountability, make a difference and build a better organisation.

For a large part of the year the Comptroller and Auditor General (C&AG) operated the JAO without a Deputy in place. Stephen Warren left the JAO at the end of March 2023 to become the first ever Tynwald Auditor General for the Isle of Man. Helen Thompson took up the Deputy position in November 2023 following a long and successful career in public audit in the UK.

During the year the JAO seconded two managers from Audit Wales to work on a part time basis. This enabled us to benchmark our practices against other audit offices more closely. One of the secondees was instrumental in the delivery of our core audit quality project for 2023 – the update of our audit methodology to comply fully with the standards and principles set out by the International Organization for Supreme Audit Institutions (INTOSAI). Our new methodology is now being rolled out across all of our performance audit work fully in 2024.

June 2023 marked the mid-term point of the appointment of the C&AG. In July 2023, the C&AG published her Mid-Term Reflections setting out recommendations for the States of Jersey to consider regarding the powers and duties of the C&AG and the arrangements for the Office of the C&AG. It has been pleasing to see the stakeholder engagement with this publication. We welcome the commitment of the Chief Minister to updating the C&AG (Jersey) Law in 2024 in response to some of the recommendations in the C&AG's Mid-Term Reflections.

The JAO continued to perform strongly in 2023. We met 11 of our 14 Key Performance Indicators (KPIs) in full with two partially met and one not met. Benchmarking with other audit offices shows that we publish a high volume of reports at relatively low cost. The JAO continues to receive very positive feedback from officers and stakeholders.

We commenced implementation of our Corporate Social Responsibility Strategy with positive actions taken on community involvement and reducing our carbon footprint. We also commenced a recruitment process for an additional Board of Governance member. The States Assembly approved the appointment of Peter Pichler to the Board of Governance on 16 April 2024. Peter is our first 'on Island' Board of Governance member.



Lynn Pamment CBE
C&AG



Grace Nesbitt OBE
Board Chair



Section 1: Performance Report

The Office of C&AG was established in 2005 and operates under the Comptroller and Auditor General (Jersey) Law 2014. The C&AG has chosen to discharge her responsibilities through the Jersey Audit Office (JAO).

The Performance Report provides an overview of the work of the C&AG and the JAO in 2023. It considers

- Vision, Purpose and Values
- Operations
- Strategy and Performance
- Risks
- Financial Performance

Vision, Purpose and Values



Vision, Purpose and Values of the JAO

Our Vision	To be a trusted and innovative audit organisation that champions good governance and the wise use of public money in Jersey.
Our Purpose	To provide independent assurance to the people of Jersey that public money is spent economically, efficiently and effectively and that the controls and governance arrangements in place within public bodies demonstrate value for money.
Our Values	<p>Independence and objectivity</p> <p>We appoint auditors, determine our work plan, carry out our work and report our findings impartially. We are accessible, transparent and responsive. We drive constructive and positive change through our recommendations and follow up. We respond with agility to the ever-changing environment in which we operate.</p> <p>Fairness and justice</p> <p>We are open and honest in the way we undertake our work, how we communicate with all stakeholders and how we treat people. We report our evidence-based findings in public, without fear or favour. We undertake audit work as economically, efficiently and effectively as possible.</p> <p>Integrity</p> <p>We speak up for what is right. We strive for and deliver high quality outcomes. We are truthful in making decisions and in responding to challenge. We meet our responsibilities in an ethical and fair way.</p> <p>Credibility</p> <p>We provide insight and promote best practice. We engage proactively with our stakeholders, with whom we work hard to build and maintain trust. Our work follows best practice and is undertaken by a team of reliable and dedicated professionals in accordance with recognised international standards.</p>

Operations

About the C&AG and the JAO

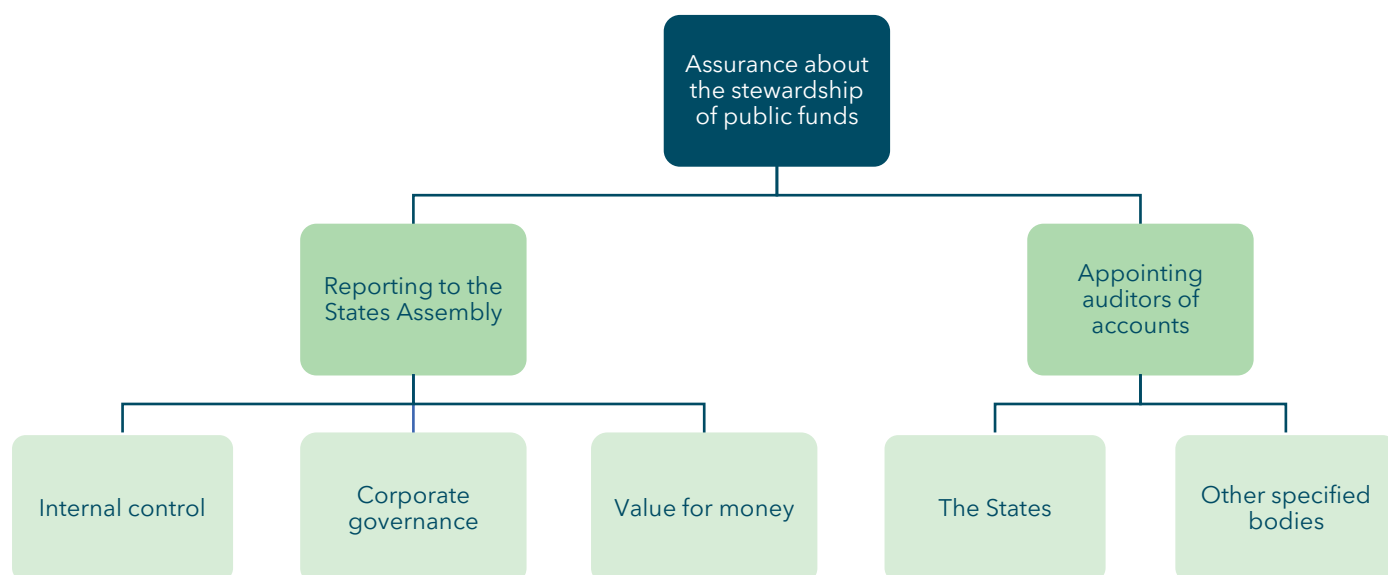
The role of the C&AG

The C&AG is appointed by the States Assembly and is independent of Government. Her responsibilities are to:

- report to the States Assembly on the effectiveness of internal control, general corporate governance arrangements and economy, efficiency and effectiveness ('value for money'); and
- appoint auditors of the accounts of the States (including the Social Security Fund, the Social Security (Reserve) Fund, the Health Insurance Fund and the Long-Term Care Fund) and certain other specified entities.



Responsibilities of the Comptroller and Auditor General



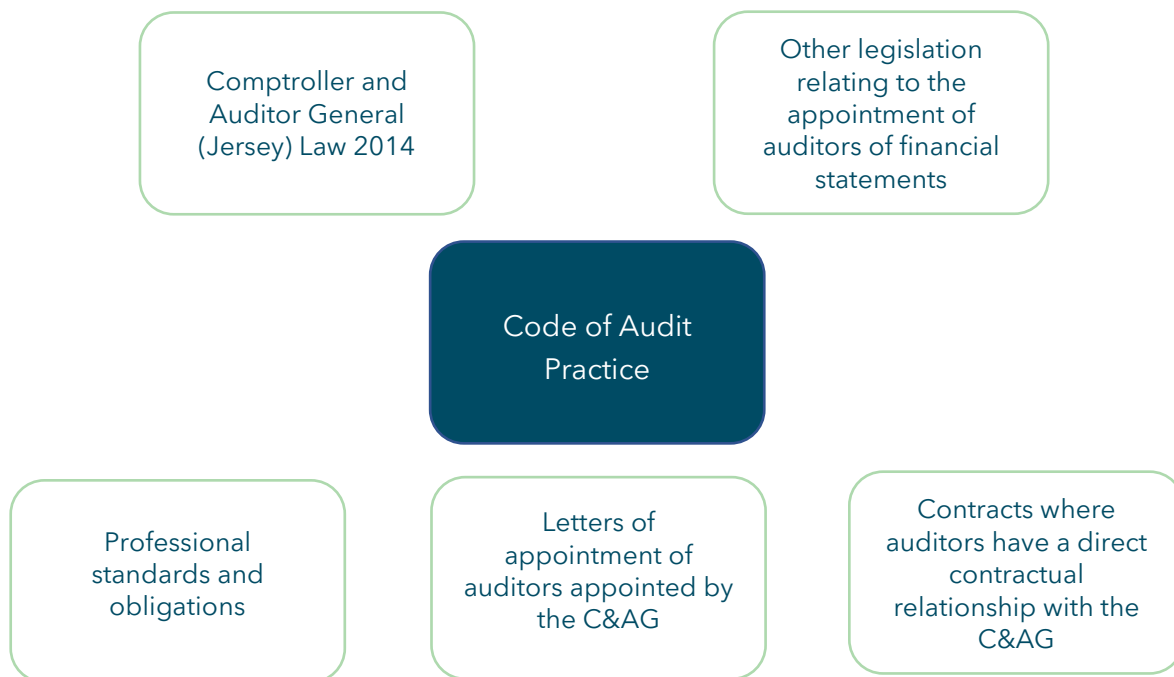
The Code of Audit Practice and the statutory framework

Statute requires that the C&AG publishes a Code of Audit Practice, setting out how she discharges her functions. Following a public consultation over the summer, an updated Code of Audit Practice was published in December 2023. The update reflected changes to ensure compliance with the latest relevant ethical standards and to ensure compliance with INTOSAI Principles and Standards.

Operations



The Code is at the centre of the arrangements for public audit



Operating Model

The JAO comprises the C&AG, a Deputy, a communications and administration function, a finance and governance function and affiliates. Affiliates were engaged following a competitive recruitment process and provide specialist knowledge and experience where required. The JAO has no employees.

On 31 March 2023, following ten years of service as Deputy C&AG, Stephen Warren stood down from his role to become the first ever Tynwald Auditor General in the Isle of Man. Following a successful recruitment process, Helen Thompson took up the post of Deputy C&AG on 13 November 2023.

For the first time, in 2023 the JAO seconded two managers from Audit Wales to work on specific projects on a part-time basis. The JAO has benefited enormously from these secondments.

Environmental impact

The major environmental impact of the JAO is the use of air travel to and from Jersey. Where possible and appropriate, meetings take place using Microsoft Teams. We do however recognise the importance of face to face interactions and meetings. We have therefore sought to ensure that travel to the Island is purposeful and most of our travel to the Island uses Blue Islands which reports that it offsets its carbon impact through the Durrell Conservation Trust Rewild Carbon programme.

We have removed the printer from our office premises in St Helier during 2023 and have sought to become a completely paper free office.

Operations

Corporate Social Responsibility

The JAO made some progress in implementing its Corporate Social Responsibility Strategy during 2023, but we recognise that there is more to do.





JAO Corporate Social Responsibility Strategy progress during 2023

Island Outcome	Planned activities 2023-26	Progress during 2023
Perceptions of Government	The JAO will participate in work with the Jersey Youth Parliament alongside the Public Accounts Committee to raise the profile of the Office with young people on the Island.	We have not undertaken work with the Youth Parliament during 2023. We are planning to engage with the Youth Parliament during 2024.
Islanders enjoy life in a strong, inclusive community	The JAO will look to participate in Island programmes aimed at supporting inclusion and diversity. This will include the donation of volunteer time by the C&AG.	During 2023, we have commenced working with the Salvation Army in Jersey and have helped its officers develop the way in which its work is recorded and reported.
Households have sufficient income to afford a decent standard of living	The JAO will review its expenditure to ensure that it is using Jersey-based supply chains where appropriate and possible and that it is paying its suppliers promptly.	We commenced a review of our Operating Model in 2023. This review is planned to be completed during 2024. We have experienced some issues with the prompt payment of suppliers in 2023 following the implementation of new systems by the States of Jersey.
Government has sustainable finances	The C&AG will manage the finances of the JAO appropriately to ensure that value for money can be demonstrated by the expenditure of the Office.	The C&AG achieved an underspend of £34,500 representing 3.2% of the 2023 allocated budget.
Jersey benefits from good air quality	The JAO will review its travel policy to maximise the use of sustainable transport thereby contributing to better air quality on the Island.	Our Travel Policy has been updated. 65% of flights in 2023 were taken with Blue Islands which reports that it partners with the Durrell Conservation Trust Rewild Carbon Programme to balance its flight emissions (46% of flights taken in 2022 were with Blue Islands).

Strategy and Performance

Performance during 2023

On 18 January 2023, the C&AG published the Jersey Audit Office Strategy 2023-26 containing the JAO four key ambitions, planned actions and Key Performance Indicators (KPIs). Performance against this Strategy is summarised below.

 JAO ambitions, planned actions and KPIs 2023-26			
 Ambition: High performing audit organisation			
Planned actions	KPIs 2023-26	How we performed in 2023	KPI assessment
<ul style="list-style-type: none"> Implement an audit quality framework 	<ul style="list-style-type: none"> Annual audits delivered to a high quality and to agreed timescales Number of high quality reports delivered 	<ul style="list-style-type: none"> Financial Statements auditors' performance assessed at 4.4 out of 5 by auditees. Results of independent quality inspections were positive. For our performance audit work we have developed an enhanced methodology during 2023 for implementation in 2024 77% of stakeholders strongly agree or agree that the work of the C&AG delivers high quality outcomes and 68% of stakeholders strongly agree or agree that C&AG recommendations drive constructive and positive change. For more details of our performance against our Audit Quality Framework see our Audit Quality Transparency Report 2023 	MET
<ul style="list-style-type: none"> Improve our project management 	<ul style="list-style-type: none"> Reports published to schedule 	<ul style="list-style-type: none"> All reports published in 2023 were to intended timescales 	MET
<ul style="list-style-type: none"> Measure and action stakeholder feedback 	<ul style="list-style-type: none"> Action plans in place to address stakeholder feedback 	<ul style="list-style-type: none"> Stakeholder feedback surveys carried out and action plans are in place 	MET
<ul style="list-style-type: none"> Enhance links to other audit organisations to share best practice and enhance benchmarking 	<ul style="list-style-type: none"> Benchmarking against other audit offices 	<ul style="list-style-type: none"> Enhanced benchmarking carried out in 2023 including participation in quality forums with UK audit offices Two secondments from Audit Wales to JAO during 2023 	MET

Strategy and Performance



JAO ambitions, planned actions and KPIs 2023-26



Ambition: Supporting effective scrutiny and accountability

Planned actions	KPIs 2023-26	How we performed in 2023	KPI assessment
<ul style="list-style-type: none"> Work closely with the Public Accounts Committee (PAC) 	<ul style="list-style-type: none"> Number of PAC meetings supported by our work 	<ul style="list-style-type: none"> 27 PAC meetings (100%) supported (26 (100%) in 2022) 	MET
<ul style="list-style-type: none"> Hold stakeholder events to enable sharing of best practice and experiences 	<ul style="list-style-type: none"> % of stakeholders rating our events as good or excellent 	<ul style="list-style-type: none"> 79% of participants at our Annual Reporting workshop in November 2023 were keen or very keen to attend a similar event in 2024 	MET
<ul style="list-style-type: none"> Hold outreach events to engage Islanders in the work of the JAO 	<ul style="list-style-type: none"> % of stakeholders perceiving us to deliver against our objectives 	<ul style="list-style-type: none"> 89% of stakeholders perceive us to be delivering against our objectives 	MET
<ul style="list-style-type: none"> Work effectively with other independent bodies and office holders 	<ul style="list-style-type: none"> % of independent bodies and office holders perceiving us as having effective working relationships 	<ul style="list-style-type: none"> 95% of stakeholders consider the JAO to be accessible, transparent and responsive 	MET



Ambition: Making a difference

Planned actions	KPIs 2023-26	How we performed in 2023	KPI assessment
<ul style="list-style-type: none"> Continued investment in communication mechanisms 	<ul style="list-style-type: none"> Website visits Social media engagement 	<ul style="list-style-type: none"> We were unable to collect website statistics for the whole of 2023. We have continued our use of short videos to explain our reports and have increased our number of followers on social media 	PARTIALLY MET

Strategy and Performance



JAO ambitions, planned actions and KPIs 2023-26

<ul style="list-style-type: none"> • Share best practice more proactively 	<ul style="list-style-type: none"> • Report downloads from website • % of recommendations fully accepted for implementation • % of recommendations subsequently implemented within agreed timescales 	<ul style="list-style-type: none"> • We were unable to collect website statistics from 1 August 2023. At 31 July 2023 there had been 1,557 downloads compared to 1,597 for the whole of 2022 • 98% of recommendations made in 2023 were fully accepted for implementation (99% in 2022) • The number of open recommendations recorded on the Government of Jersey C&AG recommendations tracker has reduced significantly from 225 open recommendations at 31 December 2021 to 199 open recommendations at 31 December 2022 and 103 open recommendations at 31 December 2023. However departments put back the agreed date of implementation for 66% of recommendations. 	<p>PARTIALLY MET</p>
<ul style="list-style-type: none"> • Implement a Corporate Social Responsibility Strategy 	<ul style="list-style-type: none"> • Implementation of Corporate Social Responsibility Strategy 	<ul style="list-style-type: none"> • Corporate Social Responsibility Strategy implemented including community activities and positive action on carbon footprint 	<p>MET</p>

Strategy and Performance



Ambition: Building a better organisation

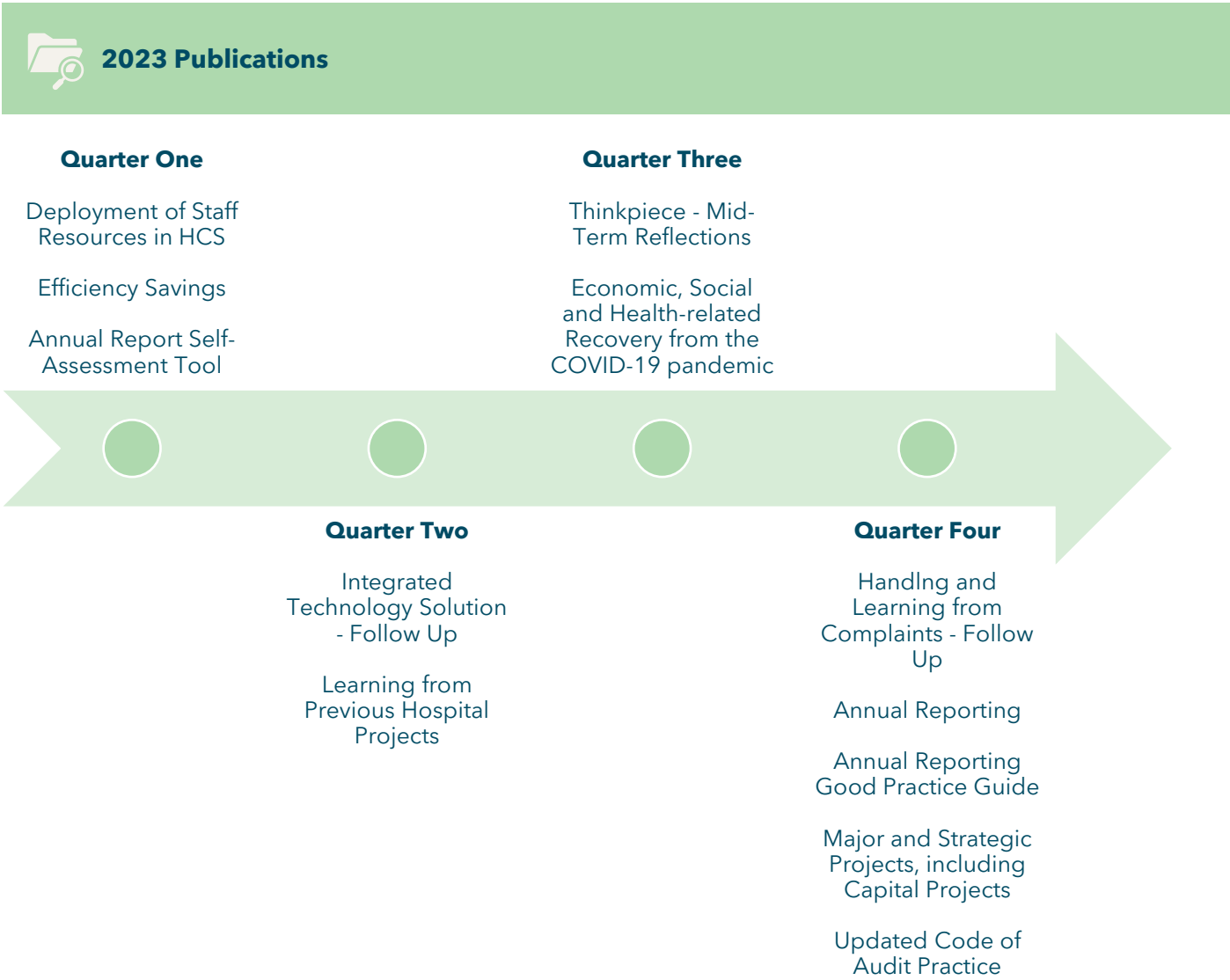
Planned actions	KPIs 2023-26	How we performed in 2023	KPI assessment
<ul style="list-style-type: none"> Support the Board of Governance to perform its role more effectively 	<ul style="list-style-type: none"> Performance against budget 	<ul style="list-style-type: none"> The Board Chair participated in the recruitment process for the Deputy C&AG and for the proposed additional Board member. Finance affiliate took on the Board Secretary role in April 2023. Budget underspend of £34,500 for 2023 	MET
<ul style="list-style-type: none"> Refresh policies and procedures including the service level agreement with the States 	<ul style="list-style-type: none"> Refreshed suite of policies and procedures in place 	<ul style="list-style-type: none"> The States introduced Connect Finance in 2023. This new system has delayed our implementation of new policies and procedures and of service level agreements 	NOT MET
<ul style="list-style-type: none"> Embed technology more effectively in the ways we work 	<ul style="list-style-type: none"> Number of projects supported by effective use of Office 365 	<ul style="list-style-type: none"> We have enhanced the way we use Teams to support our audits in 2023 	MET

The four-year Strategy is updated each year on a rolling basis to run concurrently with the four-year Government Plan. The JAO Strategy 2024-27 was published on 26 January 2024. The JAO Strategy 2024-27 maintains the four key ambitions of the JAO and updates the actions planned across these four ambitions for the period of the Strategy. It is available at www.jerseyauditoffice.je

Strategy and Performance

Reports issued in 2023

The C&AG issued eight reports, one good practice guide, one Thinkpiece and an updated Code of Audit Practice during 2023. Further details of the C&AG’s findings and recommendations are contained in the individual publications and in the Annual Report of Findings issued in February 2024.



Strategy and Performance

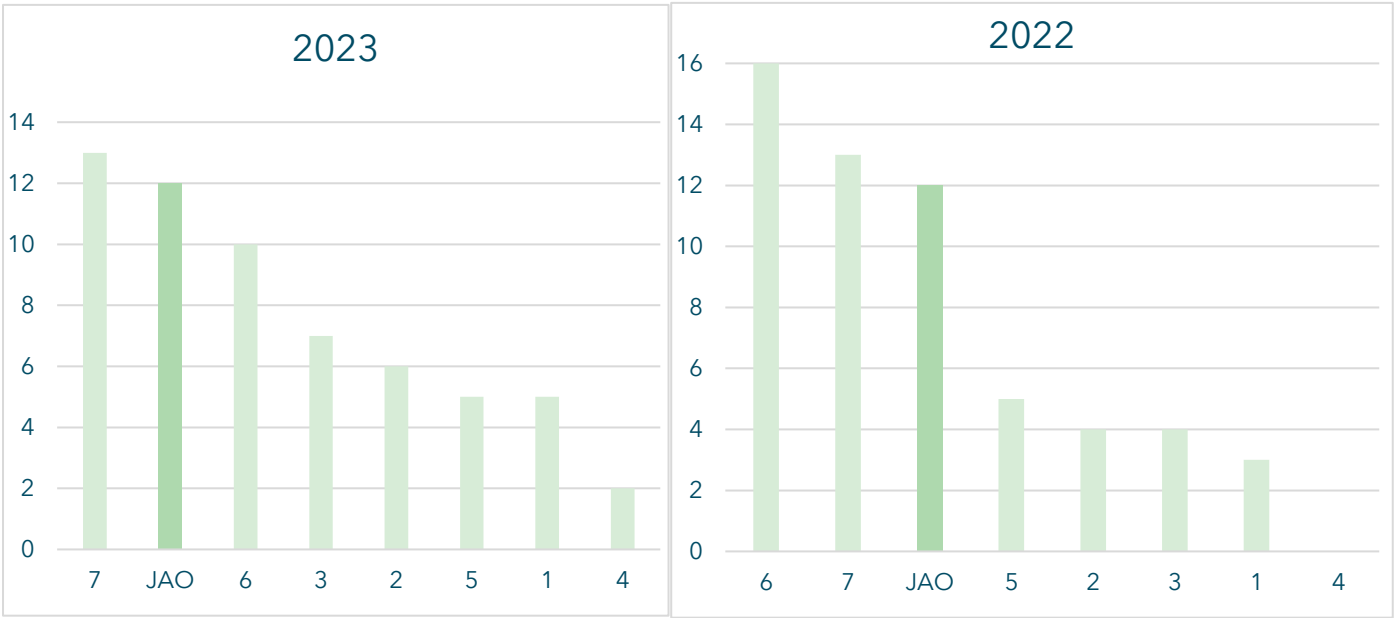
Comparing performance with other audit offices

In each of our Annual Reports from 2017, the C&AG has compared the performance of the JAO with seven other audit offices. The group comprises audit offices from British Overseas Territories, Canadian provinces, Australian states and territories and an independent country, with populations ranging from 63,000 to 573,000.

There are limitations in making comparisons because of differences in the responsibilities of the audit offices, their business models, prevailing costs in the economy, budgetary arrangements and applicable accounting frameworks. However, the results from our 2023 analyses show the same as in previous years: the JAO provides a significant volume of reports to the States Assembly, particularly when compared to relative populations.



Number of JAO reports issued in 2023 and 2022 compared to other audit offices (identified by numbers 1 to 7)

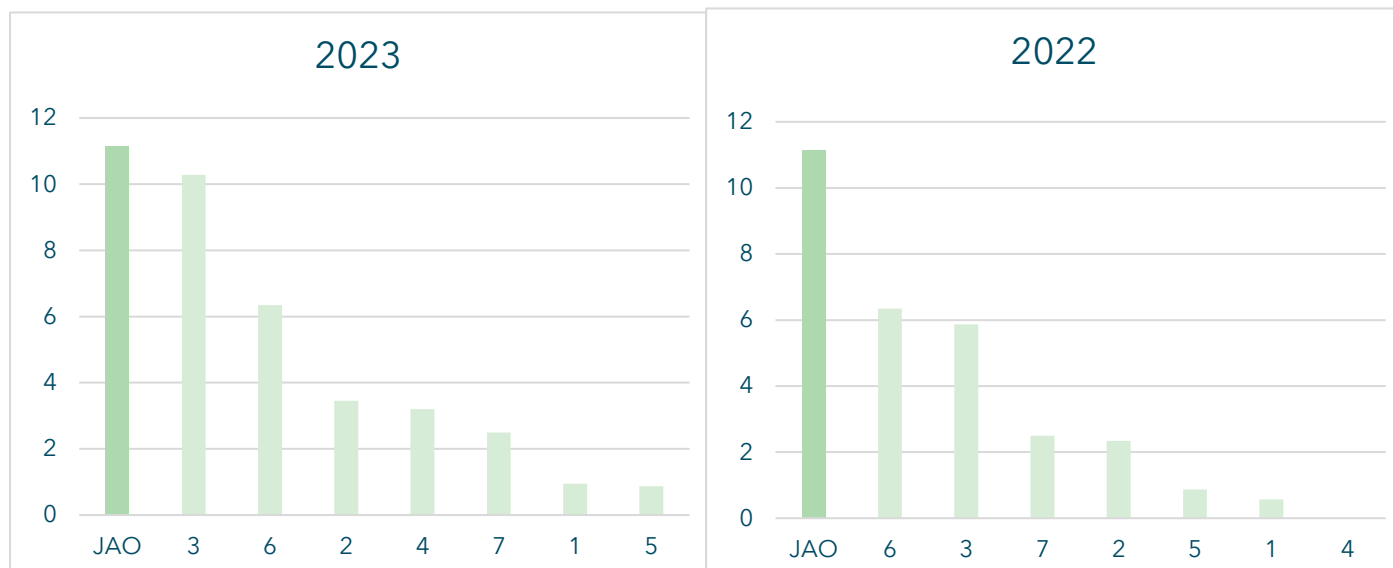


Source: JAO analysis

Strategy and Performance



Number of reports (other than on financial statements) per 100,000 population issued in 2023

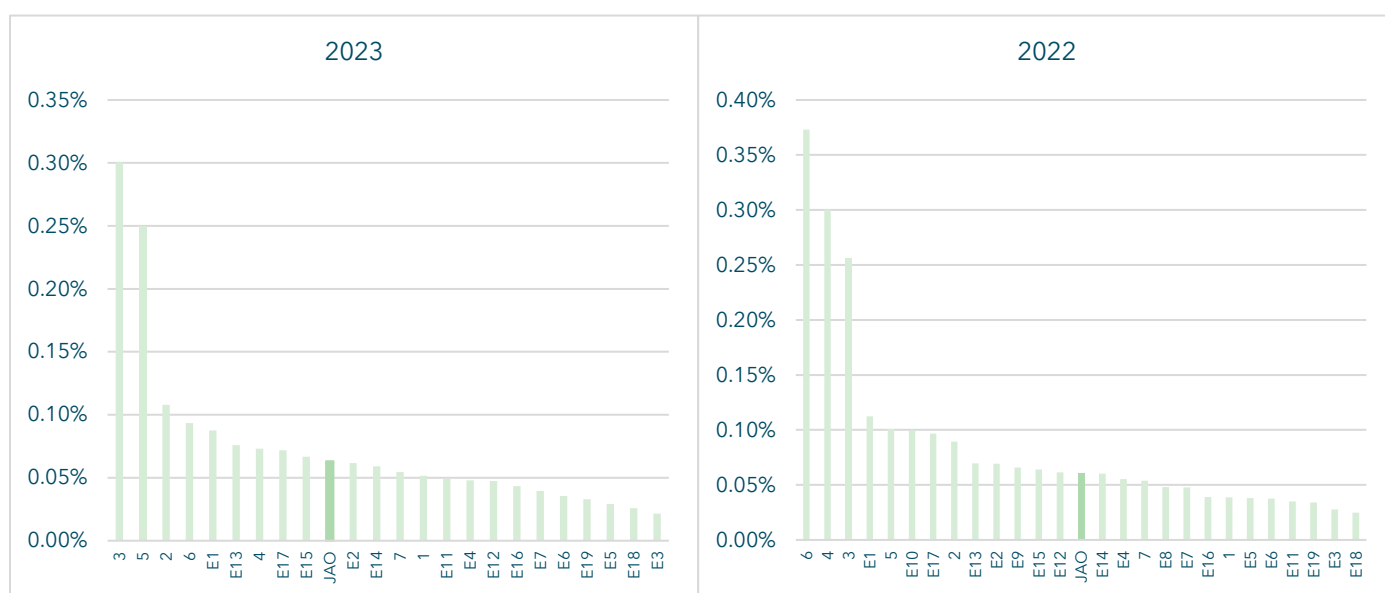


Source: JAO analysis

Since 2021, the JAO has been a member of the European Organization of Regional Audit Institutions (EURORAI) and this has provided us with further benchmarking data on the cost of audit offices compared to government expenditure. The combined analysis of JAO costs to the original group of seven and 16 EURORAI members with fewer than 50 staff who provide relevant data shows that the JAO's costs are in the middle of the range. We have compared our performance with the latest available data from 16 EURORAI members.



Expenditure of JAO and comparative audit offices as a proportion of expenditure of government



Source: JAO analysis




Risks

The JAO operates a risk register that captures those risks with the potential to have a significant adverse effect on operations. This risk register sets out the likelihood and impact of risks occurring, the mitigating arrangements in place and further mitigations planned. It is organised around key risk themes that relate to the four JAO key ambitions. The risk register is reviewed at each meeting of the Board of Governance.

After mitigating actions have been considered:

- **quality** and **economy, efficiency and effectiveness** risks remain stable
- **reputation** risks have decreased; and
- **finance** risks have increased.

For the first time, the risk register also includes an assessment of **climate** risks.

 Key Risks ordered by theme	
Risks	How we managed our risks during 2023
 Ambition: High performing audit organisation	
 Quality	<div> <div>Green</div> <div>Stable</div> </div> Risks remained stable.
<ul style="list-style-type: none"> • Lack of JAO resilience. • Poor quality audit work. 	<ul style="list-style-type: none"> • A scheme of Delegation in place enabling the Deputy C&AG to deputise for the C&AG in the event of her absence. A revised scheme of Delegation operated in the period when there was no Deputy C&AG. Ability to switch other work between affiliates. • Quality Framework in place including internal quality assurance for work carried out by the JAO, monitoring of audit contracts, stakeholder feedback and external inspection by the Institute of Chartered Accountants in England and Wales (ICAEW). • Development of an updated Performance Audit methodology and supporting manual. • Updated Code of Audit Practice fully compliant with INTOSAI standards and principles.

Risks



Key Risks ordered by theme

Risks

How we managed our risks during 2023



Ambition: Supporting effective scrutiny and accountability



Reputation

Green

Amber

Decreasing

Risk profile improved during 2023.

- Work of the JAO might not be seen as relevant.
- Audit work lacks impact.
- Unproductive relationship with officers or the PAC.
- Impact of potential changes within the States of Jersey.
- Consulting key officers and the PAC when developing JAO Strategy and Audit Plan. Seeking feedback from key stakeholders. Continuing to reinforce the independence of the JAO.
- Ongoing liaison with States Assembly Members, PAC, senior officers and the Risk and Audit Committees. Training for new members of PAC.
- Sharing best practice in annual reporting through the publication of a Good Practice Guide and holding an Annual Reporting workshop.
- Evaluating risks and mitigating controls for dealing with public correspondence.



Ambition: Making a difference



Climate

Amber





Climate related risks and proposed mitigating actions have been quantified in the risk register for the first time in 2023.

- Reduced productivity through disruption to infrastructure and increased sickness.
- Increased costs, including travel costs.
- Reputational damage through failure to adapt to climate change threats sufficiently quickly.
- Commencing a review of the JAO Operating Model.
- Revising the JAO Travel Policy.
- Recognising the challenges associated with carbon reduction and setting realistic ambitions for change.

Risks

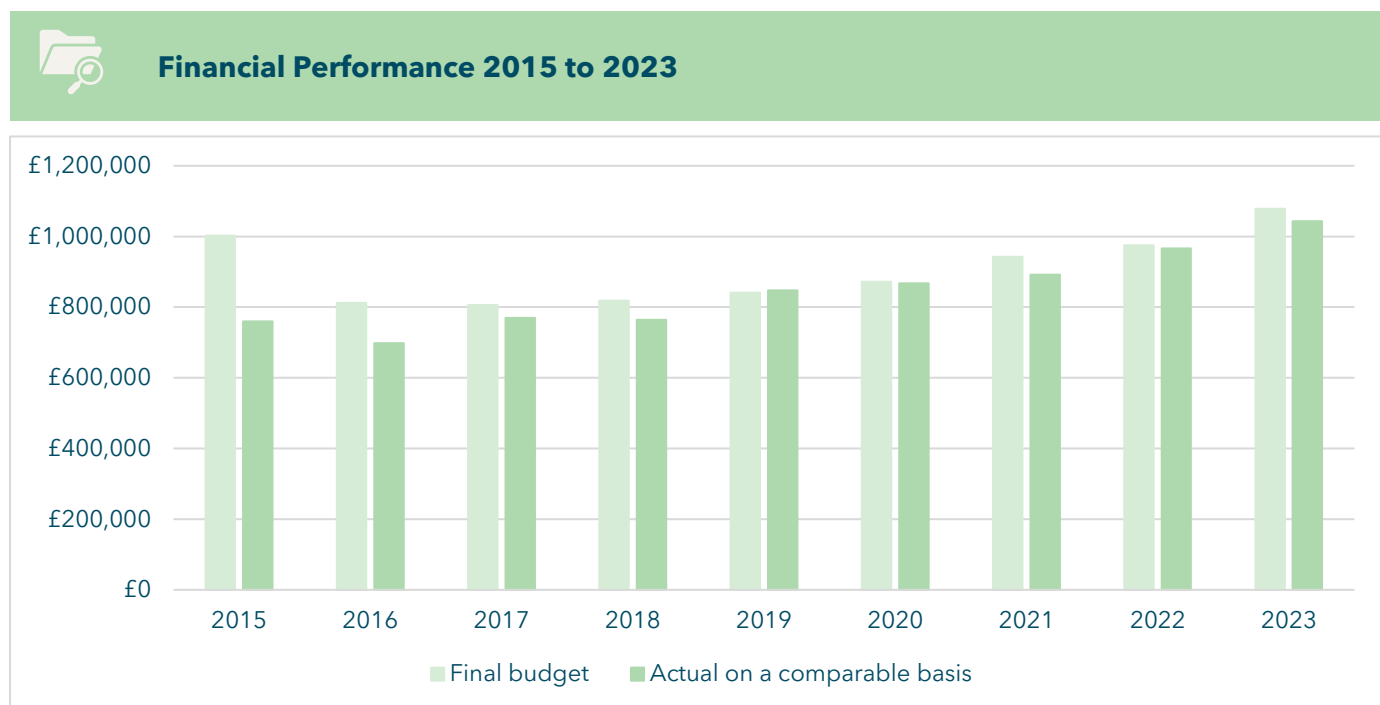


Key Risks ordered by theme

Risks		How we managed our risks during 2023	
 Finance	<div>Amber</div> <div>Increasing</div>	<p>Risk has increased during 2023 due to delays in the prompt payment of suppliers following the implementation of Connect Finance by the States of Jersey.</p>	
<ul style="list-style-type: none">Insufficient resources.Delays in making payments or processing financial information, inadequate budgetary information.Financial loss from fraud (for example, as a result of management override of controls).		<ul style="list-style-type: none">The States of Jersey are required by statute to provide sufficient resources to the C&AG.Medium-term contracts for services to provide price stability.Financial management function provided by an affiliate who has right of direct access to the Chair of Board of Governance in the event of any concerns. Segregation of duties in place over financial transactions.Board of Governance reviews budget reports. JAO's annual financial statements subject to external audit.	
<div> Ambition: Building a better organisation</div>			
<div> Economy Efficiency Effectiveness</div>	<div>Green</div> <div>Stable</div>	<p>Risks remain stable following competitive procurement exercises for financial statement audits in 2020 and 2021.</p>	
<ul style="list-style-type: none">Inefficient or ineffective procurement arrangements.		<ul style="list-style-type: none">Business cases for significant procurement decisions shared with the Board of Governance.States' corporate procurement solution used for travel and accommodation.	
 Governance	<div>Amber</div> <div>Stable</div>	<p>Risk has remained stable.</p>	
<ul style="list-style-type: none">Key policies not in place or ineffective.Loss of key documentation.Unauthorised disclosure of information.		<ul style="list-style-type: none">Specific chapter of the Public Finances Manual covering the JAO.Use of paper minimised and retained securely. Cloud storage for Office 365 and long-term contract for daily backups.Need to update the IT security policy identified. Annual review of use of Office 365 including security arrangements by IT support provider.	

Financial Performance

Resources for the C&AG are allocated through the Government Plan. Performance against budget since 2015 is summarised below.



Source: JAO Audited Annual Accounts 2015 to 2023

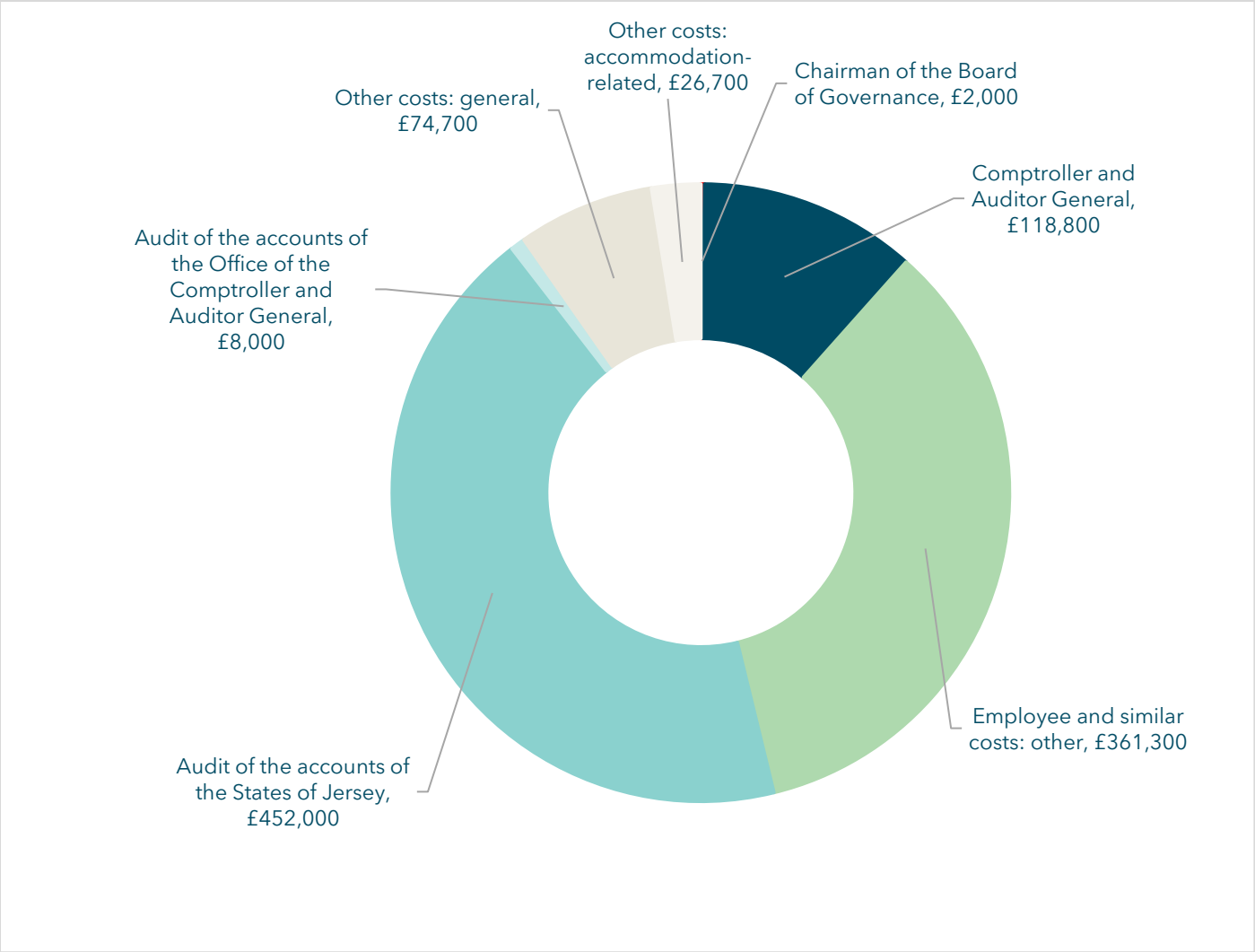
For 2023, the C&AG achieved an underspend of £34,500 representing 3.2% of the allocated budget of £1,078,000. This saving was achieved through lower than expected costs in a number of areas. For example fees were lower than planned for the States of Jersey audit as an increase in audit scope was budgeted for but did not take place.

A detailed breakdown of the C&AG's costs in 2023 is set out below. Further information on the financial performance is provided in the Annual Accounts.

Financial Performance



Analysis of costs incurred by the C&AG in 2023



Source: JAO Audited Annual Accounts 2023



Section 2: Accountability Report

The Accountability Report provides key accountability information to the States Assembly. It comprises:

- the **Corporate Governance Report** which describes the JAO's governance structures and how they support the achievement of its objectives. It contains the C&AG's Report, the Statement of Responsibilities of the C&AG and the Governance Statement
- the **Remuneration and Staff Report** which provides information about the remuneration of the C&AG, the Deputy C&AG, the Chair of the Board of Governance and independent contractors working for the JAO; and
- the **Accountability Statement** and **Audit Report** which bring together two further reports that form a key part of the C&AG's and JAO's accountability. These are the Board of Governance report on the C&AG's expenses and the JAO's independent auditor's report on the annual accounts.

Corporate Governance Report

Comptroller and Auditor General's Report

I was appointed as C&AG on 1 January 2020 and personally direct the activities of the JAO with the support of the Deputy C&AG.

The Board of Governance of the Office of the Comptroller and Auditor General comprises a Chair, two independent members and the C&AG (ex officio). During 2023, the post holders were:

- Grace Nesbitt OBE (Chair)
- Professor Russel Griggs OBE (Senior Independent Member)
- Mr Robert Tinlin MBE (Independent Member); and
- Lynn Pamment CBE (C&AG).

All members of the Board of Governance have to complete a declaration of interests.

No Board members declared significant company directorships or other interests that might have conflicted with their responsibilities. No member of the Board had any other related-party interests.

The Board has been keen to develop its engagement with the local community and to play a role in leadership development. In parallel with the Government of Jersey's Board Apprentice programme the Board appointed its own Board Apprentice in March 2023.

Statement of Responsibilities of the Comptroller and Auditor General

Under the Comptroller and Auditor General (Jersey) Law 2014, the C&AG is required to prepare annual accounts. The accounts are prepared on an accruals basis.

I confirm that, as far as I am aware, there is no relevant audit information of which the external auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the external auditors are aware of that information. In preparing these accounts, I have adopted International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board and, in particular, I have:

- observed the relevant accounting and disclosure requirements and applied suitable accounting policies on a consistent basis
- made judgements and estimates on a reasonable basis; and
- prepared the accounts on a going concern basis.

I confirm that this Annual Report and Accounts as a whole is fair, balanced and understandable.

Corporate Governance Report

Governance statement

My responsibilities

The C&AG has responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of the JAO's policies, aims and objectives, while safeguarding the public funds and assets.

How the C&AG discharges her responsibilities

Given the small size of the JAO, the C&AG performs her functions without a formal management team. In her absence she delegates her responsibilities in accordance with a documented Scheme of Delegation.

The C&AG secures an effective system of governance and a sound system of internal control including by:

- preparing, communicating and implementing appropriate policies and procedures, in areas such as complaints and data security
- to the extent appropriate to the circumstances of the JAO, using the corporate financial and other systems of the States of Jersey. For financial systems, a service level agreement is in place. Using such systems means that the JAO does not maintain its own bank account with the attendant risks
- monitoring and forecasting expenditure against budget
- seeking professional advice from the States where necessary and appropriate, including from the Law Officers' Department and the States' corporate procurement team
- maintaining a contracts register and a gifts and hospitality register; and
- reviewing the performance of the appointed auditors.

Risk management

The JAO operates a risk register that is reviewed at each meeting of the Board of Governance.

Personal data related incidents

There were no protected personal data related incidents reportable to the Office of the Information Commissioner in 2023 for my Office. Neither were there any other personal data related incidents.

Corporate Governance Report

The Board of Governance



The Board of Governance, established under the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015 (the 'Order'), is responsible for keeping under review whether the resources provided to the C&AG by the States Assembly have been and are being used properly, efficiently and effectively. The Order provides for the membership of the Board to comprise two or three independent members appointed by the States, plus the C&AG, with a quorum of the C&AG and at least two independent members. Independent members of the Board are appointed by the States Assembly for four year terms and may not serve more than two terms.

On 26 January 2023, the Chief Minister, at the request of the Board of Governance and with the agreement of the Chair of the Public Accounts Committee, amended the 2015 Order. The Order was amended to:

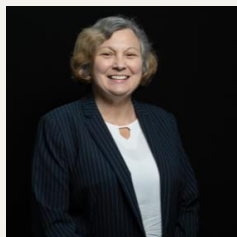
- increase the maximum number of independent members to four
- increase the length of each term of appointment to up to five years; and
- set the maximum aggregate term length for which members may be appointed as nine years, rather than two terms.

The amendments were intended to provide the Board with greater flexibility, particularly during transition periods as Board members reach the end of their terms of office and new members are appointed. An appointment process for an on-Island person as a fourth independent member of the Board was commenced in the last quarter of 2023. Peter Pichler has been approved by the States Assembly on 16 April 2024 to be appointed to the Board.

Corporate Governance Report



Profiles of Board of Governance members

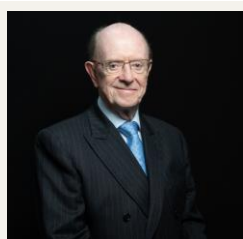


Grace Nesbitt OBE

Chair

Grace was a senior human resources professional in the Northern Ireland Civil Service. Before she retired she was responsible for Public Service and Civil Service Pensions with 100 staff and a budget of £300 million.

Grace is also Chair of the Agricultural Wages Board Northern Ireland and an independent member of a public sector audit committee.

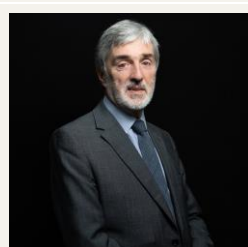


Professor Russel Griggs OBE

Senior Independent Member

Russel is an experienced business professional and has worked in a number of large private businesses as well as in large organisations and projects in the public sector.

He has held a wide range of executive and non-executive roles in private, public and charitable institutions, including the Lending Standards Board, Scottish Mines Restoration Trust, Marie Curie Cancer Trust and the Audit Committee of the Department of Employment and Learning in Northern Ireland. He was previously a Board member of Audit Scotland and Chair of its Remuneration Committee. Russel is currently Chair of South of Scotland Enterprise.

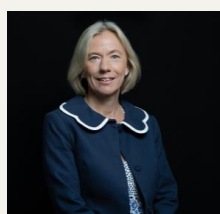


Robert Tinlin MBE

Independent Member

Rob has had a successful career in local government, serving in both Scottish and English councils. He is a Chartered Town Planner but much of his career has been in corporate governance. He held the post of Chief Executive for both South Northamptonshire Council and Southend-on-Sea Borough Council.

Rob is a non-executive director on the Board of Healthcare Improvement Scotland. He has served on a range of public organisations including as a non-executive director on the Crown Office & Procurator Fiscal Service and as a board member of NHS Digital and as a member of its remuneration, management and audit and risk committees.



Lynn Pamment CBE

Comptroller and Auditor General and ex officio member of the Board

Prior to her appointment as C&AG, Lynn was a lead partner in PwC UK's Government and Public Sector Assurance practice where she gained over 30 years' experience of working in an assurance and advisory capacity with public and private sector organisations in the UK and beyond. She was also PwC's Cardiff Office Senior Partner responsible for PwC's practice of over 250 professional staff in Wales.

Lynn is a first class honours graduate from Cardiff University. She is a prize winning member of the Institute of Chartered Accountants in England and Wales (ICAEW) and is also a member of the Chartered Institute of Public Finance and Accountancy (CIPFA).

Lynn is a UK member of the International Public Sector Accounting Standards Board and is the Chair of the Financial Reporting Advisory Board to UK HM Treasury.

Corporate Governance Report

The Board is responsible for:

- scrutinising the use of resources by and the governance arrangements of the C&AG
- reporting any concerns to the Chief Minister and the Chair of the PAC
- if requested by the Chair of the PAC, advising on the appointment of auditors of the accounts of the C&AG
- reviewing any estimates submitted by the C&AG to the Chair of the PAC for the purposes of the Medium-Term Financial Plan or the budget
- reviewing the audited accounts of the C&AG; and
- if requested by the C&AG, advising on the appointment, remuneration and terms and conditions of the Deputy C&AG.

The Board also has a power to prepare an assurance report on the expenses of the C&AG.

How the Board of Governance discharged its responsibilities



The Board met three times during 2023. During 2023, the Board:

- reviewed the JAO risk register
- monitored the financial performance of the JAO, including the expenses incurred by the C&AG
- reviewed the gifts and hospitality register maintained for the JAO
- appointed a new Board Secretary following the departure of the previous Deputy C&AG
- received and reviewed the report from the external auditors appointed by the Chair of the PAC on the JAO accounts; and
- approved an assurance statement on the C&AG's 2022 expenses. For 2023, the Board has prepared an assurance statement for the C&AG's 2023 expenses and this is included within this Accountability Report.

The Board did not report any matter to the Chief Minister and Chair of the PAC.

Corporate Governance Report

The Board carried out an annual strategic review of its operations in October 2023. It concluded that, following an extensive review of its documents in 2022, no changes were required to its Strategic Framework or its annual work programme. Its Standing Orders, Code of Conduct and Relationship Code were updated to reflect changes made to The Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015 increasing the term of board appointments from four to five years and limiting the aggregate term to be no more than nine years.

The Board also agreed that a self-assessment of Board performance and an evaluation of individual Board member performance should be undertaken. The outcome of these reviews will be considered by the Board at its next meeting in April 2024.

During the latter part of 2023 the Government of Jersey together with the Jersey Appointments Commission engaged in a recruitment exercise to recruit an additional member of the Board. The outcome of this exercise was considered by the States Assembly at their meeting on 16 April 2024.

Public Finances Manual

The Public Finances Manual (PFM) sets out best practice, high level principles and requirements for financial management of the States of Jersey. Since 2022 the PFM has contained a section which sets out specific considerations for the JAO. The JAO's policies and procedures comply with the PFM requirements.

Quality of data used

Both the Board of Governance and the C&AG rely on financial information drawn from the States of Jersey's financial systems that is subject to review and scrutiny by the finance and governance affiliate working for the C&AG. Both the Board of Governance and I are satisfied that such financial information is acceptable for the purposes for which it is used.

Review of effectiveness

I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by my own work, the work of those working for me, the work of the Board of Governance and information received from the States. Based on that review I am satisfied with the arrangements in place for governance, risk management and internal control.

Significant internal control weaknesses

I am able to report that there were no significant weaknesses in the JAO's system of internal control in 2023 that affected the achievement of the JAO's key policies, aims and objectives.

The Corporate Governance Report has been signed on 13 May 2024.



Lynn Pamment CBE

Comptroller and Auditor General

Remuneration and Staff Report

During 2023, the JAO relied on the services of 14 independent contractors, including the C&AG and the Deputy C&AG. The JAO has no employees. The JAO also bought in services from Audit Wales during 2023.



Fees paid to independent contractors

Independent contractor	Fees paid 2023 £	Fees paid 2022 £
Comptroller and Auditor General	118,800	109,800
Deputy Comptroller and Auditor General	40,300	85,700
Other independent contractors	314,100	253,500
Bought in services	6,900	-
Total	480,100	449,000

The remuneration of independent contractors comprises only fees; they do not receive any bonuses, non-cash benefits or pension benefits. The C&AG is remunerated at a daily rate under the terms of a contract entered into on behalf of the Chief Minister and the Chair of the PAC. The Deputy C&AG and other independent contractors are remunerated at daily rates under the terms of contracts entered into by the C&AG. All remuneration is subject to oversight by the Board of Governance as part of its statutory duties. Stephen Warren ceased to be Deputy C&AG on 31 March 2023. Helen Thompson started to provide services as Deputy C&AG on 13 November 2023.

The remuneration of the Chair of the Board of Governance is determined by the States Assembly. Board of Governance independent members are not remunerated.



Remuneration of the Chair of the Board of Governance

Chair	Fees paid 2023 £	Fees paid 2022 £
Grace Nesbitt OBE	2,000	2,000

No payments in compensation for loss of office were made in the year and no payments were made to any office holder who was not in post during the year.

The Remuneration and Staff Report has been signed on 13 May 2024.

Lynn Pamment CBE

Comptroller and Auditor General

Report of the Board of Governance of the Office of the Comptroller and Auditor General to the States Assembly on the expenses of the Comptroller and Auditor General

Article 5(7) of the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015 provides that the Board may prepare an assurance report upon the annual expenses of the Comptroller and Auditor General.

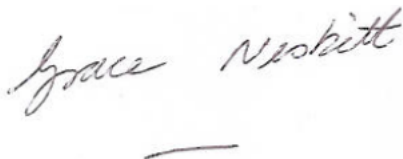
Scope of our work

We have through the course of 2023 and in preparing this statement:

- obtained an understanding of the controls and processes in place over the expenses incurred by and on behalf of the Comptroller and Auditor General for travel and subsistence
- received an analysis of the expenses incurred by and on behalf of the Comptroller and Auditor General for travel and subsistence for the year ended 31 December 2023
- assessed the reasonableness of those expenses in light of the role of the Comptroller and Auditor General
- sought explanations for any unusual items; and
- evaluated the reasonableness of such explanations.

Statement

No matters have arisen from our work that we wish to draw to the attention of the States Assembly.



Grace Nesbitt OBE

Chair

For and on behalf of the Board of Governance of the Office of the Comptroller and Auditor General

13 May 2024

Independent Auditors Report to the Comptroller and Auditor General

Opinion

We have audited the financial statements of the Office of the Comptroller and Auditor General (the 'Office of the C&AG') for the year ended 31 December 2023 which comprise the Statement of comprehensive net expenditure, Statement of financial position, Statement of comparison of budget and actual amounts and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Public Sector Accounting Standards ("IPSASs") as issued by the International Public Sector Accounting Standards Board ("IPSASB").

In our opinion, the financial statements:

- give a true and fair view of the state of the Office of the C&AG's affairs as at 31 December 2023 and of its total comprehensive net expenditure for the year then ended;
- are in accordance with IPSASs as issued by the IPSASB; and
- have been prepared in accordance with the requirements of the Comptroller and Auditor General (Jersey) Law 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Office of the C&AG in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Comptroller and Auditor General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the C&AG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Office of the C&AG to cease to continue as a going concern.

Independent Auditors Report to the Comptroller and Auditor General

Other information

The Comptroller and Auditor General is responsible for the other information. The other information comprises the information included in the 'Annual Report and Accounts', other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Comptroller and Auditor General for the financial statements

As explained more fully in the Corporate Governance Report set out from page 23, the Comptroller and Auditor General is responsible for the preparation of the financial statements which give a true and fair view in accordance with IPSASs, and for such internal control as the Comptroller and Auditor General determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Comptroller and Auditor General is responsible for assessing the Office of the C&AG's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Comptroller and Auditor General either intend to liquidate the Office of the C&AG's or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors Report to the Comptroller and Auditor General

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Office of the C&AG's and sector in which it operates. We determined that the following laws and regulations were most significant: IPSASs and Comptroller and Auditor General (Jersey) Law 2014.
- We understood how the Office of the C&AG's is complying with those legal and regulatory frameworks by, making inquiries to management. We corroborated our inquiries through our review of Board of Governance minutes. We identified whether there is culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud. We discussed the policies and procedures regarding compliance with laws and regulations with the Comptroller and Auditor General and management and corroborated our enquiries through review of Board of Governance minutes.
- We assessed the susceptibility of the Office of the C&AG's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that increased expenditure or non-standard journal entries processed at year end;
 - transactions with related parties.

Our audit procedures involved:

- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;

Independent Auditors Report to the Comptroller and Auditor General

- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of sector in which the client operates;
 - Understanding of the legal and regulatory requirements specific to the Office of the C&AG including the provisions of the Comptroller and Auditor General (Jersey) Law 2014.
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Office of the C&AG's operation, including the nature of its expenditure sources, services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and risks that may result in risks of material misstatement.
 - the applicable statutory provisions
 - the Office of the C&AG's control environment.

Use of our report

This report is made solely to the Comptroller and Auditor General, in accordance with Article 19 of the Comptroller and Auditor General (Jersey) Law 2014. Our audit work has been undertaken so that we might state to the Comptroller and Auditor General those matters we are required to state to her in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Comptroller and Auditor General, for our audit work, for this report, or for the opinions we have formed.



Grant Thornton Limited

Chartered Accountants

St Helier, Jersey

Date: 13 May 2024



Annual Accounts

Office of the Comptroller and Auditor General:

Annual Accounts for the year ended 31 December 2023

Annual Accounts

Statement of comprehensive net expenditure

For the year ended 31 December 2023

	Notes	2023	2022
Expenses		£	£
Employee and similar costs: Chairman of the Board of Governance		2,000	2,000
Employee and similar costs: Comptroller and Auditor General		118,800	109,800
Employee and similar costs: other	4	361,300	339,200
Other costs: audit of the accounts of the States of Jersey	5	452,000	423,600
Other costs: audit of the accounts of the Office of the Comptroller and Auditor General		8,000	7,600
Other costs: general	6	74,700	59,100
Other costs: accommodation-related	7	26,700	25,100
Total comprehensive net expenditure		1,043,500	966,400

Annual Accounts

Statement of financial position

	Notes	31 December 2023	31 December 2022
		£	£
Assets			
Current assets			
Trade receivables from exchange transactions	8	9,000	89,200
Receivables from non-exchange transactions: States of Jersey Consolidated Fund		485,300	342,200
Total assets		494,300	431,400
Liabilities			
Current liabilities			
Trade payables from exchange transactions	9	494,300	431,400
Total current liabilities		494,300	431,400
Total liabilities		494,300	431,400
Net assets		0	0

Annual Accounts

Statement of comparison of budget and actual amounts

For the year ended 31 December 2023

	Note	2023	2022
Net revenue expenditure		£	£
Original budget	17	1,078,000	957,000
Adjustments	17	0	18,000
Final budget	17	1,078,000	975,000
Actual on comparable basis		1,043,500	966,400
Performance difference		34,500	8,600

Annual Accounts

Notes to the financial statements

1 General Information

These financial statements were authorised for issue by the Comptroller and Auditor General on 13 May 2024.

The Office of the Comptroller and Auditor General is established by the States of Jersey under the Comptroller and Auditor General (Jersey) Law 2014. The financial activities of the Office of the Comptroller and Auditor General are included within the financial statements of the States of Jersey presented to the States Assembly by the Minister for Treasury and Resources (R.73/2024).

The Office of the Comptroller and Auditor General's principal activity is serving as a supreme audit institution for Jersey and is located in Jersey.

The financial statements cover the individual entity as no other entities have been identified for inclusion within the financial statements in accordance with applicable accounting standards.

2 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in pounds sterling which is the functional and reporting currency of the Office of the Comptroller and Auditor General and all values are rounded to the nearest one hundred pounds.

The financial statements are prepared on the basis of historical cost unless otherwise stated. The financial statements are prepared on an accruals basis.

3 Summary of significant accounting policies

a) Reporting financial performance

The expenses of the Office of the Comptroller and Auditor General are directly met by the States of Jersey and no cash or equivalent is advanced to the Office of the Comptroller and Auditor General. The Office of the Comptroller and Auditor General has no rights to funding voted by the States Assembly but not utilised in the course of the year.

Therefore:

- these financial statements include a Statement of Comprehensive Net Expenditure as the Office of the Comptroller and Auditor General receives no income
- the Statement of Financial Position includes Receivables from non-exchange transactions representing the amounts payable by the States of Jersey's Social Security Funds to meet the liabilities of the proportion of the costs of the audit of the financial statements of the States falling on the Social Security Funds

Annual Accounts

- the Statement of Financial Position includes Receivables from non-exchange transactions representing the amounts payable by the States of Jersey's Consolidated Fund to meet the liabilities of the Comptroller and Auditor General
- the Statement of Financial Position includes no reserves; and
- no Cash Flow Statement is prepared as there are no cash flows specifically attributable to the Office of the Comptroller and Auditor General.

b) Recognition of expenditure

Expenditure in respect of fees for the audit of the annual financial statements of the States of Jersey and the Office of the Comptroller and Auditor General are recognised in the period to which the financial statements relate. Expenditure is stated net of the amount falling on the Social Security Funds in respect of the audit of the States of Jersey as full responsibility for the portion of the cost of the audit of the Social Security Funds rests with the Social Security Funds and the Comptroller and Auditor General is acting as an agent in respect of this amount.

Expenditure in respect of fees for other work undertaken for the Office of Comptroller and Auditor General is recognised in the period in which the service is provided.

Expenditure is reported net of Goods and Services Tax.

c) Property, plant and equipment

The Office of the Comptroller and Auditor General's policy is to recognise property, plant and equipment in the financial statements at cost less accumulated depreciation where the cost of an individual item or group of items exceeds £10,000. No such items were held at 31 December 2023 (or 31 December 2022).

d) Leases

Operating leases are leases that do not transfer substantially all the risks and benefits of ownership of the leased item to the Office of the Comptroller and Auditor General. Operating lease payments are recognised as an operating expense on a straight-line basis over the lease term.

e) Provisions

Provisions are recognised when the Office of the Comptroller and Auditor General has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Office of the Comptroller and Auditor General does not recognise contingent liabilities but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Annual Accounts

The Office of the Comptroller and Auditor General does not recognise contingent assets but discloses in the notes to the financial statements details of any possible assets whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Office of the Comptroller and Auditor General.

f) Related parties

The Office of the Comptroller and Auditor General regards a related party as a person or entity with the ability to exercise significant influence over the work carried out by the Office and the application of its resources.

g) Changes in accounting policies and estimates

The Office of the Comptroller and Auditor General recognises the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

There are no changes in accounting policy compared with the financial statements for the year ended 31 December 2022.

The Office of the Comptroller and Auditor General recognises the effects of changes in accounting estimates prospectively by including them in net expenditure.

h) Classification of expenses

The Office of the Comptroller and Auditor General adopts an expenditure classification that is relevant to the circumstances of the Office.

i) Budget information

The annual budget for the expenditure of the Office of the Comptroller and Auditor General is prepared on the basis of 'near cash' expenditure as defined in the Jersey Financial Reporting Manual (which is based on UK-adopted International Financial Reporting Standards). The budget classification used is that adopted by the States of Jersey.

j) Significant judgements and sources of estimation uncertainty

The preparation of the financial statements of the Office of the Comptroller and Auditor General in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of any contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, the Office of the Comptroller and Auditor General has made judgements which have an effect on the amounts recognised in the financial statements. None of these judgements are considered to be significant judgements.

Annual Accounts

The Office of the Comptroller and Auditor General has not identified any assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

k) New IPSAS

The Office of the Comptroller and Auditor General has determined that the following IPSAS for which first time adoption is required for financial periods beginning on or after 1 January 2025 but early adoption is permitted, will have no impact on the reporting financial position or performance of the Office:

- IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations
- IPSAS 45 Property, Plant and Equipment
- IPSAS 46 Measurement

First time adoption of IPSAS 43 Leases is required for financial periods beginning on or after 1 January 2025 but early adoption is permitted. The Office of the Comptroller and Auditor General anticipates that the implementation of IPSAS 43 will increase assets through the recognition of a right of use asset for assets held under operating leases and increase liabilities through the recognition of a lease liability for those assets.

The Office of the Comptroller and Auditor General has determined that the following IPSAS for which first time adoption is required for financial periods beginning on or after 1 January 2026 but early adoption is permitted, will have no impact on the reporting financial position or performance of the Office:

- IPSAS 48 Transfer Expenses
- IPSAS 49 Retirement Benefit Plans

IPSAS 47 Revenue is applicable for financial periods beginning on or after 1 January 2026. The Office of the Comptroller and Auditor General anticipates that the implementation of IPSAS 47 will result in changes to disclosures in respect of revenue but will not result in changes in the recognition and measurement of revenue.

Annual Accounts

4 Employee and similar costs: other

	2023	2022
	£	£
Deputy Comptroller and Auditor General	40,300	85,700
Affiliates	202,200	165,700
Other bought in services	6,900	0
Finance, governance, communication & administrative support	111,900	87,800
	361,300	339,200

5 Other costs: audit of States accounts

The expenditure of £452,000 (2022: £423,600) is stated net of a charge to the States of Jersey's Social Security Funds of £87,000 (2022: £81,500).

Annual Accounts

6 Other costs: general

	2023	2022
	£	£
Recruitment of Deputy Comptroller and Auditor General	19,600	0
Audit Quality Monitoring	14,200	15,900
Equipment purchase	0	2,900
ICT support	6,900	9,500
Computer licences	900	700
Communications	1,800	1,800
Travel and accommodation: Chair	700	500
Travel and accommodation: Comptroller and Auditor General	13,300	10,800
Travel and accommodation: Deputy Comptroller and Auditor General	1,300	3,800
Travel and accommodation: other	13,600	9,400
Conferences and course fees	1,400	2,300
Other fees	400	1,000
Administration	600	500
	74,700	59,100

Annual Accounts

7 Other costs: accommodation-related

	2023	2022
	£	£
Premises and maintenance	26,700	24,900
Printing and stationery	0	200
	26,700	25,100

8 Trade receivables from exchange transactions

	2023	2022
	£	£
Prepayments	9,000	89,200
	9,000	89,200

9 Trade payables from exchange transactions

	2023	2022
	£	£
Trade payables	34,500	3,800
Accruals	459,800	427,600
	494,300	431,400

10 Financial instruments - financial risk management

The fair value of receivables from exchange transactions is equal to their carrying value due to the short-term maturities of these instruments.

As the Office of the Comptroller and Auditor General has no assets arising from exchange transactions, the Office of the Comptroller and Auditor General is not exposed to any credit risk. Trade receivables from non-exchange transactions do not expose the Office of the Comptroller and Auditor General to credit risk.

Annual Accounts

As the States of Jersey meet the liabilities of the Office of the Comptroller and Auditor General, the Office of the Comptroller and Auditor General is not exposed to any liquidity risk.

As the Office of the Comptroller and Auditor General does not enter into contracts for the supply of goods or services not denominated in sterling, the Office of the Comptroller and Auditor General is not exposed to any currency risk.

As the Office of the Comptroller and Auditor General does not have any interest-bearing assets or liabilities, the Office of the Comptroller and Auditor General is not exposed to any market risk.

11 Related party disclosures

Terms and conditions of transactions with related parties

Lynn Pamment, who was Comptroller and Auditor General during 2023 and 2022 was engaged under a contract for services. Stephen Warren who was Deputy Comptroller and Auditor General until the end of March 2023 was engaged under a contract for services. Helen Thompson was engaged as Deputy Comptroller and Auditor General from November 2023 under a contract for services. Purchases from Lynn Pamment, Stephen Warren and Helen Thompson were made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured, interest-free and settled in cash. There have been no guarantees provided or received from any related party payable.

Key management personnel

The key management personnel, as defined by IPSAS 20 Related Party Disclosures, comprised Lynn Pamment, as Comptroller and Auditor General and Stephen Warren and Helen Thompson serving consecutively as the Deputy Comptroller and Auditor General, were empowered under Article 16 of the Comptroller and Auditor General (Jersey) Law 2014 to discharge the functions of Comptroller and Auditor General in Lynn Pamment's absence. Lynn Pamment, Stephen Warren and Helen Thompson were engaged on a contract for services basis and the total expenditure on their engagement amounts to £159,100 (£195,500 2022).

States of Jersey

Article 9 of the Comptroller and Auditor General (Jersey) Law 2014 places a duty on the States to ensure that the Comptroller and Auditor General is provided with sufficient resources to perform her functions.

The duty to ensure that sufficient resources are provided is discharged by the States meeting the costs of the Office of the Comptroller and Auditor General.

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States of Jersey Social Security Funds

The Social Security Fund, Social Security (Reserve) Fund, Health Insurance Fund and Long-Term Care Fund established by the States of Jersey meet the portion of the cost of the audit of the States' accounts relating to those Funds.

12 Operating lease payments

The Comptroller and Auditor General entered into a new operating lease agreement for serviced office accommodation on 21 December 2021 for a period of four years to December 2025. Under the terms of the lease rent increases on 21 December each year by Jersey Retail Prices Index with effect from 1 January 2023. The term of the lease automatically renews for further successive periods of four years until terminated by either the lessee or lessor. Future minimum lease payments under the new agreement amount to £57,700 (2022: £86,600), £28,900 (2022: £28,900) of which is payable within one year, with the remaining £28,800 (2022: £57,700) being payable between 2 to 5 years inclusive.

Lease payments recognised as an expense during the period amounted to £26,700 (2022: £25,100). In 2022 this included an initial rent free period of one month in accordance with the terms of the lease which has been recognised over the period of the lease.

13 Contingent liabilities

At the end of the financial year the Office of the Comptroller and Auditor General had no contingent liabilities (31 December 2022: nil).

14 Segment information

The Office of the Comptroller and Auditor General is organised into two functional areas:

- The Jersey Audit Office which is directed by the Comptroller and Auditor General and through which she delivers her responsibilities to:
 - report to the States Assembly on the effectiveness of internal control, general corporate governance arrangements and economy, efficiency and effectiveness; and
 - appoint auditors of the accounts of the States and other specified entities; and
- Oversight which includes:
 - the review of the annual report and audit of financial statements of the Comptroller and Auditor General by external auditors; and
 - the Board of Governance, responsible for keeping under review whether the resources provided to the Comptroller and Auditor General by the States Assembly are used properly, efficiently and effectively. In 2023 and 2022 the Board was comprised of three independent members appointed by the States Assembly and the Comptroller and Auditor General ex officio. As part of the Channel Islands Board Apprentice Scheme, a

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Board Apprentice was appointed to observe the Board of Governance for a one year term from 15 March 2023 on an unremunerated basis.

Expenditure attributable to the governance business unit comprises:

- the remuneration and expenses of the independent members of the Board of Governance established under the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015
- a proportion of the remuneration of the Comptroller and Auditor General reflecting the time spent preparing for and attending meetings of the Board
- a proportion of the remuneration of the Deputy Comptroller and Auditor General, Stephen Warren, and subsequently of Andrea White, the Jersey Audit Office Finance Officer, reflecting the time spent in their capacity as Secretary of the Board
- the fee for the audit of the accounts of the Office of the Comptroller and Auditor General; and
- other costs directly related to the work of the Board.

The Office of the Comptroller and Auditor General operates in only one geographic location and therefore no segments are monitored geographically.

Reportable segments 2023

	General operations	Governance	Total
Segment expenses	£	£	£
Employee and similar costs: Chairman of the Board of Governance	0	2,000	2,000
Employee and similar costs: Comptroller and Auditor General	115,100	3,700	118,800
Employee and similar costs: other	349,200	12,100	361,300
Other costs: audit of the accounts of the States of Jersey	452,000		452,000
Other costs: audit of the accounts of the Office of the Comptroller and Auditor General		8,000	8,000
Other costs: general	74,000	700	74,700
Other costs: accommodation-related	26,700	0	26,700
Total comprehensive net expenditure	1,017,000	26,500	1,043,500

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Other information

Segment assets	485,900	8,400	494,300
Segment liabilities	485,900	8,400	494,300

Reportable segments 2022

	General operations	Governance	Total
Segment expenses	£	£	£
Employee and similar costs: Chairman of the Board of Governance	0	2,000	2,000
Employee and similar costs: Comptroller and Auditor General	103,900	5,900	109,800
Employee and similar costs: other	327,600	11,600	339,200
Other costs: audit of the accounts of the States of Jersey	423,600	0	423,600
Other costs: audit of the accounts of the Office of the Comptroller and Auditor General	0	7,600	7,600
Other costs: general	57,400	1,700	59,100
Other costs: accommodation-related	24,900	200	25,100
Total comprehensive net expenditure	937,400	29,000	966,400

Other information

Segment assets	423,800	7,600	431,400
Segment liabilities	423,800	7,600	431,400

15 Events after the reporting period

There are no material non-adjusting events after the reporting date.

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16 Reconciliation of performance against budget to Statement of Comprehensive Net Expenditure

There is potential for differences between the financial performance of the Office of the Comptroller and Auditor General reported in the Annex to the States of Jersey 2023 Annual Report and Accounts and that reported in these financial statements as a result of:

- use of a different definition of expenditure
- use of different accounting policies
- use of different estimation procedures
- use of a different unit of rounding; and
- adoption of financial statements on different dates.

Performance against budget for the year ended 31 December 2023 can be reconciled as follows:

	2023	2022
	£	£
Near cash expenditure for the Office of the Comptroller and Auditor General reported on page 179 of the Annual Report and Accounts of the States of Jersey for the year ended 31 December 2023 (page 196 of the Annual Report and Accounts of the States of Jersey for the year ended 31 December 2022)	1,042,000	972,900
Plus / (minus): Other adjustments	1,900	-6,700
Plus / (minus): Adjustment for different unit of rounding	-400	200
Total comprehensive net expenditure	1,043,500	966,400

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17 Differences between original budget, final budget and actual

'Original budget 2023' represents the sum for the year ended 31 December 2023 included in the Government Plan 2023-2026 as Amended, approved by the States Assembly on 16 December 2022.

'Adjustments' shows there were no in-year budget adjustment for the year ended 31 December 2023.

'Final budget 2023' shows the final budget reported in the financial statements of the States of Jersey presented to the States Assembly by the Minister for Treasury and Resources (R.73/2024) and reflecting the Original budget 2023 approved by the States Assembly on 16 December 2022.

The budget is prepared on an accruals basis using the States of Jersey budget classification.

Budget and actuals cover the activities of the Office of the Comptroller and Auditor General.

The principal reason for the variance of actual performance against budget relates to the audit of the accounts of the States of Jersey due the anticipated expansion of the audit boundary during 2023 being delayed. Other variances principally relate to adjustments to prepayments and accruals arising from timing differences between the date of preparation of the Office of the Comptroller and Auditor General Annual Report and Accounts in March 2024 and the closure of the Government of Jersey financial accounting ledgers in December 2023.



JERSEY AUDIT OFFICE

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