

Friday 27 September 2024

# Year-on-year improvements continue in the annual reports of States controlled and States established entities

## Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Lynn Pamment CBE, has today, 27 September 2024 published a report on ***Transparency and Excellence in Annual Reporting*** together with an updated ***Good Practice Guide***.

In each year since 2020 the C&AG has published a report on Annual Reporting accompanied in each year by a Good Practice Guide. Lynn Pamment CBE has also sought to encourage and share best practice through delivery of workshops and feedback sessions, the publication of Frequently Asked Questions and *Annual Report Self-Assessment Tools*.

Consistent with previous years, the C&AG has reviewed the annual reports and, where available publicly, the annual accounts produced by the States of Jersey and by Jersey entities that are either identified by the States of Jersey in their annual report as controlled by the States; or established by the States Assembly and required to prepare either an annual report or accounts. For this latest report the C&AG has reviewed 40 annual reports for 2023 that were published by 31 July 2024 and considered the content of these against a set of minimum and good practice criteria.

In each of the last three years, Lynn Pamment reported that the annual reports of entities reviewed have been getting better. This trend has continued for a fourth year, with improvements for 65% of 2023 annual reports reviewed. However, the rate of improvement is slowing. In overall terms: 75% of 2023 annual reports reviewed were judged as good or fair against best practice standards and principles (30 out of 40 entities reviewed). This compares to 76% of 2022 annual reports reviewed (29 out of 38 entities reviewed).

The C&AG found that performance reports continue to be stronger than accountability reports within annual reports. The key area requiring improvement in many accountability reports remains the reporting of staffing matters, particularly remuneration of board members and of senior staff in smaller entities.

Lynn Pamment noted that some entities have particular concerns about data protection, and risks around sharing personal data. However, while some entities disclose this as a reason for not sharing data, others are silent on their reasons for not including information on staff composition, staff policies or other employee matters, such as whether or not the entity employs staff.

The C&AG's analysis this year shows there is no consistent link between the size of the entity and how closely the content of its annual report matches the good practice principles she has adopted in her assessment. Half of the smaller entities achieve a score of good or fair. However the challenge for smaller entities is to consider how they can improve the content and accessibility of their annual reports within the resources available to them.

There has been little change in the timeliness of the publication of annual reports. Six of the entities reviewed missed their 2023 annual report deadlines. Two published their reports within a month of the deadline, one within two months of the deadline and three within three months of the deadline.

The C&AG noted that some progress has been made in implementing the wider recommendations from her previous reports. She also commented that the 2023 States of Jersey Group Annual Report and Accounts has continued to improve; such as the inclusion of an 'In Brief' section, structured around the three sustainable wellbeing themes of the Island Outcomes as well as corporate performance, which includes both positive and negative success measures.

For this assessment, the C&AG updated the criteria used in the increasingly important area of sustainability disclosures. She noted a small increase in the number of entities (25 of 40 reports reviewed) referring to climate and sustainability issues, but her report emphasises that there is more that can be done to improve reporting on environmental, social and governance (ESG) issues in line with the ongoing global focus on reporting of sustainability in its widest sense.

**Lynn Pamment CBE said:**

"I am pleased to see that the improvement I have noted in prior years in the annual reports of States controlled and States established entities has mostly been maintained, and, in a number of reports, incrementally enhanced. However, the rate of improvement has slowed, and I encourage entities to consider how to address the matters raised in this report and use my *Good Practice Guide* to make further improvements.

"This should not necessarily mean adding to the length of reports, but stepping back to evaluate whether the annual report provides a fair, balanced and understandable assessment of what the entity does, and how it achieved its objectives during the year.

"I am also pleased to note the progress made by the States of Jersey in implementing my recommendations from previous reports. I will continue to monitor progress, particularly in relation to setting minimum requirements for annual reporting, including sustainability reporting, in States controlled and States established entities."

The report *Transparency and Excellence in Annual Reporting* and the *Good Practice Guide* can be found at: <https://www.jerseyauditoffice.je>

Organisations are also being invited to attend the C&AG's yearly **Workshop on Annual Reporting** to be held on **Monday 18 November 2024**

Attendees can register via EventBrite on the JAO website:

<https://www.eventbrite.co.uk/e/jao-annual-reporting-workshop-tickets-1029975473367?utm-campaign=social&utm-content=attendeeshare&utm-medium=discovery&utm-term=listing&utm-source=cp&aff=ebdsshcopyurl>

## **ENDS**

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### **Notes to Editors:**

- The Office of Comptroller and Auditor General ('C&AG') was established in 2005 and operates under the Comptroller and Auditor General (Jersey) Law 2014
- The remit of the C&AG includes the audit of financial statements, corporate governance, internal control and wider consideration of public funds, often expressed as 'value for money'
- The 2024 Audit Plan can be found at: [www.jerseyauditoffice.je](http://www.jerseyauditoffice.je)
- Lynn Pamment CBE took up the Office of C&AG on 1 January 2020 for a fixed term of seven years. Following the introduction of the Comptroller and Auditor General (Jersey) Law 2014 the term of office is fixed at seven years and is non-renewable.
- The Office of Comptroller and Auditor General is known as the 'Jersey Audit Office'.
- Contact details are: de Carteret House, 7 Castle Street, St Helier, Jersey JE2 3BT / T:716800 / E: [enquiries@jerseyauditoffice.je](mailto:enquiries@jerseyauditoffice.je)

### **Comptroller and Auditor General's Policy regarding issue of reports and contact with the media:**

- Press releases will be published by the Jersey Audit Office to accompany the publication of each report
- Embargo times, where set, will be at 0001 hours on the day of publication - for press releases, reports and all other information pertaining to the publication date
- Other press releases/ statements may be made on an occasional basis and not necessarily dependent upon the publication of a report. They will be subject to the same embargoes where set
- With any report issued, the opportunity is available for members of the press to request factual clarification, by email, of points contained therein
- Any comments made additional to any reports, will be included within any press release(s) as issued by the Jersey Audit Office, in the form of a quotation by the C&AG. These comments will be available for publication; but there will not be any supplementary live or pre-recorded interviews offered or undertaken by either Lynn Pamment or the affiliates of the Jersey Audit Office
- The C&AG is prepared, on an occasional basis, to provide articles for publication in the local media, following a specific request and consideration of the relevant topic
- All public information, including press releases and reports, are accessible on the Jersey Audit Office website at [www.jerseyauditoffice.je](http://www.jerseyauditoffice.je)