

Annual Report of Findings 2024

31 March 2025

The purpose of the Comptroller and Auditor General (C&AG), fulfilled through the Jersey Audit Office (JAO), is to provide independent assurance to the people of Jersey on the extent to which public money is spent economically, efficiently and effectively and on whether the controls and governance arrangements in place within public bodies demonstrate value for money. The C&AG's remit includes the audit of financial statements and wider consideration of public funds, including internal financial control, value for money and corporate governance.

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Report by the Comptroller and Auditor General: 31 March 2025

This report has been prepared in accordance with the Comptroller and Auditor General (Jersey) Law 2014

Contents

Summary	4
Background	4
Key findings	4
Conclusion	7
Introduction	8
The purpose of the Comptroller and Auditor General (C&AG)	8
Work undertaken in 2024	9
Recommendations made in 2024	10
Government response to C&AG recommendations	12
Government C&AG Recommendations Tracker	14
The overall funding and expenditure context	17
Corporate Governance Arrangements	22
Corporate governance recommendations made during 2024	22
Previous recommendations	23
Internal Control and Financial Management	26
Recommendations made in 2024	26
Previous recommendations	27
Value for money	31
Recommendations made in 2024	31
Previous recommendations	32
Appendix One - Auditors of entities appointed by the C&AG for 2024	35
Appendix Two - Summary of my work published during 2024	36

Summary

Background

1. As Comptroller and Auditor General (C&AG), I am responsible for public audit in Jersey. My responsibilities relate to the financial statements of the States of Jersey and other entities as well as wider aspects on the use of public funds. I have specific duties under the Comptroller and Auditor General (Jersey) Law 2014 to consider and report on:
 - general corporate governance arrangements
 - the effectiveness of internal control including financial management
 - whether resources are being used economically, efficiently and effectively; and
 - actions needed to bring about improvement, where improvement is needed.
2. This report summarises my 2024 findings and recommendations as well as the status at 31 December 2024 of C&AG recommendations that have been accepted by the Government for action but not yet implemented.

Key findings

3. Unqualified audit opinions were issued on the 2023 financial statements for all entities to whom I appoint auditors. This included the States of Jersey. I issued my certificate on the States of Jersey Group 2023 Annual Report and Accounts on 30 April 2024.
4. In total, the eight C&AG reports issued in 2024 identified 70 new recommendations and seven that were restated from previous reports. In these publications I also noted 19 instances where, because the States had advised me that work was already planned, I did not make a recommendation but instead listed 'Work planned that should be prioritised'. I also set out 18 'Areas for consideration'.
5. The Government accepted 59 and partially accepted nine of the 77 recommendations made or restated in 2024. The Government rejected nine recommendations. This represents a reduction in the percentage of recommendations fully accepted for action by the Government from 99% in 2022 and 98% in 2023 to 77% in 2024.

6. The nine recommendations that the Government did not accept for immediate action came from four reports, with my report on the Jersey Performance Framework accounting for six of these. The decision to not accept these recommendations is based on the Government's revised approach to prioritisation of resources and its decision to carry associated risks. I understand that the Government intends to keep the rejected recommendations under review and that some action may be taken in the future on the recommendations that have not been agreed for action in 2024.
7. Over the last three years, the Government has added 296 of my recommendations to the Tracker that it uses to monitor implementation and closed 426. As a result, the number of open (not yet implemented) recommendations recorded on the Tracker has reduced significantly:
 - as at 1 January 2022, the Tracker recorded 225 open recommendations
 - as at 1 January 2023, there were 199 open recommendations
 - as at 31 December 2023, there were 103 open recommendations; and
 - as at 31 December 2024, there were 95 open recommendations. These have been consolidated into 66 open actions on the Tracker.
8. While in this report I have expressed some concerns over decisions to close some recommendations in 2023 and 2024, I have also noted important areas where the Government has taken action to implement recommendations and the positive impact that this has had.
9. At 31 December 2024 when aligned to my areas of responsibility, 29% of open recommendations relate to corporate governance arrangements, 33% relate to internal control, 11% relate to financial management and 27% relate to value for money. Open recommendations yet to be implemented date back as far as a C&AG report published in 2014.
10. Key areas for improvement yet to be actioned include:
 - **Corporate governance arrangements**
 - the need to develop and implement a framework for identifying, measuring, monitoring and evaluating the benefits to be realised from projects and programmes
 - the need see through planned actions to implement an updated strategy for the prevention of fraud and error and fully implement the Insurance Strategy and Improvement Plan

- legislative updates in respect of resilience arrangements that have been agreed to in principle but not yet implemented; and
 - planned improvements to be made to risk management arrangements at project level.
- **Internal control and financial management**
 - cash flow modelling
 - data sharing arrangements
 - identification, management and mitigation of conflicts of interest
 - procurement due diligence processes
 - clinical supervision policies, particularly in respect of locum staff
 - critical infrastructure resilience processes in the energy sector; and
 - fraud and corruption risk assessments and reporting procedures; and
- **Value for money**
 - documentation of strategies supported by action plans for implementation in areas such as technology, commissioning of services, procurement and workforce
 - production and monitoring of management information in respect of delivery of savings and the management of private patient activity
 - documenting and reviewing lessons from previous projects including key COVID-19 programmes and major projects; and
 - enhancing the policy development process to demonstrate more explicit consideration of all aspects of sustainable wellbeing.

Conclusion

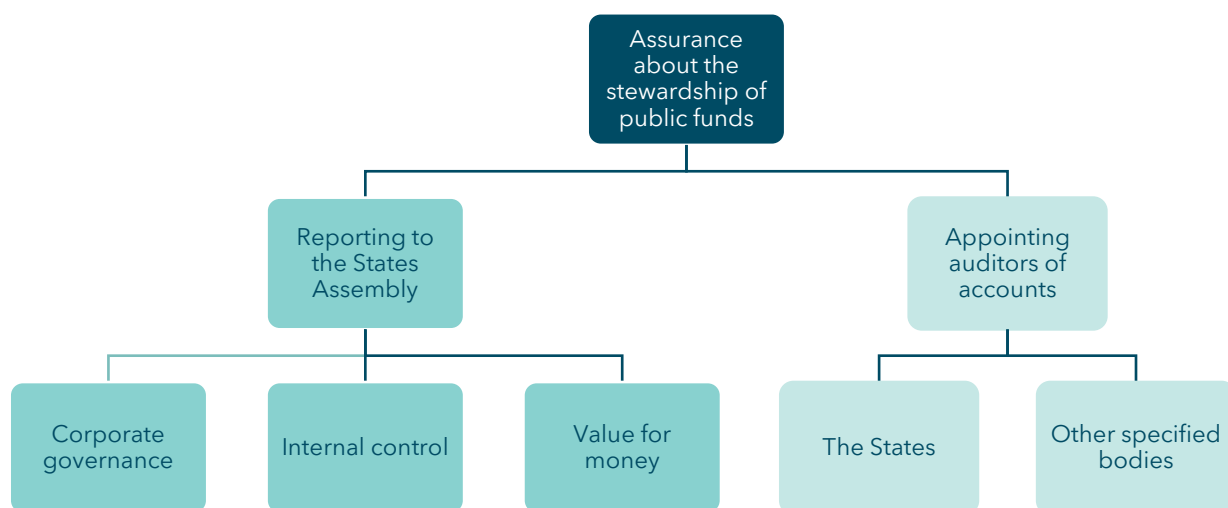
11. C&AG recommendations are made to improve corporate governance, value for money, financial management and internal control. When recommendations are implemented, benefits are delivered and risks are reduced.
12. Recommendations that remain open represent opportunities for improvement that are not being fully realised. This is also true for recommendations that are accepted but not implemented and are closed without due consideration of the risk associated with non-implementation.
13. I recognise that Jersey is a leading jurisdiction in the way in which it tracks the implementation of C&AG recommendations. I am also pleased to see an ongoing reduction in the number of open recommendations. However there are still too many recommendations that date back a number of years and are yet to be implemented by the Government. I encourage the Government to take action to tackle the identified opportunities for improvement on a more timely basis.

Introduction

The purpose of the Comptroller and Auditor General (C&AG)

14. The core purpose of the Office of the Comptroller and Auditor General (C&AG), fulfilled through the Jersey Audit Office (JAO), is to provide independent assurance to the people of Jersey on the extent to which the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Public Finances (Jersey) Law 2019.
15. As C&AG I provide independent, robust assurance about the stewardship of public funds by:
 - reporting to the States Assembly on the effectiveness of general corporate governance arrangements, internal control and economy, efficiency and effectiveness ('value for money'); and
 - appointing 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 (see Appendix One).
16. My responsibilities are summarised in Exhibit 1.

Exhibit 1: Responsibilities of the C&AG



17. Audit is not a substitute for the responsibilities of those providing public services. It is for them to ensure that public business is conducted in accordance with the law and proper standards, that public money is safeguarded, that public funds are properly accounted for and that economy, efficiency and effectiveness are secured.

Work undertaken in 2024

18. This Annual Report of Findings 2024 summarises the findings from my 2024 audit work. It also:
- evaluates the themes of the recommendations made in my 2024 work
 - comments on the approach taken by the Government in managing my recommendations; and
 - reflects on the Government of Jersey's progress in implementing accepted recommendations.
19. I have issued eight C&AG reports, one Good Practice Guide and a Self-Assessment Tool during 2024, as shown in Exhibit 2 and Appendix Two.

Exhibit 2: C&AG publications 2024

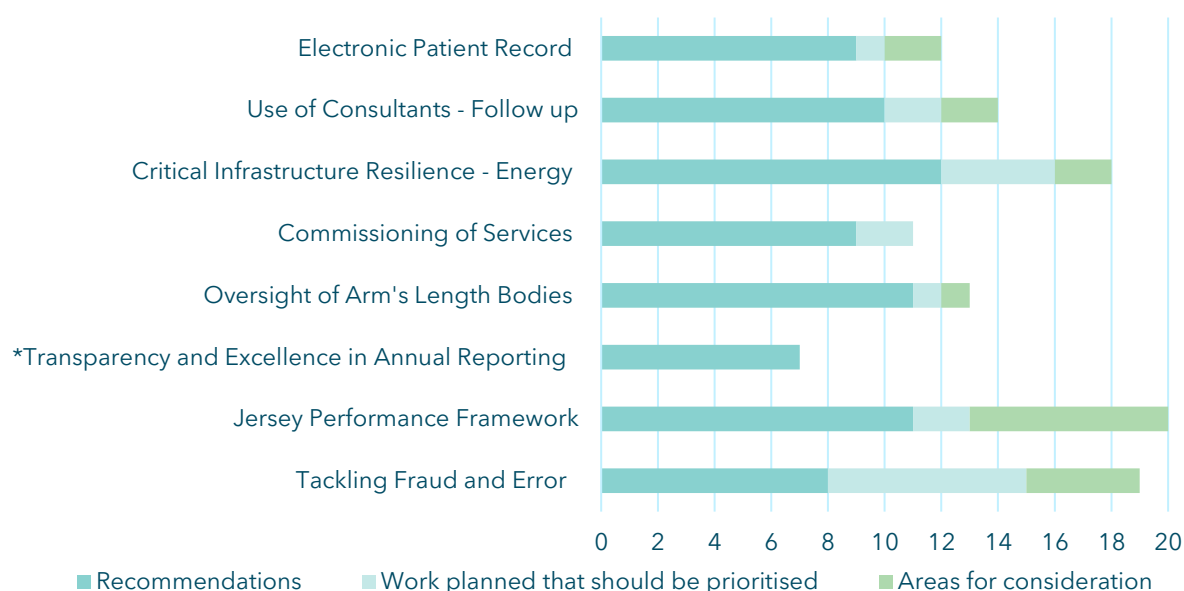


20. In addition, I published an Annual Report of Findings 2023 in February 2024 and the Jersey Audit Office Annual Report and Accounts in May 2024.

Recommendations made in 2024

21. In total, the eight C&AG reports issued in 2024 identified 70 new recommendations and restated seven recommendations from previous reports. In these publications I also noted 19 instances where, because the States had advised me that work was already planned, I did not make a recommendation but instead listed 'Work planned that should be prioritised'. I also set out 18 'Areas for consideration'. Exhibit 3 provides a summary.

Exhibit 3: Summary of 2024 Recommendations, Work planned that should be prioritised and Areas for consideration



* The seven recommendations in this report were restated from previous reports

Source: Jersey Audit Office analysis of C&AG 2024 reports

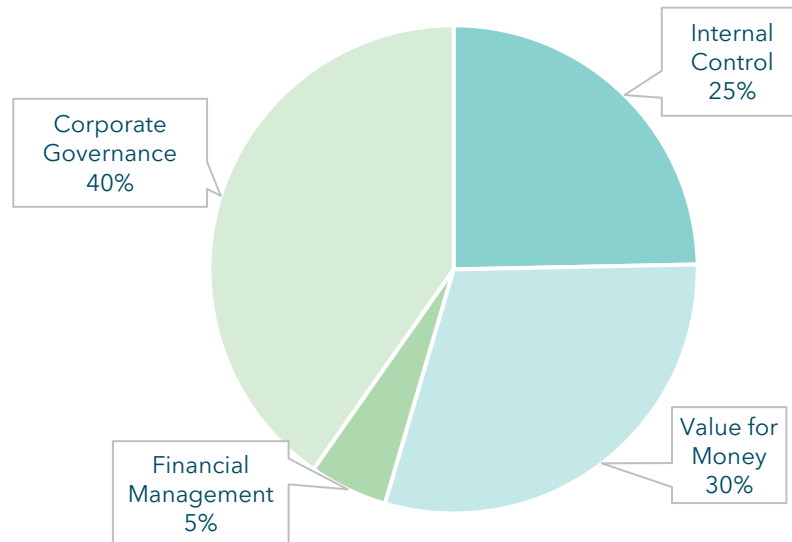
22. In particular, my report on *Tackling Fraud and Error* (November 2024) noted a relatively high proportion of 'Work planned that should be prioritised', reflecting the range of work 'in flight' which I wanted to acknowledge.

23. I have analysed the 77 recommendations made or restated in my 2024 reports across the following themes drawn from my areas of responsibility:

- corporate governance
- internal control
- financial management; and
- value for money (economy, efficiency and effectiveness).

24. As shown in Exhibit 4, most of the 77 recommendations made or restated in 2024 relate to opportunities to improve corporate governance. Improving corporate governance arrangements will lead to better value for money and better financial management.

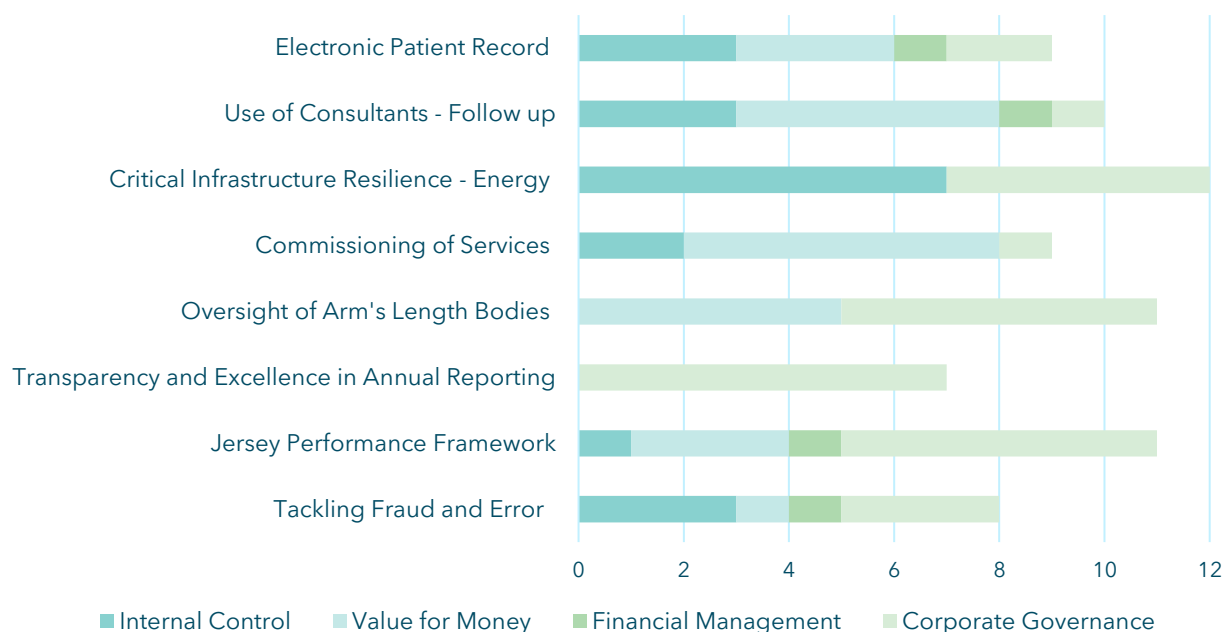
Exhibit 4: Analysis of the themes of recommendations made in 2024



Source: JAO analysis of C&AG 2024 recommendations

25. A breakdown of the themes of the recommendations from relevant 2024 publications is shown in Exhibit 5.

Exhibit 5: Themes of recommendations in the eight 2024 C&AG reports

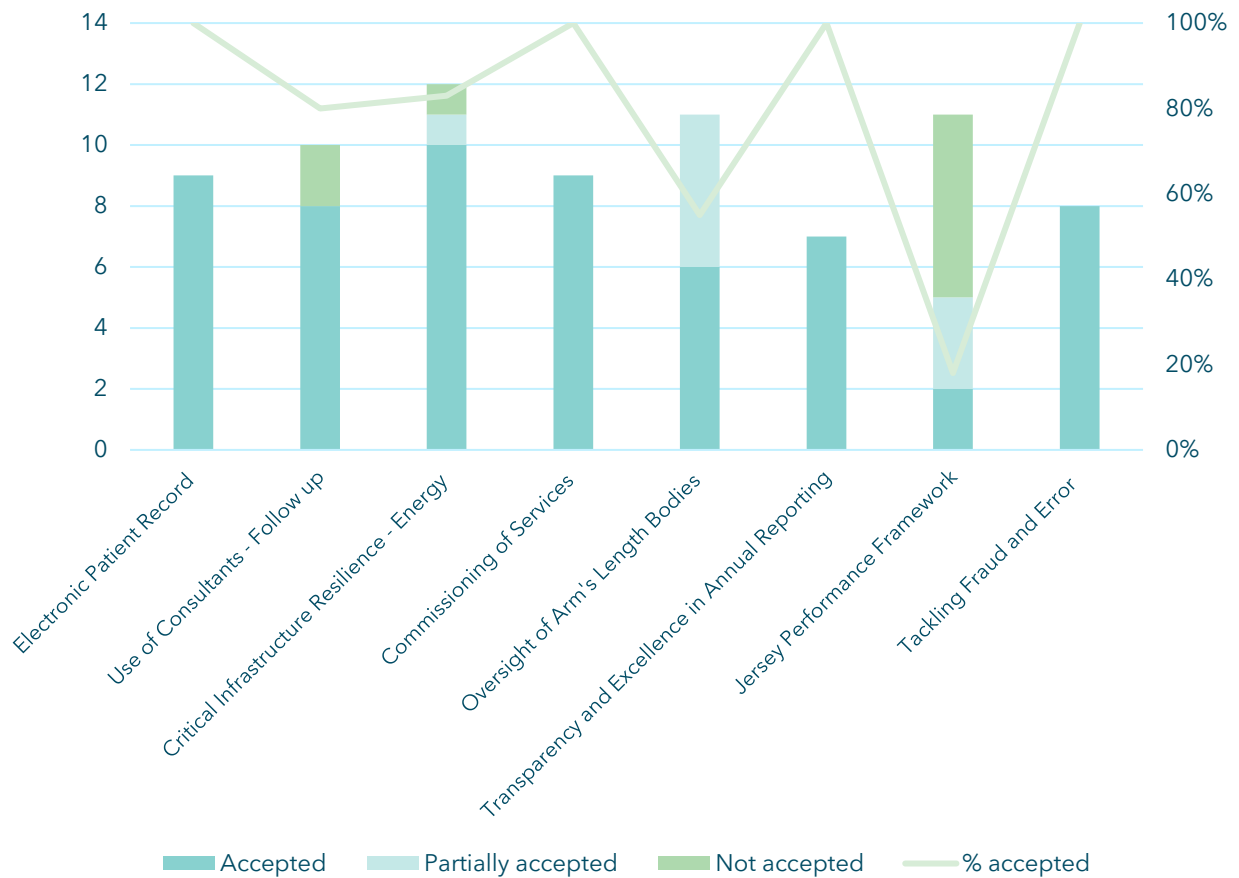


Source: Jersey Audit Office analysis of C&AG 2024 recommendations

Government response to C&AG recommendations

26. After publication of my reports, officers are required to submit an Executive Response to the Public Accounts Committee, setting out:
 - acceptance or otherwise of my recommendations
 - the actions which will be taken to deliver the improvements I have identified as required; and
 - the timeframe for delivery.
27. It is for the Public Accounts Committee to determine if the Executive Response is acceptable in each of these aspects and to challenge officers if the Committee concludes that it is not.
28. Of the 77 recommendations made in 2024, 59 were fully accepted, nine partially accepted and nine not accepted. This represents a reduction in the percentage of recommendations fully accepted by the Government from 99% in 2022 and 98% in 2023 to 77% in 2024. In my view, all the recommendations I make are key to helping the Government improve public services and the use of public money.
29. Exhibit 6 shows the percentages of recommendations accepted for each audit undertaken in 2024.

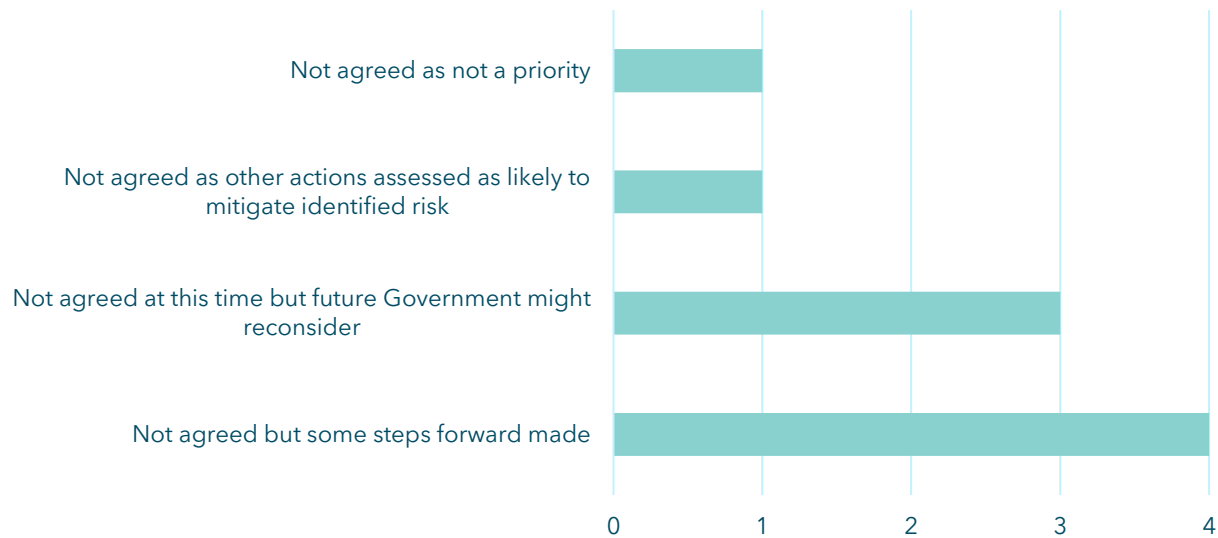
Exhibit 6: Percentages of recommendations accepted in 2024



Source: JAO analysis

30. The nine recommendations that the Government did not accept came from four reports, with my report on the Jersey Performance Framework accounting for six of these. I understand that the decision to not accept these recommendations is based on the Government’s revised approach to prioritisation of resources and its decision to carry associated risks. I understand that the Government intends to keep such recommendations under review and that some action may be taken in the future on the recommendations that have not been agreed for action in 2024. Exhibit 7 contains more details.

Exhibit 7: Rationale provided for the nine recommendations not agreed in 2024

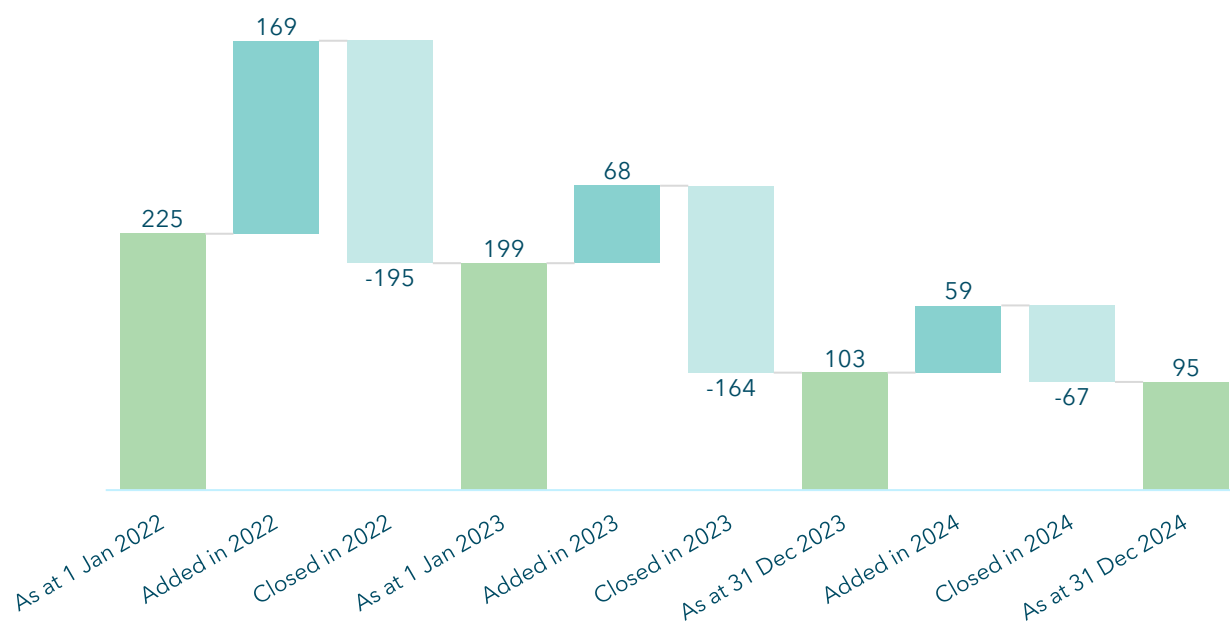


Source: JAO analysis of Executive Responses

Government C&AG Recommendations Tracker

31. Once the Government's formal Executive Response has been considered and accepted by the Public Accounts Committee, the Government records 'open' C&AG recommendations (accepted recommendations in the process of being implemented) on its Tracker. The creation, maintenance and on-going development of the Tracker represent best practice by the Government of Jersey.
32. During 2024, actions to resolve recommendations have been added to the Tracker in place of the recommendations themselves. Data has though been reconciled to enable year on year comparisons and, going forward, I understand both recommendations and linked actions will be recorded.
33. Since January 2022, the Government has added 296 of my recommendations to the Tracker and closed 426 (see Exhibit 8). The number of open recommendations recorded on the Tracker reduced significantly between 2022 and 2023, but the rate of closure in 2024 has slowed:
 - as at 1 January 2022, the Tracker recorded 225 open recommendations
 - as at 1 January 2023, there were 199 open recommendations
 - as at 31 December 2023, there were 103 open recommendations; and
 - as at 31 December 2024, there were 95 open recommendations.

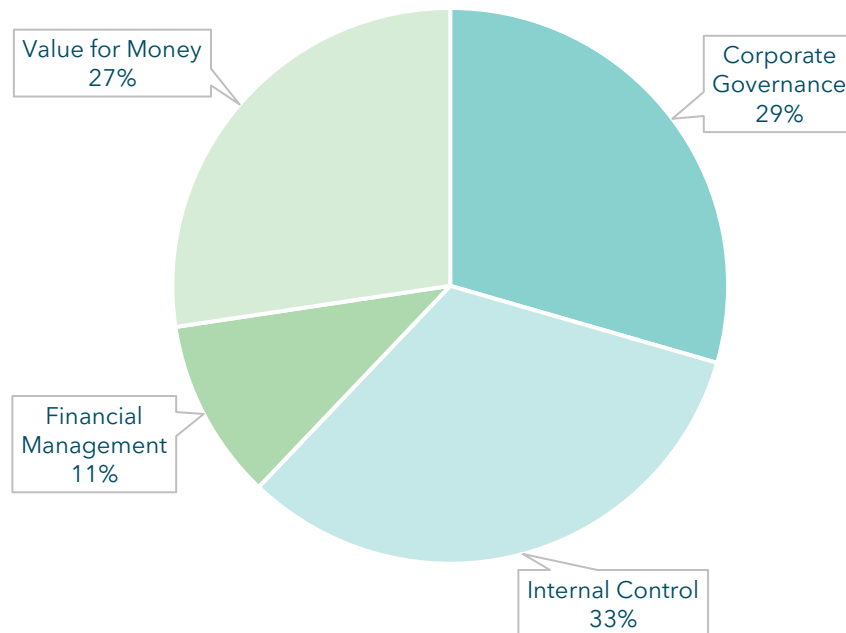
Exhibit 8: Movement in C&AG 'open' recommendations since 1 January 2022



Source: Jersey Audit Office analysis of the Government's C&AG Recommendations Tracker; reconciliation agreed with officers

34. I have identified some instances in both 2023 and 2024 where recommendations that had been accepted for action and recorded on the Tracker had been closed without delivery being clearly assured.
35. During 2024 the Government has changed its approach to responding to C&AG recommendations and has recorded overarching action plans on the Tracker rather than individual recommendations. In doing so, the Government has also closed a number of pre-2024 recommendations and substituted these with an entry linking these to overarching action plans. At 31 December 2024, there are 66 open actions recorded on the Tracker relating to the 95 recommendations that were agreed for action at the same date.
36. I recognise the sense in bringing recommendations together into integrated plans. It is however important to ensure that the associated action plans are implemented and the intended improvement is in place before actions and recommendations are marked as closed.
37. In the last few months the Government has taken significant steps to develop its C&AG Recommendations Tracker so that, in future, progress against both recommendations and associated actions will be able to be more easily presented and evaluated.
38. The themes of the 95 'open' recommendations at 31 December 2024 that the Government has agreed to take action on are summarised in Exhibit 9.

Exhibit 9: Themes of 'open' recommendations at 31 December 2024



Source: Jersey Audit Office analysis of the Government's C&AG Recommendations Tracker

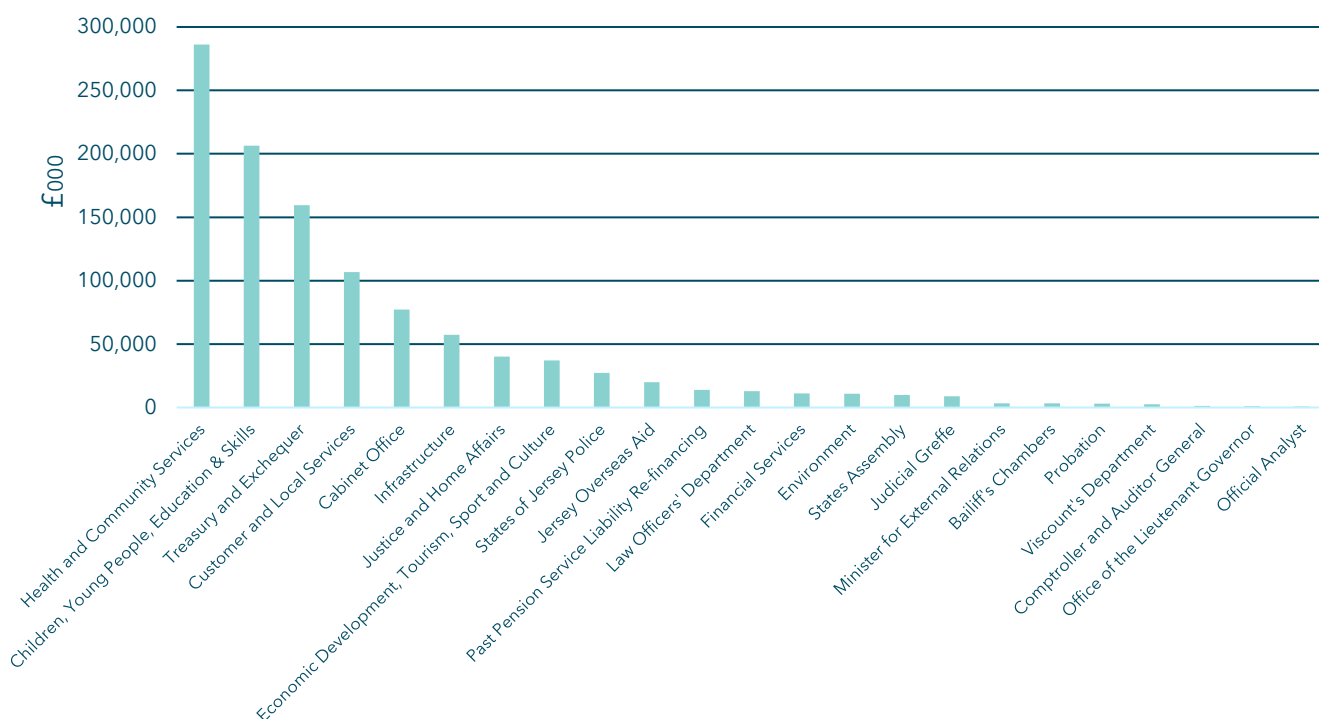
39. As noted above the Government has taken action during 2024 to combine certain recommendations on the Tracker into consolidated actions. In total 45 recommendations have been combined into 16 consolidated actions. The most significant examples are the combination of:

- 11 recommendations from various C&AG reports into a single action relating to benefits management
- 11 recommendations relating to insurance into a single action relating to the update and implementation of a revised insurance strategy and action plan; and
- eight recommendations relating to tackling fraud and error into three key areas of action.

The overall funding and expenditure context

40. The Government Plan 2024-2027 was approved in December 2023 and set out income forecasts and approved revenue and capital heads of expenditure for 2024-2027. The approved planned split of net revenue expenditure by Department or operational area is shown in Exhibit 10.

Exhibit 10: Planned Net Revenue Expenditure for 2024 by Head of Expenditure



Source: Government Plan 2024-2027

41. The Government Plan 2024-2027 included planned expenditure on Major and Strategic projects, including Capital projects (as defined by the Public Finances Manual) of £113.3 million for 2024. This included £45.7 million planned expenditure on estates projects, £20.1 million planned expenditure on information technology projects and £30 million planned expenditure on infrastructure projects.

42. During 2024 and the early part of 2025, a number of approved changes have been made to the heads of expenditure included in the Government Plan. These have been reported in R.134/2024 for the six month period ending 30 June 2024 and R.15/2025 for the six-month period ending on 31 December 2024. Some of these transfers related to 2023 and movements between 2023 and 2024, including:

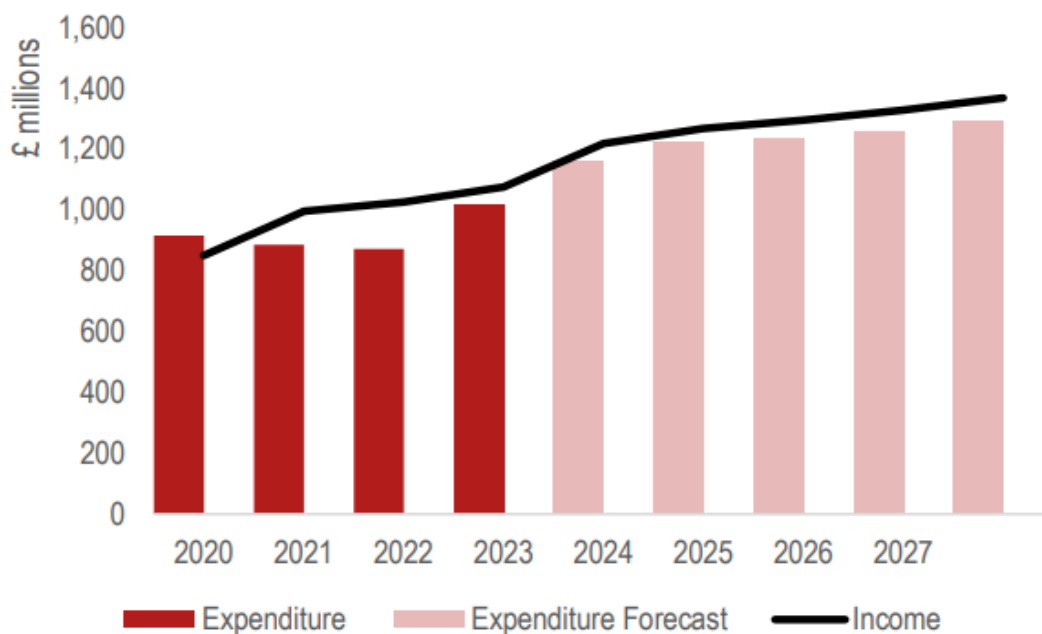
- up to £50.5 million of unspent funding from departments, projects and Reserves was transferred to 2024 Reserves at the end of 2023. £4.1 million was subsequently reallocated from Reserves to the same projects in 2024; and
- one transfer of major project expenditure approval to the following year, totalling £15.2 million (from 2023 to 2024 - New Healthcare Facilities Project).

43. The 2024 in year transfers approved have included:

- eight transfers between approved heads of expenditure totalling £23.1 million, of which £20.9 million relates to transfers into the Central Reserve from departmental and project heads of expenditure. These transfers included £20.9 million to ensure sufficient funds were in place to meet the forecast overspend Health and in Community Services for 2024
- 12 uses of additional departmental income above that included in the Government Plan, totalling up to £2.3 million
- 18 allocations from Reserves totalling up to £92.7 million. Of these:
 - up to £51.5 million was to fund pay awards
 - up to £10 million was allocated to the First Step Assisted Home Ownership Pilot Scheme
 - up to £4.4 million was allocated to fund the costs of continued response to major incidents
 - up to £7.8 million was from the 2023 Reserve to address spending pressures in 2023
 - up to £6.7 million was to fund other miscellaneous spending pressures in 2024. Of this amount £4.1 million was a reallocation of unspent amounts for projects from 2023 that had been transferred to Reserves at the end of 2023
 - up to £4.0 million was allocated to provide funding for a ferry services contingency
 - up to £3.8 million was allocated from the Reserve for Central Risk and Inflation for purchase of the Seaside Café and car park at Greve de Lecq
 - up to £2.9 million was ringfenced within the amount approved in the Government Plan 2024-2027 for identified pressures and initiatives in the Children, Young People, Education and Skills department and the Infrastructure and Environment department

- up to £1.2 million was allocated for additional pressures in 2024 in the Health and Community Services department; and
 - up to £400,000 was to fund the Royal visit in July 2024; and
 - one Letter of Comfort to an Accountable Officer, totalling up to £750,000.
44. Further Ministerial Decisions will be made in 2025 to effect year-end adjustments once final financial positions for 2024 are known. The final audited financial performance against the Government Plan for 2024 will be set out in the 2024 States of Jersey Group Annual Report and Accounts due for publication in May 2025.
45. The expenditure of the State of Jersey is on an upward trend as shown in Exhibit 11.

Exhibit 11: Income and expenditure trends before depreciation



Source: Budget (Government Plan) 2025 to 2028

46. The overall funding context within which the States of Jersey operate is affected by the economy in Jersey as well as the outlook for global economies and financial markets. The Fiscal Policy Panel (FPP) is a statutory Panel whose role is to comment on Jersey’s fiscal policy with reference to the:
- strength of the economy in Jersey
 - outlook for the economy in Jersey

- outlook for world economies and financial markets
- economic cycle in Jersey
- medium-term and long-term sustainability of the States' finances and the States' financial assets and liabilities; and
- advisability of transfers to or from the Strategic Reserve and Stabilisation Fund.

47. The FPP Annual Report published in November 2023 stated:

On the basis of current spending commitments and forecast tax revenues, there will be a primary budget deficit in all years of the Government Plan, with spend on the public sector boosting demand further. Given the strong addition to revenues from banking profits and evidence of overheating in the economy this is an inappropriate fiscal stance. This forces demand offshore, carries risks to inflation and does not allow for the Government to build up its reserves, increasing its vulnerability to shocks.

48. The most recent Annual Report published in September 2024 assessed the Budget (Government Plan) 2025 to 2028 and stated:

The Panel recognised that, in spite of stronger revenues, the Government of Jersey faces difficult choices and needs to balance pressure on day-to-day spending, particularly after the pandemic and cost-of-living shocks, against investing in the future and restoring the island's reserves to the levels necessary to safeguard the island's resilience to future shocks. The Panel's overall assessment is that in making these and future fiscal choices, and in the light of stronger revenues, greater emphasis should be given to the medium term and on ensuring the resilience of the island's economy to cyclical and structural shocks.

49. The Panel drew attention to the levels of the Strategic Reserve and the Stabilisation Fund as well as the rising costs of healthcare. The Panel noted:

*The **Strategic Reserve** is significantly lower than the 30-60% of GVA [Gross Value Added] range that the FPP has recommended.*

*The **Stabilisation Fund** is effectively exhausted. The balance remains below £1 million and the Stabilisation Fund will be unable to deliver countercyclical fiscal policy via funding injections in times of economic downturn...[]. The Panel notes that the opportunity for using the stronger tax revenues to replenish the Stabilisation Fund, as recommended in its previous report, has not been taken.*

***Healthcare costs** are rising. Jersey spends a high proportion of its budget on health, more so than in OECD [Organisation for Economic Co-operation and Development] countries. 76% of the Budget's total expenditure growth for 2025 -*

2028 is being spent in the Health and Community Services department. This rate of growth in healthcare spending is not sustainable given that income growth is forecast to fall back to much more moderate levels. Health demands are likely to rise faster than incomes which will mean difficult choices in the medium term between funding for healthcare versus funding for other important areas of the economy.

50. The FPP expressed concern with the prioritisation given to current (or day-to-day) expenditure growth, rather than rebuilding the reserves and using strong tax revenue to preserve resources for future investment.

Corporate Governance Arrangements

Corporate governance recommendations made during 2024

51. Strong corporate governance arrangements drive transparency and accountability. In 2024, 40% of my recommendations related to corporate governance arrangements. In total I made 31 governance related recommendations as shown in Exhibit 12.

Exhibit 12: Governance related recommendations

Report	Number	Key themes of recommendations
Electronic Patient Record	2	Ensure Project Board approvals are appropriate Undertake Data Protection Impact Assessments
Use of Consultants - Follow up	1	Publication of consultancy reports
Critical Infrastructure Resilience - Energy	5	Whole system action plans and workstreams Reinvigoration of the Jersey Resilience Forum Risk register and risk management Update legal frameworks
Commissioning of Services	1	Responsibility and accountability for planning and commissioning long-term care
Oversight of Arm's Length Bodies (ALBs)	6	Clarify and use consistent definitions Develop the standards that to apply to ALBs Develop more effective oversight arrangements Establish and implement a remuneration framework
Transparency and Excellence in Annual Reporting	7	Set minimum reporting standards for ALBs Set standards for and improve sustainability reporting More granular reporting in Government departmental annual reports
Jersey Performance Framework	6	Update legal frameworks in respect of sustainable wellbeing duties Require Accountable Officers to make a specific annual confirmation that they have considered

Report	Number	Key themes of recommendations
		sustainable wellbeing in discharging their responsibilities Update stakeholder consultation processes to include all domains of sustainable wellbeing
Tackling Fraud and Error	3	Set objectives for measurement and reporting Enhance governance arrangements Develop annual reporting further

Source: JAO analysis of C&AG reports

52. Disappointingly, none of the corporate governance recommendations in respect of the Jersey Performance Framework were accepted for action by the Government. As a consequence there remains a risk that the Government is unable to demonstrate fully how sustainable wellbeing is embedded into decision making.

Previous recommendations

53. At the beginning of 2024 there were 27 recommendations on the Government’s recommendations Tracker that related to corporate governance arrangements and were accepted for action by the Government. During 2024 I made 31 new recommendations in respect of corporate governance and 30 recommendations were closed on the Tracker. Some examples of recommendations that have been implemented during 2024 are contained in Exhibit 13.

Exhibit 13: Examples of corporate governance recommendations that have been implemented during 2024

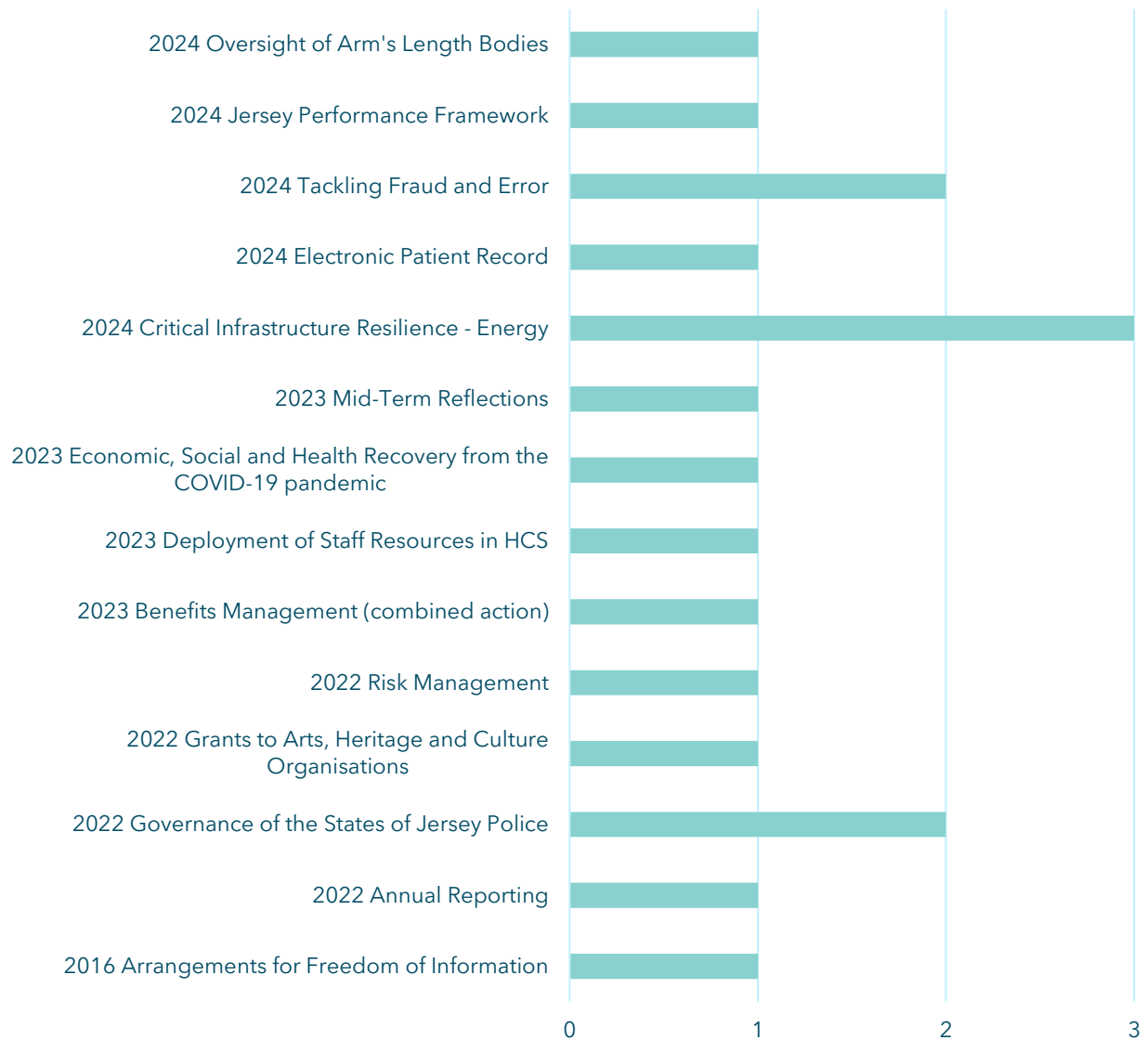
Report	Recommendation implemented	Impact
Governance Arrangements for Health and Social Care - Follow Up October 2021	Implement a more comprehensive quality and safety programme across all health and social care services.	By establishing a Quality and Safety Team and developing a variety of initiatives, HCS has set, and is monitoring compliance with, quality and safety standards for all health and social care services.

Report	Recommendation implemented	Impact
Child and Adolescent Mental Health Services (CAMHS) September 2022	Agree, adopt and communicate a Memorandum of Understanding between Children, Young People, Education and Skills department (CYPES) and Health and Community Services (HCS) for the governance and operation of CAMHS.	Ensuring that roles, responsibilities and accountabilities for CAMHS are clear across the two departments enables improved governance and consequently, reduced risk.

Source: Jersey Audit Office analysis of Government of Jersey C&AG Recommendations Tracker

54. At 31 December 2024 there were 28 recommendations that are yet to be implemented by the Government that relate to corporate governance arrangements. The themes from these recommendations include:
- the need to develop and implement a framework for identifying, measuring, monitoring and evaluating the benefits to be realised from projects and programmes
 - the need to see through planned actions implement an updated strategy for the prevention of fraud and error and fully implement the Insurance Strategy and Improvement Plan
 - legislative updates in respect of resilience arrangements that have been agreed to be made but not yet implemented; and
 - planned improvements to be made to risk management arrangements at project level.
55. The corporate governance recommendations yet to be implemented date back to reports issued as early as 2016. Exhibit 14 shows the 18 open consolidated actions at 31 December 2024 that relate to corporate governance.

Exhibit 14: Corporate governance consolidated actions not implemented at 31 December 2024



Source: JAO analysis of Government's C&AG Recommendations Tracker

Internal Control and Financial Management

56. Effective financial management and internal control procedures are fundamental in ensuring proper stewardship of public funds.

Recommendations made in 2024

57. In 2024, 30% of my recommendations related to internal control or financial management, with four recommendations concerning financial management and 19 recommendations about improvements needed in internal control. Exhibit 15 summarises the financial management recommendations and Exhibit 16 summarises the themes of the internal control recommendations.

Exhibit 15: Financial management recommendations

Report	Number	Recommendations
Electronic Patient Record	1	Produce an ongoing full cost summary for all long running Major and Strategic programmes, particularly those funded through wider Government or Departmental programmes or where funding is allocated to multiple Government Departments. This summary should be reconciled annually, to ensure whole life programme cost control is visible.
Use of Consultants - Follow up	1	Review and update the definitions of contingent labour, consultancy expenditure and professional services so that there is consistency and clarity on process and coding.
Jersey Performance Framework	1	All key Government strategy, framework, policy, planning or guidance documents that have financial consequences, should include a financial section that provides the reader with the high-level financial impact of the likely implementation. This is not to be viewed as a business case, but rather a financial context in which future business cases can be framed.
Tackling Fraud and Error	1	Prepare a high level calculation on the basis of risk to estimate the potential fraud and error risk exposure across the States.

Source: JAO analysis of C&AG reports

Exhibit 16: Themes of internal control recommendations

Report	Number	Key themes of recommendations
Electronic Patient Record	3	Procurement processes Documentation of decision making Business as usual processes following system changes
Use of Consultants - Follow up	3	Management reporting Contract management and monitoring
Critical Infrastructure Resilience - Energy	7	Monitoring implementation of action plans Business continuity planning Emergency planning arrangements Risk management and resilience standards Data requirements and data sharing protocols
Commissioning of Services	2	Documentation of decision making Contract management and monitoring
Jersey Performance Framework	1	Documentation of sustainable wellbeing in decision making
Tackling Fraud and Error	3	Monitoring implementation of action plans Data collection and analysis

Source: JAO analysis of C&AG reports

58. In addition to my recommendations, the financial statements auditors that I appoint to specified entities identified significant control weaknesses in three specified entities (States of Jersey, Jersey Teachers' Superannuation Fund and the Public Employees' Pension Fund). These significant control weaknesses relate to the same underlying IT systems and control environment processes used by all of these entities. The significant control weaknesses identified and reported were consistent with the previous year.

Previous recommendations

59. At the beginning of 2024 there were seven recommendations on the Government's recommendations Tracker that related to financial management and 22 that related to internal control. During 2024 I made four recommendations concerning financial management and 19 relating to internal control. During 2024, one 'financial management' recommendation was closed by the

Government as well as ten concerning internal control. Some examples of recommendations that have been implemented during 2024 are contained in Exhibit 17.

Exhibit 17: Examples of financial management and internal control recommendations that have been implemented during 2024

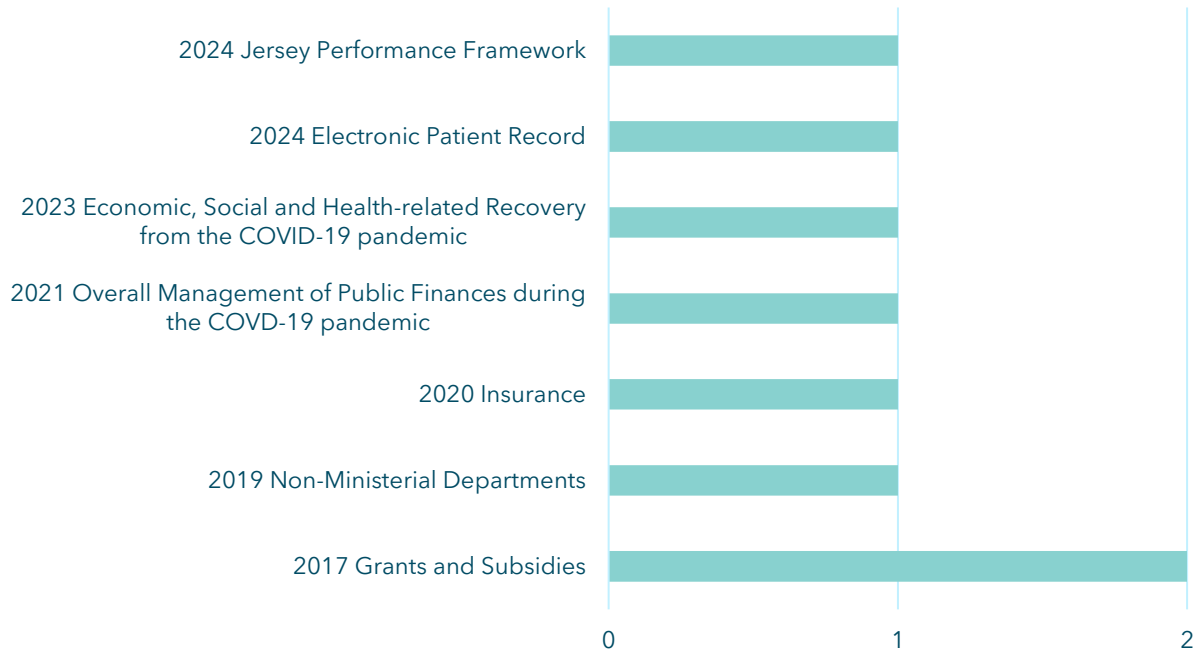
Report	Recommendation implemented	Impact
Long-Term Care Fund	Carry out a full review of the management charge to the Long-Term Care Fund and ensure that the charge is an accurate representation of the costs of managing the fund.	The Long-Term Care Fund will be charged appropriately for the cost of managing the fund.
Use of Consultants - Follow up	Review and update the definitions of contingent labour, consultancy expenditure and professional services so that there is consistency and clarity on process and coding.	There is consistency in the management information being produced and used to manage consultancy expenditure.

Source: Jersey Audit Office analysis of Government of Jersey C&AG Recommendations Tracker

60. At 31 December 2024 there were ten recommendations yet to be implemented by the Government that relate to financial management and 31 that relate to internal control. These recommendations date as far back as 2016. Exhibit 18 shows the consolidated financial management and internal control open actions at 31 December 2024.

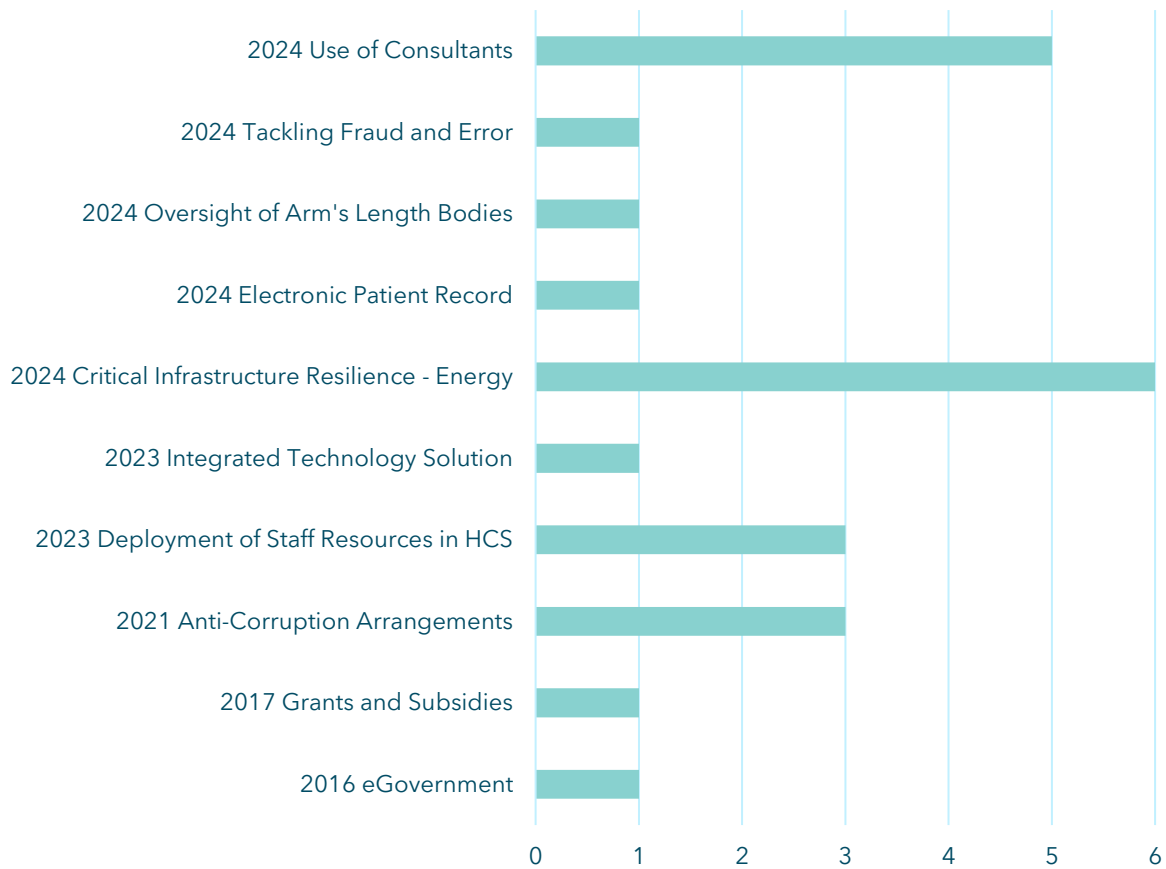
Exhibit 18: Financial management and internal control consolidated actions not implemented at 31 December 2024

Financial management



Source: JAO analysis of Government's C&AG Recommendations Tracker

Internal control



Source: JAO analysis of Government's C&AG Recommendations Tracker

61. The core themes of the financial management and internal control recommendations yet to be implemented include improvements that are needed in:

- cash flow modelling
- data sharing arrangements
- identification, management and mitigation of conflicts of interest
- procurement due diligence processes
- clinical supervision policies, particularly in respect of locum staff
- critical infrastructure resilience processes in respect of the energy sector; and
- fraud and corruption risk assessments and associated procedures.

Value for money

62. Value for money is one of the four essential standards in the Public Finances Manual (PFM) that Accountable Officers are required to meet. There are several definitions of value for money available but the Public Finances (Jersey) Law 2019 refers to the function of the Principal Accountable Officer to ensure that resources are used economically, efficiently and effectively.

Recommendations made in 2024

63. In 2024, 30% of the recommendations I made related to the need to improve value for money. The themes from these 23 recommendations are summarised in Exhibit 19.

Exhibit 19: Themes from 2024 value for money recommendations

Report	Number	Key themes of recommendations
Electronic Patient Record	3	<ul style="list-style-type: none"> Organisation capacity Effective procurement Benefits realisation
Use of Consultants - Follow up	5	<ul style="list-style-type: none"> Consideration of alternative delivery models Streamline processes Review and challenge management information Project evaluation Implementation of recommendations
Commissioning of Services	6	<ul style="list-style-type: none"> Cross Government strategy for commissioning and partnerships Allocation of commercial services expertise Off Island tertiary healthcare contracts Engagement with providers Effective development, management and monitoring of key performance criteria
Oversight of Arm's Length Bodies (ALBs)	5	<ul style="list-style-type: none"> Undertake periodic structured reviews Effective development, management and monitoring of key performance criteria

Report	Number	Key themes of recommendations
		<p>Link investment and funding to agreed outcomes and performance expected</p> <p>Better co-ordination between the Government and States owned entities</p>
Jersey Performance Framework	3	Support Accountable Officers in meeting wellbeing requirements more effectively, including developing guidance and sharing best practice
Tackling Fraud and Error	1	Evaluate the cost effectiveness of controls and interventions

Source: JAO analysis of C&AG reports

Previous recommendations

64. At the beginning of 2024 there were 47 open recommendations on the Government’s recommendations Tracker that related to value for money and were accepted for action by the Government. During 2024, I made 23 recommendations concerning value for money and 44 value for money recommendations were reported on the tracker as implemented in 2024. Some examples of recommendations that have been implemented during 2024 are contained in Exhibit 20.

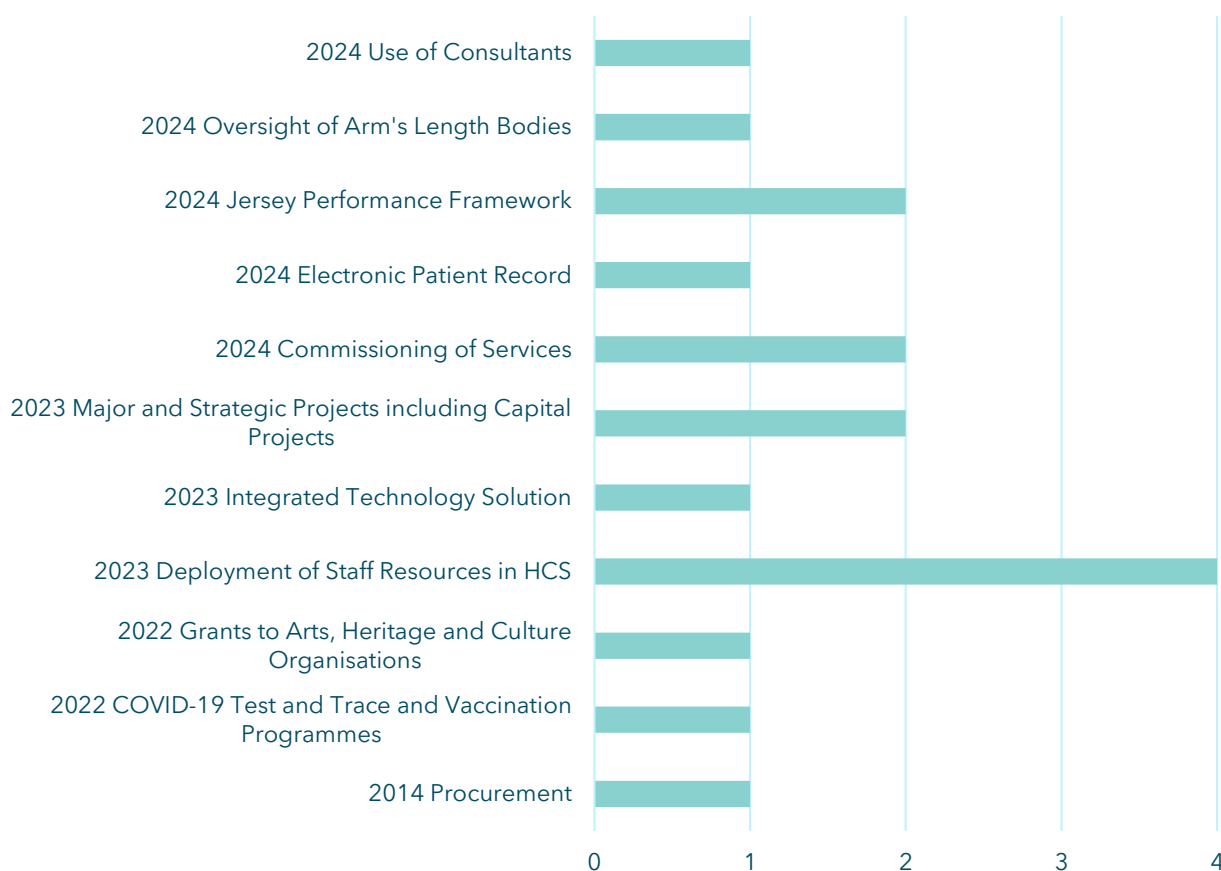
Exhibit 20: Examples of value for money recommendations that have been implemented during 2024

Report	Recommendation implemented	Impact
<p>Deployment of Staff Resources in Health and Community Services</p> <p>January 2023</p>	Develop, publish, and implement a Government of Jersey Private Patient Strategy.	By publishing the Strategy, the Government has set how it intends to ensure that its Private Patients Services support the wider Island economy by improving the range of healthcare services provided in Jersey and contributing income to help fund all health services.
<p>Handling and Learning from Complaints</p> <p>November 2023</p>	Broaden the post-complaints follow up process to ensure that all complainants (where contact information is held) have an opportunity to feed back on their experience, not just those that provide an email address.	<p>Anyone who makes a complaint and leaves contact details can access an on-line or posted survey to report:</p> <ul style="list-style-type: none"> • how well they think their complaint was handled; and • how content they are with the outcome.

Source: Jersey Audit Office analysis of Government of Jersey C&AG Recommendations Tracker

65. At 31 December 2024 there were 26 value for money recommendations accepted for action that are yet to be implemented by the Government. These recommendations date back as far as 2014. Exhibit 21 shows the open consolidated value for money actions at 31 December 2024.

Exhibit 21: Value for money consolidated actions not implemented at 31 December 2024



Source: JAO analysis of Government's C&AG Recommendations Tracker

66. The core themes of the value for money recommendations yet to be implemented include improvements that are needed in:

- documentation of strategies supported by implementation plans and action plans in areas such as technology, commissioning of services, procurement and workforce
- production and monitoring of management information in respect of savings and private patient activity
- documenting and reviewing lessons from previous projects including test and trace and vaccination programmes and major projects; and

- enhancing the policy development process to demonstrate more explicit consideration of all aspects of sustainable wellbeing.

Appendix One

Auditors of entities appointed by the C&AG for 2024

Entity	Nature of appointment	Current auditor appointed
Data Protection Authority *	Statutory	Baker Tilly Channel Islands Limited
Gambling Commission *	Statutory	Alex Picot
Jersey Advisory and Conciliation Service	Statutory	Alex Picot
Jersey Competition Regulatory Authority	Statutory	RSM Channel Islands (Audit) Limited
Jersey Financial Services Commission	Statutory	Grant Thornton Limited
Jersey Teachers' Superannuation Fund	At request of the Treasurer of the States	CLA Evelyn Partners Limited
Public Employees' Pension Fund	Statutory	CLA Evelyn Partners Limited
States of Jersey Group	Statutory	Forvis Mazars LLP

* These appointments were subject to extensions or tenders during 2024

Source: Jersey Audit Office Register of Audit Appointments

Appendix Two

Summary of my work published during 2024

Electronic Patient Record: 8 February 2024

[Electronic Patient Record | Jersey Audit Office](#)

Use of Consultants - Follow up: 6 March 2024

[Use of Consultants - Follow Up | Jersey Audit Office](#)

Critical Infrastructure Resilience - Energy: 3 June 2024

[Critical Infrastructure Resilience - Energy | Jersey Audit Office](#)

Commissioning of Services: 22 July 2024

[Commissioning of Services | Jersey Audit Office](#)

Oversight of Arm's Length Bodies: 30 July 2024

[Oversight of Arm's Length Bodies | Jersey Audit Office](#)

Transparency and Excellence in Annual Reporting: 27 September 2024

[Transparency and Excellence in Annual Reporting | Jersey Audit Office](#)

[Transparency and Excellence in Annual Reporting - Good Practice Guide | Jersey Audit Office](#)

Jersey Performance Framework: 14 October 2024

[Jersey Performance Framework | Jersey Audit Office](#)

Tackling Fraud and Error: 28 November 2024

[Tackling Fraud and Error | Jersey Audit Office](#)



JERSEY AUDIT OFFICE

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