

Transparency and Excellence in Annual Reporting

Project Specification

Background

An annual report is a key means by which an entity tells the story of its year. Public annual reporting, done well, enables stakeholders to understand – with trust and confidence – an entity’s strategy and the risks it faces, how much money has been spent and on what, and what has been achieved as a result. It enables stakeholders to hold the entity to account effectively.

In each year since 2020 I have published a report on annual reporting, accompanied in each year by a *Good Practice Guide*. I have also sought to encourage and to share best practice through delivery of workshops, the publication of Frequently Asked Questions (FAQs) and the publication of *Annual Report Self-Assessment Tools*.

My *Transparency and Excellence in Annual Reporting* publications have been based on my review of the annual reports and, where available publicly, the annual accounts produced by the States of Jersey, States controlled entities and entities established by the States. My reports considered the content of all the annual reports and accounts reviewed against an annually updated set of criteria that encompassed:

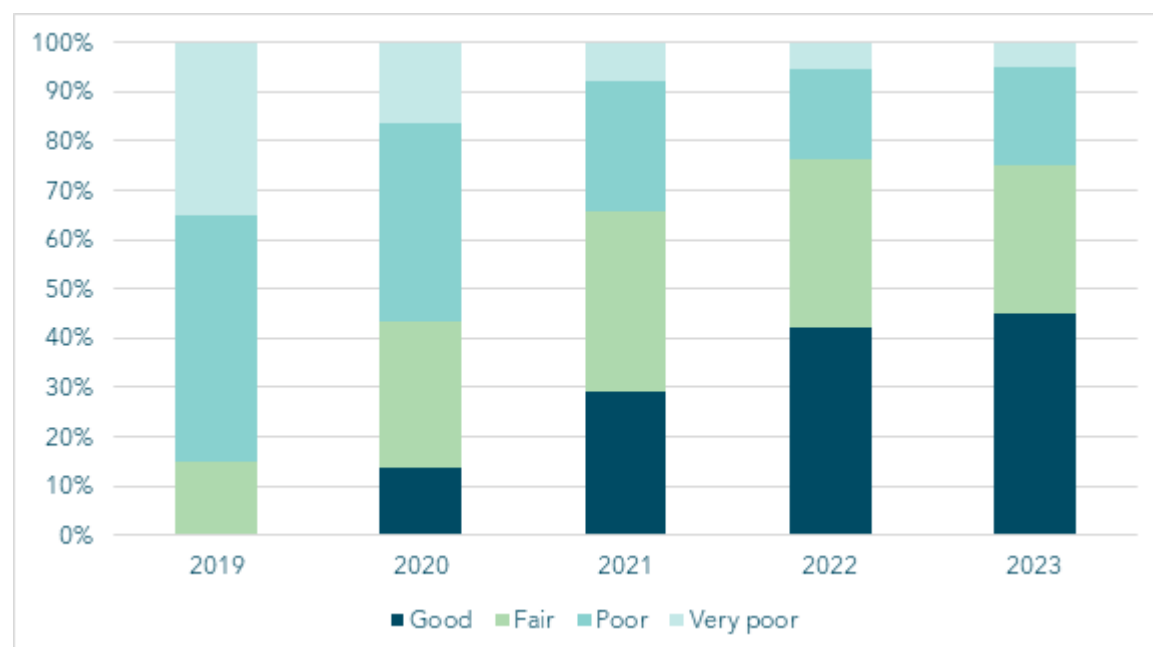
- minimum content that I consider to be best practice for accountability to public stakeholders
- essential elements of a good annual report; and
- over-arching principles for good public reporting.

Since I started my work in this area in 2020, most entities reviewed have made year on year improvements to their annual reports. In 2024, for the 2023 annual reports, I noted improvements in 65% of entities reviewed. However, I also noted that the rate of improvement was slowing.

In overall terms 75% of 2023 annual reports reviewed were judged as good or fair against the best practice standards and principles that I have identified (30 out of 40 entities reviewed). This compares to 76% of 2022 annual reports reviewed (29 out of 38 entities reviewed).

Exhibit 1 shows an assessment of overall progress.

Exhibit 1: Overall assessment of annual reports 2019 to 2023



Source: Jersey Audit Office analysis of annual reports

My 2024 review also found that for the annual reports reviewed:

- performance reports remain generally stronger than accountability reports
- the key area for improvement in accountability reports continues to be about staffing issues, particularly remuneration of board members and of senior staff at smaller entities
- there was no consistent link between the size of the entity and how closely the content of its annual report matched the good practice principles I adopted in my assessment: half of the smaller entities achieved a score of good or fair
- there was a small increase in the number of entities (25 of 40 reports reviewed) referring to climate and sustainability issues, but there is more to do to improve reporting on Environmental, Social and Governance (ESG) issues; and
- some progress had been made in implementing the wider recommendations from my previous reports.

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

Article 11 of the Comptroller and Auditor General (Jersey) Law 2014 requires the C&AG to:

- provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Public Finances (Jersey) Law 2005
- consider and report to the States on:
 - the effectiveness of internal controls of the States, States funded bodies and Funds
 - the economy, efficiency and effectiveness in the way the States, States funded bodies and Funds use their resources; and
 - the general corporate governance arrangements of the States, States funded bodies and Funds; and
- make recommendations to bring about improvement where improvement is needed.

Objectives of this review

This review will consider 2024 Annual Reports against updated criteria encompassing:

- minimum content that I consider to be best practice for accountability to public stakeholders
- essential elements of a good annual report; and
- over-arching principles for good public reporting.

In January 2025, following feedback from use in previous years, I issued an updated *Transparency and Excellence in Annual Report Self-Assessment Tool*. Essentially, updates aim to probe whether someone new to an entity can tell from the Annual Report:

- What the entity exists to do / deliver and how that fits with wider States and other objectives.
- How it operates – does the entity have staff / volunteers / contractors / trustees?

- What activity the entity has undertaken and how its year went, including in comparison to what it had planned to achieve.
- How the entity is funded or otherwise resourced, and how it used those resources against a plan / budget for the year.
- What risks and opportunities the entity identifies and how, in year and for the future, it is managing these.
- What the entity thinks is important to do, what it has done and what it plans to do, to contribute towards wider goals of sustainable wellbeing.
- How members of the public can be assured that the entity is well managed and held to account for its performance and any use of public funds.

In addition to the scored areas, in the January 2025 self-assessment tool I have expanded the focus on ESG with a useful reminder of frameworks which can be used for good practice climate and sustainability reporting.

Scope

This review will focus on the annual reports of the States of Jersey, States controlled entities and entities established by the States, as publicly available on or before 31 July 2025.

Project Approach

This project will use a results oriented approach.

Unlike in previous years, in 2025 I do not intend to produce a report but, as before, the findings will be used to identify and share good practice. This will be undertaken through the publication of an updated *Good Practice Guide* and as the basis of the stakeholder workshop.

In 2025, the Jersey Audit Office marks its 20th Anniversary. As part of the special events for this year, the workshop will include the presentation of Awards to entities, to acknowledge high quality performance in a variety of categories.

The review will commence in May 2025 and be undertaken as a desktop exercise with the detailed work carried out by affiliates engaged by the C&AG. It will be informed by

entity's self-assessment where the self-assessment tool has been completed and shared with C&AG.

Criteria

The C&AG has developed criteria based on both minimum requirements and on best practice observed in this and other jurisdictions, adapted for Jersey. The criteria for 2024 reports were set out in the January 2025 self-assessment tool.

The three key areas of coverage, within which current minimum requirements and best practice performance are described, are:

- Overall Content and Accessibility
- Performance Report
- Accountability Report

Elements within these overarching areas are scored to produce a profile for each entity's annual report. The available scores are detailed in the self-assessment tool published in January 2025 and available at www.jerseyauditoffice.je.

In addition to the scored areas, the C&AG has encouraged entities to enhance their sustainability reporting and disclosures. The self-assessment tool sets out what elements an approach to developing an ESG plan might include and provides examples for each of the three stages, as set out in Exhibit 2.

Exhibit 2: Stages of development or enhancement of an ESG plan





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