

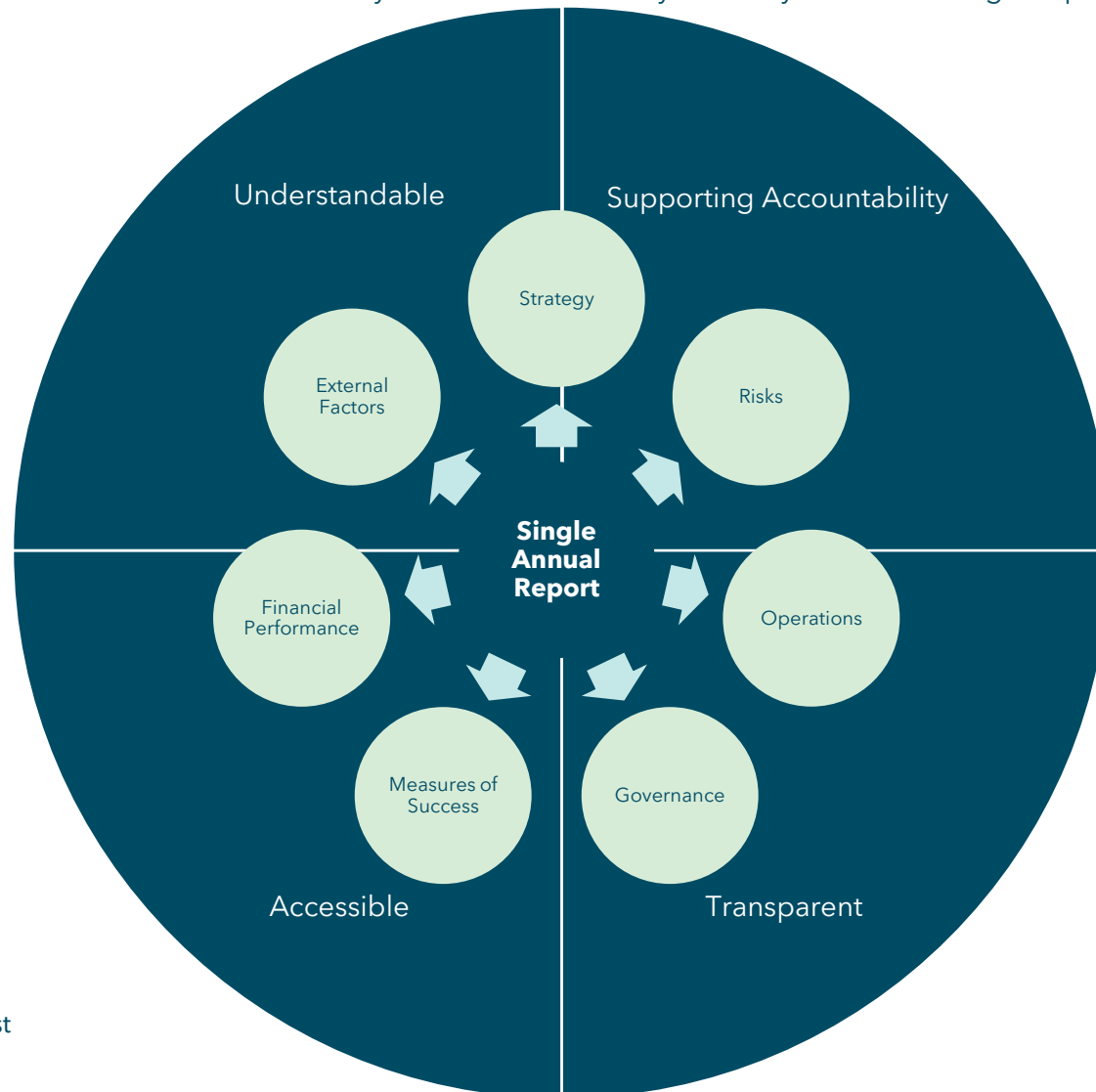
Annual Reporting

Best Practice Checklist - 2025 Reports

2 December 2025

Introduction

1. Annual reports are a key means by which an entity tells the story of its year. A good Annual Report is a key opportunity for entities to:
 - engage with key stakeholders in telling their story in a clear and accessible way
 - outline how they have achieved their objectives and the challenges they face
 - explain how they have used public money and fees charged and what outcomes they have achieved as a result.
2. Good annual reporting enables stakeholders to hold the entity to account effectively. The key elements of a good practice annual report are:



Supporting Accountability

Minimum Standard	Enhanced Practice	Best Practice
To support accountability an entity's single annual report should be published on a timely basis and should contain all required elements. This enables users to be confident that the entity is sharing the information it is required to publicly on a timely basis.		
- The annual report is published by the required deadline. - It is made available as legislation requires.	The annual report is published in advance of the required deadline.	The annual report is published as close as practically possible to the year end to which it relates.
- There is clear coverage of all required elements, typically a performance report, an accountability report and a finance report. - For entities required to produce financial statements, these should be prepared under a suitable framework and suitably assured.	Links to supplementary information are used intelligently to avoid overly long annual reports and to enhance accessibility.	Users are engaged with on their information needs and feedback is sought on whether the content of the annual report is meeting those needs.

Transparent

Minimum Standard	Enhanced Practice	Best Practice
The single annual report conveys openness and transparency. This builds trust in the entity.		
• The annual report comprises a frank and honest analysis of the entity's year. • There is realistic consideration of challenges and opportunities. • Appropriate metrics and quality indicators are used to set out the story. This includes internal comparators to show relative position and performance over time. • The annual report is internally consistent.	• Presentational techniques are used that thread the narrative in a consistent way throughout the report.	• External comparators are used to show the entity's relative performance and position, over time.

Understandable

Minimum Standard	Enhanced Practice	Best Practice
The single annual report is understandable. This enables multiple stakeholders to hold the entity to account.		
- The report uses: - plain language, including to explain complex concepts - infographics and diagrams, especially to communicate important messages. - The report structure is clearly integrated and logical, to take the reader through the story of the entity's year.	Navigation options – for example hyperlinks, icons or use of colour codes – within the report help users find what they are looking for and to more easily follow threads.	- A variety of media is used to communicate key messages. - A summary or 'in brief' version is available, including through using embedded links.

Accessible

Minimum Standard	Enhanced Practice	Best Practice
The entity's single annual report is designed and set out to be accessible and to meet the needs of its stakeholders. Users will engage more with annual reports that are well set out and easy to read or otherwise access.		
The report is easy to find on the entity's website.	Layout and size and spacing of text have been considered, especially where stakeholders might use printed version.	- Multi-media presentations of key messages are available and easy to find, enabling wider access. - This can include ensuring information is designed to meet the needs of key stakeholder groups, for example children or young people or those whose first language is not English.

Strategy

Minimum Standard	Enhanced Practice	Best Practice
The purpose and strategic goals of the entity are clear. Users can understand what is expected of the entity and how it fits with other entities.		
The entity sets out its purpose and goals, including strategic objectives.	- The entity's purpose and goals make clear how it supports better Island outcomes and other wider States objectives. - The entity understands and identifies key Environmental, Social and Governance objectives in the context of a recognisable and relevant sustainability framework. - There is a clearly articulated thread between purpose, strategic objectives and key programmes. - A balanced view is set out of progress against objectives and details of plans to implement priorities.	- The entity shows it has considered whether its strategic objectives and contribution to wider objectives are best met by its delivery model. If appropriate, it makes clear changes made and/ or planned and the rationale. - Purpose, strategy, risk management and performance are clearly linked so there is a consistent story. This might include colour coded or other links across strategic objectives, performance and risks. - ESG goals are integrated with the entity's strategic objectives and operating model.

Risks

Minimum Standard	Enhanced Practice	Best Practice
Risks and risk management processes are clearly set out. This helps the user to understand the focus the entity has on risk management.		
- The entity clearly sets out its risk identification and management processes. - The key risks the entity faces are set out clearly including the implications for the entity. - There is a description of what the entity is doing to mitigate its greater areas of risk.	- Risks are quantified. - A risk 'direction of travel' is set out, including year on year comparison. - Risk appetite and risk treatment criteria (for example, tolerance or mitigation) are set out. - The narrative makes clear how risks and opportunities are taken into account in setting strategic objectives. - An analysis of key in year risks to meeting strategic objectives is included. - The report describes how the risk profile has changed over time. - Risk assessment and management clearly reflect the external environment. - The entity makes clear how the board oversees the effectiveness of the risk management and internal control framework.	- The annual report describes how risk appetite is kept under review. - The annual report makes clear that the board undertakes an annual review of the effectiveness of the entity's risk management and internal control framework.

Operations

Minimum Standard	Enhanced Practice	Best Practice
The delivery model used and how it achieves value for money are set out. Users are able to understand how entities manage operations, contracts and capital to deliver best value for money.		
- The entity describes how it delivers its activities - for example through in-house teams, contractors, volunteers. - The approach to capital investment and why it has chosen that approach is set out where applicable.	- Narrative is included around how business operations support better Island outcomes and wider States' objectives. - Where applicable, the report is clear on how capital investment achieves value for money.	- How the delivery model achieves value for money is set out. - For significant contracted-out services, there is discussion of how these contracts are: - awarded - managed; and - evaluated.

Governance

Minimum Standard	Enhanced Practice	Best Practice
The corporate governance arrangements and performance are clear including transparent information on how the board works effectively to govern the organisation. Users should be able to understand how the entity is managed and held to account. Enough information and evidence should be provided to enable users to assess how well the governance structure operates to support delivery of the entity's purpose and objectives.		
• The accountability and performance sections of the report are owned at a senior level and are endorsed by the Chief Executive (or equivalent). • Information (<i>*or links to online information</i>) includes: ○ the entity's corporate governance structure ○ names of accountable individuals ○ a statement of their responsibilities ○ the composition of the board of directors (or equivalent) ○ the board (or equivalent) committee structure and responsibilities, or a statement that there are no committees ○ *attendance records for board (or equivalent) meetings and, where relevant, committee meetings ○ *details of directorships / other significant interests held by members of the board (or equivalent) which may, or may be	• It is clear how the entity assures its governance arrangements - for example by committing to / implementing relevant best practice principles / standards. • The annual report includes a declaration of effectiveness of the material controls - including financial, operational, reporting and compliance controls - as at the balance sheet date.	• Information about the board's (or equivalent) performance, for example through an assessment of its effectiveness or where relevant against corporate governance codes, is clearly set out. Where relevant, this information should include board committees. • Governance reporting includes a focus on board decisions and their outcomes in the context of the entity's strategy and objectives. • The annual report includes a description of any material controls which have not operated effectively as at the balance sheet date, the action taken, or proposed, to improve them and any action taken to address previously reported issues.

Minimum Standard	Enhanced Practice	Best Practice
perceived to, conflict with management responsibilities, or a statement that there are none; and ○ information on personal data related incidents that have been formally reported to the Jersey Office of the Information Commissioner, or confirmation that no incidents have been reported. • The report highlights key board committee (or equivalent) activities in year, for example audit, risk and remuneration committees.		
• Clear information on board and executive remuneration is set out including: ○ the level of remuneration of board members (or equivalent) ○ the level of remuneration of senior (for example board level) staff; and ○ the policy on the remuneration of directors (or equivalent) for the current and future years.	• The report sets out components and the overall single total remuneration figure for each director (or equivalent). This can include: ○ salary and allowances ○ performance pay, bonuses ○ non-cash benefits ○ pension benefits; and ○ compensation for loss of office / severance payments.	• There is an explanation for any significant changes from previous years, or a statement that there have not been any.

Minimum Standard	Enhanced Practice	Best Practice
- Staff information includes: - number of staff (headcount and full time equivalent) - overall staff costs - staff policies applied during the year, for example in respect of disabled persons, diversity, equality of opportunities - exit packages - summary data on the use of exit packages agreed in year (or a note that there have not been any). <i>Recognising the need to ensure compliance with the Data Protection (Jersey) Law 2018 (the DPJL), the staff reports of entities with small numbers of staff set out the consideration of and acceptable reasons for not publishing specific information.</i> - For entities that do not employ staff the annual report states: - that the entity does not employ staff; and - how activities are delivered - for example by board members, staff provided by the Government, contractors, affiliates, volunteers.	- Staff information includes: - number of staff by grade - a gender analysis of directors, senior and other staff - sickness absence data; and - other significant in year employee matters such as employee consultation.	- Fair pay data is set out including: - highest paid director's remuneration compared to average, lower quartile, mid-point, upper quartile staff remuneration; and - the range of staff remuneration. - The entity sets out what it is doing to further fairness, equity and sustainability in staffing resources, regardless of the numbers of staff. - The entity can show that it has taken a wide-ranging approach to developing diversity policies.

Measures of Success

Minimum Standard	Enhanced Practice	Best Practice
An analysis of performance is set out clearly. Users should easily see how the entity performed against its plans for the year. The performance report should be quantifiable, understandable, fair and balanced, including both positive and negative aspects of how the entity has performed, compared with what was intended.		
- The story of the entity's year makes clear how it has performed. It sets out a balanced view of overall progress in achieving purpose and goals. - Key Performance Indicators are used to evaluate progress against strategic objectives. - A statement is included from the lead Minister, Accountable Officer, Chief Executive or equivalent setting out in clear terms their perspective on how the entity has performed.	- The report shows how performance compares with targets. - The interpretation of performance demonstrates consideration of the implications, including actions to manage shortfalls / build on success. - Graphics are used to illustrate performance.	- The implications of in-year and multi-year performance are set out and clearly considered against elements such as delivery model and approach to risk management. - Narrative links performance to use of finances and other resources.
Action plans to improve Environmental, Social and Governance (ESG) performance are clear.	- Performance against ESG objectives is set out using appropriate metrics. - The entity evaluates and reports its sustainability performance in a balanced way. - The data sources are made clear, including any degree of 'proxy'.	- ESG performance is measured and assessed in the context of a recognised framework, for example, the aims of the Island outcome indicators Statistics Jersey or the UN Sustainable Development Goals. If a bespoke framework is developed, it is clear how this aligns with the JPF and / or UNSDG. - Independent assurance is provided over sustainability metrics.

Financial Performance

Minimum Standard	Enhanced Practice	Best Practice
Financial performance is clearly set out. Users should be able to easily understand the entity's spend against its budgets and targets.		
An understandable and fair reflection of financial performance is set out that is consistent with the underlying financial statements.	- The report explains how the entity actually performed against an overall finance plan and specific budgets. - Variances and their reason and impact are set out clearly.	- Past and current financial performance is set out in the context of medium and longer term trends, risks and opportunities. - Benchmarks are used where available. - Independently audited financial statements are included in the annual report with an accountable individual confirming that: - as far as they are aware, there is no relevant audit information of which the entity's auditors are unaware, and that the accountable individual has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information - the annual report and accounts as a whole is fair, balanced, understandable and that they take personal responsibility for the annual report and accounts document and the judgements required for determining that it is fair, balanced and understandable; and - the adoption of the going concern basis is appropriate.

External Factors

Minimum Standard	Enhanced Practice	Best Practice
The annual report considers the external drivers influencing and impacting on current and longer term objectives. The user can understand the external risks and opportunities the entity has faced in year and how these have affected performance.		
Performance is set out in the context of the overall external operating environment.	The report clearly distinguishes between external and internal factors affecting performance against targets.	The report includes future scenario analysis of external factors likely to have an impact on performance.



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