

# Living Wage Transitional Support

## Audit Specification

### Background

The Common Strategic Policy 2024 to 2026 (the CSP) included the transition to a living wage as one of the thirteen priorities for delivery. The CSP stated that the Council of Ministers “will commit to implementing the States Assembly decision to bring the minimum wage to two-thirds of the median wage by the end of this term of office. We will be providing a range of support to employers and employees, as needed, during this transition.”

The Budget 2025 to 2028 provided funding of up to £10 million in both 2025 and 2026 to support businesses and charities whilst the living wage is implemented, with the cost met through a temporary reduction in the States Grant made to the Social Security Fund in both of these years. This funding is referred to as the Better Business Support Package.

The transition to the living wage has been delivered through stepped increases in the minimum wage until the minimum wage reached two thirds of the median wage. In February 2026 the Employment (Minimum Wage) (Jersey) Amendment Order 2026 was published, through which the Minister for Social Security set the minimum wage for 2026 at £13.59 per hour from 1 April 2026. This achieved the CSP aim of the minimum wage to be set at two thirds of the median wage in Jersey.

### **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 audit**

The audit will evaluate whether the Living Wage Transitional Support delivered through the Better Business Support Package:

- has been designed to deliver the intended outcomes set out in the States Assembly decision
- is delivering as expected in each of the key target 'enabling' areas; and
- is managed effectively to ensure delivery of value for money.

## **Scope**

The audit will focus on the progress and impact of the Better Business Support Package in supporting the delivery of the CSP priority to transition to a living wage for Islanders.

The C&AG's Audit Plan 2026-29 includes a separate audit looking at Delivering the Economic Strategy.

## **Audit approach**

This audit will use a combination of:

- Result-oriented approach – is the Better Business Support Package well designed to meet its stated objectives?
- Problem-oriented approach – is the Better Business Support Package delivering or likely to deliver its objectives? and
- System-oriented approach – do the underlying systems and processes enable the effective delivery of the Better Business Support Package objectives?

The audit will commence with an initial documentation request. The findings of the document review will be followed up by interviews with key officers and potentially with other stakeholders.

The audit will commence in May 2026.

The detailed work will be undertaken by an affiliate engaged by the C&AG.

## **Audit criteria**

To assess relative performance during our audit, we will use the following criteria.

1. The Government has a clear strategy to achieve the delivery of the CSP priority to transition to a living wage in Jersey.
2. The planning and design of the Better Business Support Package are outcome focussed to meet the stated objectives.
3. Appropriate monitoring arrangements are in place to assess compliance with the strategy and objectives.
4. Robust financial controls are in place, supported by a systematic risk management process that proactively identifies, assesses, and mitigates risks, including those related to fraud, and conflicts of interest.



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