JERSEY AUDIT OFFICE

# Delivering Effective Regulation

19 November 2026

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**Report by the Comptroller and Auditor General: 19 November 2026**

**This report has been prepared in accordance with Article 20 of the Comptroller and Auditor General (Jersey) Law 2014.**

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# Summary

## Introduction

1. Effective regulation protects the rights and safety of citizens, supports fair markets and ensures the delivery of public goods and services meets defined standards. Regulation is distinct from direct government provision or commissioning of services, because it relies on using incentives and sanctions to drive behaviour change in individuals or organisations outside of government's direct oversight.

2. When regulation fails, it can have severe consequences for public finances, public safety, the economy as a whole or the environment.

3. The regulatory landscape in Jersey has developed over time, sometimes in response to specific events. There are a number of independent bodies set up to deliver regulatory functions, for example the Jersey Care Commission and the Jersey Competition Regulatory Authority. The States of Jersey website sets out areas of regulated activity across Jersey covering services ranging from agriculture to waste management. For some services, regulation is provided by an independent body, but for other services, for example construction, regulatory functions are undertaken by Government, or by Government contracting with a third party to provide regulatory services to the Island.

4. Effective regulation requires:

    - Clarity and simplicity: regulations should be clear and straightforward, making it easy for individuals and organisations to understand their obligations. This reduces compliance costs and enhances adherence to the rules.

    - Proportionality: the regulatory approach should be proportionate to the risks involved. This means that the level of regulation should correspond to the potential likelihood and impact of non-compliance, ensuring that resources are allocated efficiently.

- Consistency: regulations should be consistent across different sectors and over time. This helps build trust and predictability in the regulatory environment, allowing businesses and individuals to plan accordingly.

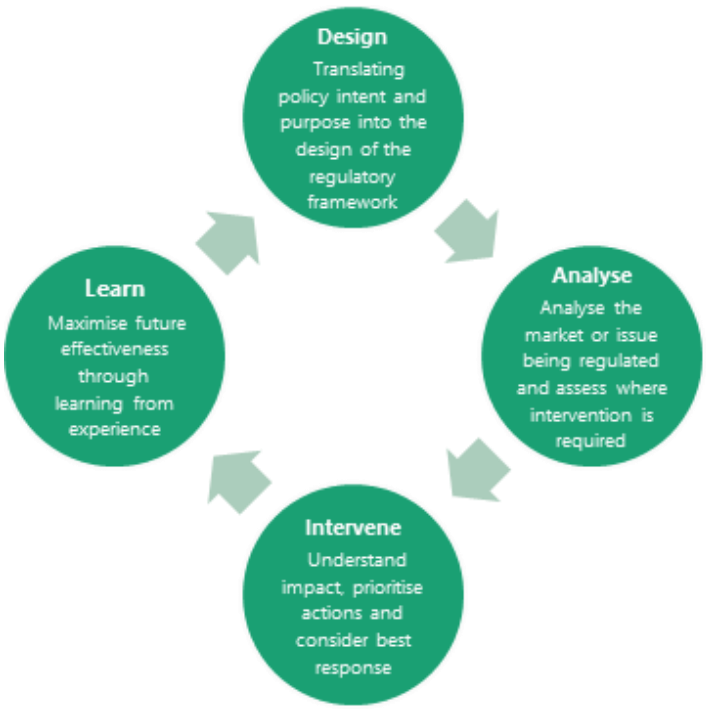
- Stakeholder engagement: effective regulation involves engaging with stakeholders, including businesses, consumers, and civil society, to gather input and feedback. This collaborative approach can lead to better-designed regulations that meet the needs of all parties involved.

- Monitoring and enforcement: there should be robust mechanisms for monitoring compliance and enforcing regulations. This includes having the necessary resources and authority to take action against non-compliance, which is crucial for maintaining the integrity of the regulatory framework.

5. The full costs of regulation go beyond the operating costs of regulators. Effective regulation maximises the benefits while minimising compliance costs and unintended consequences.

6. The UK National Audit Office (NAO) Good Practice Guidance *Principles of Effective Regulation* (May 2021) sets out the four principles of effective regulation (Exhibit 1).

**Exhibit 1 Principles of regulation: a learning cycle**




*Source: National Audit Office Good Practice Guidance – Principles of Effective Regulation May 2021*

# Key findings

7. The regulatory landscape is complex and complicated. Gaining an understanding of how the regulatory system as a whole operates is not easy to achieve. Regulation in Jersey has developed over a long period and has been driven by different imperatives. In many cases regulation has been reactive, created in isolation of other regulation. This has resulted in 'layering' of regulations and potential areas of regulatory duplication. In comparison with other jurisdictions Jersey also has some areas where there are potential gaps in regulation.

8. At the time of my audit Jersey had no established criteria or framework against which to make decisions about what to regulate and how, and what not to regulate. I understand that the Council of Ministers has since approved a Regulatory Framework that was published on 18 November 2026. To date there has been no established process to routinely take stock of Jersey's regulatory requirements – individually and as a whole – in the context of clear evidence of need, based on an up to date understanding of current and emerging risk. This makes it more likely that relatively low value and even obsolete regulations are still in place, that parts of the regulatory system do not work well together, and that important regulations are inadequate or missing.

9. Currently, roles and responsibilities for regulation are fragmented and there has been no coherent approach. Until the appointment of a Minister for Planning and Regulation in July 2026, there has been no single point of regulatory leadership. The new Minister is clear about the need to implement an evidence-based system and process of regulation, designed to address specific opportunities, issues and risks. At the time of my audit an ambitious work programme was being discussed although no timetabled or prioritised plan was yet established.

10. There is wide variation in how regulators report against their aims and objectives. All independent regulators publish annual reports, but the content of these is not consistent. Government and non-Ministerial departments vary in the extent to which they publicly report on performance. Currently, there is

no clear set of minimum criteria against which to report performance and enable comparison across regulators and with other jurisdictions.

## Conclusion

11. Jersey does not have a coherent approach to designing and implementing regulation. The landscape is complex and fragmented and does not allow for the delivery of value for money to be assured.

12. The appointment of the Minister for Planning and Regulation in July 2026 has provided a single point of regulatory leadership. The Government is developing an ambitious programme to introduce an evidence-based framework for regulation. This provides an opportunity to redefine regulation around the minimum assurance requirements needed to minimise harm and protect the public interest. Developing an evidence and risk based approach also provides the opportunity to ensure regulation in Jersey is proportionate, targeted, consistent and accountable.

# Objectives and scope of the audit

13. My audit has evaluated the current landscape of regulation in Jersey to identify whether there are any overlaps or gaps in the design of regulation to achieve public policy aims in an effective way.

14. The focus has been on the design of regulation and whether the design supports the delivery of effective regulation. It has not analysed the markets or issues being regulated or considered the intervention mechanisms being used in practice.

15. The areas of regulation considered include:

- public services
- public health
- environmental standards
- planning
- building standards; and
- economic.

16. Further information on the audit approach can be found in Appendix One.

# Detailed findings

## Defining the overall purpose of regulation

17. I considered whether the States of Jersey have defined a clear overall purpose for regulation based on a good understanding of what regulation is intended to address. I found that there is no coherent approach.

18. To adopt best practice and help ensure proportionality and value for money are achieved, the States need to have:

- a clear understanding of the current landscape of regulation across Jersey with known overlaps or gaps identified
- a clear articulation of the primary purpose of regulation and how it is intended to achieve its purpose; and
- a process with which to periodically consider whether the purpose of regulation remains relevant and up to date, and to review the role of regulators.

### The regulatory landscape

19. The regulatory landscape is complex and complicated. At the start of my fieldwork, there was no 'off the shelf' consolidated map of regulation in Jersey. The list of regulations and regulators initially provided by Government was work in progress. The information required to provide the full picture has been dispersed across Government, non-Ministerial departments and external agencies, and to the extent that it exists, the data has been held in different data sets. Officers recognise that the resulting map of regulation that has emerged – and might still be emerging - is complex and in some cases fragmented.

20. Jersey implements regulation by way of Government departments and functions, independent bodies, non-Ministerial departments, Parishes, and commissioned agencies. Examples of each are shown in Exhibit 2.

**Exhibit 2: Examples of regulatory responsibilities in Jersey in specific sectors**

| Government department / functions | Independent bodies | Other |
|---|---|---|
| **Public Services** | | |
| Chief Pharmacist<br>Children, Young People, Education and Skills (CYPES)<br>Health and Care Jersey<br>Infrastructure and Environment<br>Regulation Directorate | Charity Commissioner<br>Director of Civil Aviation<br>Jersey Care Commission<br>Jersey Harbours<br>Police Complaints Commission | Commissioned agencies:<br>- His Majesty's Inspectorates<br>- Local Government Association and National Fire Chiefs' Council<br>Non-Ministerial department: States Greffe<br>Parishes |
| **Public Health** | | |
| Chief Pharmacist<br>Health and Care Jersey<br>Medical Officer of Health<br>Regulation Directorate | Jersey Care Commission | Parishes |
| **Environmental standards** | | |
| Health and Care Jersey<br>Natural Environment<br>Regulation Directorate<br>States Vet | | |
| **Planning** | | |
| Regulation Directorate | | |

| Government department / functions | Independent bodies | Other |
|---|---|---|
| **Building / Construction** | | |
| Fire and Rescue Service<br>Health and Safety Inspectorate<br>Regulation Directorate | | |
| **Economic** | | |
| Customs and Immigration<br>Employment, Social Security and Housing (ESSH)<br>Infrastructure and Environment | Gambling Commission<br>Jersey Competition Regulatory Authority<br>Jersey Financial Services Commission<br>Jersey Office of the Information Commissioner | Non-Ministerial department: Bailiff's Chambers<br>Parishes |

*Source: Jersey Audit Office analysis*

21. The list of regulators provided for my audit describes:

- nine independent bodies, two of which report to an arm's length entity
- six Government departments covering more than 30 'high level' areas of regulation – for example in education, public health, planning, agriculture, work permits and business licences
- two non-Ministerial departments involved in regulatory activity with no direct political oversight; and
- twelve Parishes, involved in five areas of regulation.

22. The Minister for Sustainable Economic Development has not delegated duties concerning policing of beaches and beach parking and trading and so remains directly responsible for these areas of regulation.

23. In addition, some areas of Government rely on external regulators from other jurisdictions. For example His Majesty's Inspectorate of Constabulary and Fire and Rescue Services has been invited to inspect both the Police Service and

the Fire and Rescue Service. This regulatory activity is by invitation and, to date, all inspections have been scheduled and announced well in advance. The commissioned agencies have no powers to require that Jersey takes action on their findings.

24. Gaining an understanding of how the regulatory system as a whole operates is not easy to achieve. Regulation in Jersey has developed over a long period and been driven by different imperatives. In many cases regulation has been reactive, created in isolation of other regulation. This has resulted in 'layering' of regulations and potential areas of regulatory duplication. For example:

- currently aspects of provision of alcohol licences are the responsibility of a non-Ministerial department and the Parishes. The Government is proposing that this becomes the responsibility of the Regulation Directorate
- financial crime - Anti-Money Laundering, Countering Terrorist Financing, and Counter-Proliferation Financing - is an area where multiple bodies address different parts of the same financial crime risk; and
- consumer protection is an objective pursued by several bodies through different statutory powers.

25. Some legislation and associated regulation is designed to facilitate cross-border trade and compliance with international standards, particularly in areas like financial services and information rights. However, the maturity of these regulatory frameworks and the imperatives driving their development vary significantly by sector. For instance, financial services are heavily shaped by global regulatory benchmarks, whereas other industries are driven more by domestic economic needs or emerging local risks.

26. The Government has recognised that the regulatory landscape is made complicated by a range of factors, including:

- poor or out of date legislation which can impose unwarranted regulatory requirements
- a system of oversight that emerged piecemeal over time, rather than being purposefully engineered

- lack of consultation and impact assessments of some imposed regulations
- some regulation operating with little or no political oversight; and
- inadequate consideration of the impact on and needs of smaller businesses, which make up a very high proportion of businesses in Jersey, relative to other jurisdictions. In the Labour Market Report December 2025, Statistics Jersey report that 90% of undertakings employed fewer than ten staff.[1]

## Potential gaps in regulation

27. In comparison with other jurisdictions Jersey has some areas where there are potential gaps in regulation:

    - utilities:
        - water: the supply of treated water in Jersey is governed by the Water (Jersey) Law 1972 which sets out quality parameters for 'wholesomeness'. However, water catchment areas are not regulated to control the use of fertilisers. As a consequence, Jersey Water has been granted a derogation allowing some samples to exceed the legal maximum allowable concentration of nitrates; and
        - energy sector: in April 2025 the States adopted a Proposition (P.11/2025) to implement '*an evidence-based energy strategy that* [ ] *balances the need for affordability, safety, security, a market that delivers competitive outcomes and carbon-neutrality*'. The Council of Ministers is requested to '*bring forward any necessary legislative changes subsequent to the implementation of the energy strategy, for approval by the Assembly before 31st December 2027*'.
    - primary care: while professionals must register in Jersey and be members of UK (or other) professional bodies, there is no inspection of general

[1] Statistics Jersey defines undertakings as including businesses (both employers and self-employed individuals), charities, and any other organisations that employ staff in Jersey and are required to register for a business licence under the Control of Housing and Work (2012) Law.

practice or community dentistry, or of ophthalmology services or adult social work

- consumer protection: there is no independent enforcer. Trading standards regulates by way of the Consumer Protection (Unfair Practices) (Jersey) Law 2018 and can use all elements of the Law to compel resolution, including court action if required. However no entity in Jersey can, for example, directly investigate a misleading online offer
- medicines and medical technologies: while there is a legal framework in place, regulatory responsibilities are fragmented and decision making is noted as unclear
- periodic technical inspection of vehicles
- online safety: Jersey has no legislation to place statutory duties on online platforms. Islanders instead rely on protections designed and enforced in the countries where platforms are hosted; and
- statutory nuisance: officers have identified that legislation is weaker than is required to properly regulate this area.

28. Currently, not all of these have a clear way forward to evaluate and address risks of public harm or to meet the needs of public interest in the context of delivering the Jersey Performance Framework and the Common Strategic Policy.

## Articulating the purpose of regulation

29. There is no commonly agreed working definition of what regulation is – or is not – set out and adopted by all interested parties. A number of entities are recognised by Government as 'quasi-regulators' but again this does not link to a clear definition.

30. An effective regulatory framework requires a clear definition of the overall purpose of regulation, based on a good understanding of the issues that

regulation is intended to address and a shared understanding of intended outcomes.[2]

31. At the time of my audit Jersey had no established criteria or framework against which to make decisions about what to regulate and how, and what not to regulate. I understand that the Council of Ministers has since approved a Regulatory Framework that was published on 18 November 2026. Such a framework of criteria could help demonstrate a consistent approach to implementing effective regulation which can be kept up to date to meet changing needs.

32. The UK's Institute for Government describes regulation as:

*'the use of rules, incentives and penalties to change the behaviour of individuals or organisations. While rules may be set out in law, this is not always the case. Regulation involves not only setting standards, but monitoring performance against them and enforcing compliance.'*

33. Other descriptions emphasise that regulation should align with public and societal goals and legal requirements, be risk-based, proportionate and prevent public harm.

34. Regulation is used for a variety of purposes but these chiefly fall into two categories:

- protecting or otherwise benefitting people, businesses and the environment; and
- enabling or supporting economic growth.

35. In respect of the second of these, in September 2023 the then Minister for Sustainable Economic Development commissioned Jersey Business to produce a report on 'Barriers to Business'. This discussed productivity and in terms of regulation recommended: '*Simplicity and simplification: Processes, regulation, legislation and communication should be simple and concise*'.

[2] Adapted from the NAO's Principles of effective regulation A summary guide for regulators and policymakers

36. The report recommended that in terms of new legislation and regulation, the States introduce the requirement for a risk-based approach including a thorough assessment of the impact on the economy, and that there be independent scrutiny and post-implementation review. It also recommended the removal of two legislations for each new one introduced.

37. Without a framework of criteria against which to evaluate regulation and a clear articulation of the purpose of regulation, in my view this blunt approach brings with it new risks.

## Periodic reviews

38. Any jurisdiction's range of regulation and the way it is implemented might be expected to reflect the extent to which behaviours and activities of individuals or organisations are preventing a government from achieving its policy aims. Such regulation can range from prescriptive rules and enforcement to lighter-touch approaches including guidance or codes of practice. It would also be reasonable to assume what is regulated, and how, might change over time.

39. Routine, evidence-based consideration of existing regulation and the requirements it imposes is an important part of maintaining the credibility of regulations and regulatory systems. As part of its ambitious programme to introduce an evidence-based framework for regulation, the Government is starting to evaluate whether regulations individually and together:

- remain relevant to achieving the States' ambitions for the Island and Islanders
- are adequate and proportionate, in the current and predicted risk environment; and
- secure value for money in the delivery models and mechanisms employed.

40. There is however no established process to routinely take stock of Jersey's regulatory requirements – individually and as a whole – in the context of clear evidence of need, based on an up to date understanding of current and emerging risk. This makes it more likely that relatively low value and even obsolete regulations are still in place, that parts of the regulatory system do

not work well together, and that important regulations are inadequate or missing.

41. Regulation might be expected to be developed and evolved to reach, or to maintain, a defined goal. Recent changes requiring the Jersey Care Commission to inspect acute hospital, ambulance and Government mental health services, are not though set in the context of an overarching plan to reach an agreed level of assurance in health care services as a whole. Such a plan might consider the balance of risk in light of the frequency-based (as opposed to predominantly risk-based) inspection of social care against the currently tolerated risk of unregulated primary care provision.

42. An example where the intended benefit of regulation might be seen to be increasingly limited by its design concerns the independent economic oversight of postal services by the Jersey Competition Regulatory Authority. Legislation sets out that a licence is required for the conveyance and delivery of letters where the charge is £1.30 or less, subject to other exemptions. Currently, for Jersey Post, only local letters fall within this requirement. As letter volumes continue to decline, this calls into question value for money and illustrates the need for Government to review the approach to inform the continuing scope and value of postal regulation.

## Recommendations

**R1** Finalise the stock take to establish, and then maintain, a central register of regulations and regulators in Jersey.

**R2** Prioritise the development of a process by which all existing areas of regulation, and the areas where there are potential gaps in regulation, are considered against a set of criteria that enable:

- consideration of minimum / optimal level of assurance required to secure and underpin delivery of Jersey's strategic priorities; and
- decisions on how to gain assurance to meet the needs of public interest and the scale of intervention this requires.

**R3** Clearly document decisions and the evidence- and risk-based evaluation to support decisions to not regulate and include a timeframe for re-evaluation where this is required.

## Area for consideration

**A1** Consider whether there should be formalised arrangements to ensure routine inspection by external regulators of specific services (to include emergency, prison and probation services), including unannounced and follow-up visits. Publish all reports and hold services to account for improvement.

## Setting regulatory objectives

43. I considered whether the States have a set of clear objectives for regulated activities against which activity can be measured. In particular, I considered whether there is:

- a clear and logical explanation of how the overall purpose of regulation is translated into detailed objectives and priorities
- an explicit recognition of any tensions or trade-offs between objectives, with clarity where appropriate over how such potential conflicts should be managed and resolved
- a regular review and refresh, where relevant, of regulatory objectives including consideration of the benefits and risks of simplifying or streamlining them; and
- clear communication with stakeholders and the public on the above points, and mechanisms to coordinate and collaborate with other bodies, including other regulators, where they have related objectives and desired regulatory outcomes.

## Translating purpose into objectives and priorities

44. The lack of a clear picture of who does what and why in terms of regulation has led to inconsistency in the extent to which the overall purpose of regulation is translated into detailed objectives and priorities.

45. Currently, roles and responsibilities for regulation are fragmented and there has been no coherent approach. Until the appointment of a Minister for Planning and Regulation in July 2026, there has been no single point of regulatory leadership. The dispersed nature of regulation and lack of a clear regulatory map have made it harder to ensure a co-ordinated, system-wide response. This 'whole systems' facility is especially important in anticipating and responding to changing and emerging risk.

46. The new Minister is clear about the need to implement an evidence-based system and process of regulation, designed to address specific issues and

risks. At the time of my audit an ambitious work programme was being discussed. The central policy team in the Cabinet Office is supporting the Minister with this work, but no timetabled or prioritised plan is yet established.

## Managing and resolving potential trade offs

47. The Government acknowledges that the current regulatory landscape can be difficult to navigate. The Cabinet Office has undertaken work to understand complexity and 'layering' of regulations across departments and independent bodies, and the potential for this to create barriers to business start-up and development.

48. From this work, officers identified some 'quick win' opportunities to, for example, simplify information requests (including through digitisation of application processes) and to address areas of duplication. Officers also identified scope to better join-up information. For example when planning to open a place of refreshment, the requirements and costs of activities such as establishing a venue, complying with food standards and securing an alcohol licence might be a logical grouping.

49. Statistics Jersey's most recent Business Survey found that businesses perceive regulation to be the third most significant factor inhibiting economic performance and business growth, after skills shortages and lack of demand. The Government has undertaken analysis of start-up and on-going costs of licences, certificates and other requirements to enable specific businesses to comply with existing legislation. The analysis covers, for example, establishing a children's nursery, registering as an architect, licensing door security staff, setting up tourist accommodation, starting a taxi service and complying with regulation of care requirements. Small- and medium-sized enterprises dominate the Island's economy and for these, the costs of compliance can be proportionally greater than for larger businesses.

50. The Government recognises the opportunity remains to reduce administrative effort and costs, both to Islanders and regulators.

51. In terms of administrative information required from those seeking to comply with regulation, the Regulation Directorate for example applies the principle

of 'collect once, use many times' where the legal framework allows. Information sharing between regulators is subject to the relevant legislation, data protection requirements and any applicable data sharing agreements. Where regulatory regimes overlap:

*the Directorate seeks to reduce duplication and streamline information requests where possible, particularly where businesses interact with more than one regulatory function*.

52. However, Jersey has no joined-up approach to ensuring the administrative effort is as low as possible when Islanders need to interface with more than one regulator and numerous regulations – for example when setting up a residential care home.

53. It is recognised that some new initiatives, for example the new planning application validation checklist, have been brought in to streamline the process and reduce the impact of additional costs. However more data will be needed to allow for the quantification of the total economic overhead of meeting compliance across the Island.

## Regular review and refresh of objectives

54. There is a need to regularly review and refresh regulatory objectives. In considering regulation however it is difficult for regulators to prove the 'counter-factual' – what would have been the outcome had their regulatory requirements not been in operation.

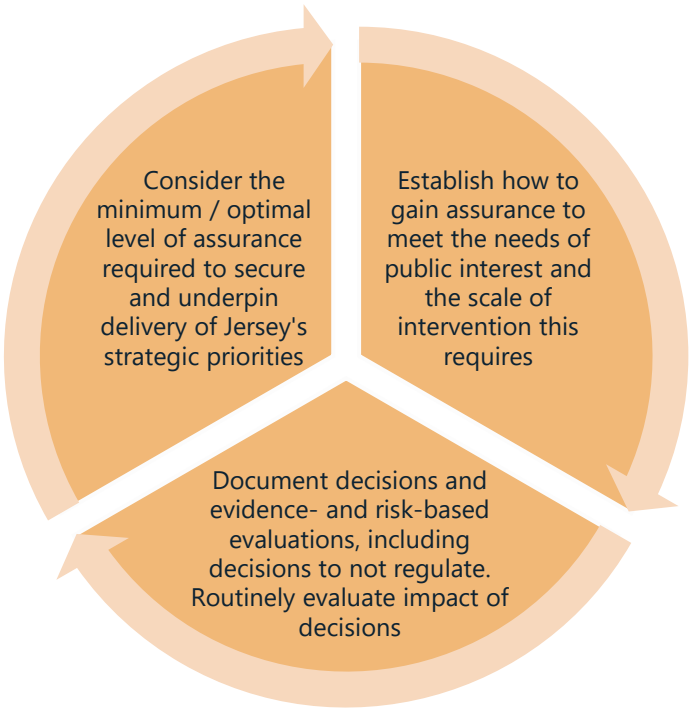
55. Instead, taking the 'other end of the telescope' view, I consider that the States need to establish the minimum – or otherwise optimal – level of assurance required in all areas of responsibility, and regulate accordingly. Part of this evaluation would be consideration of whether regulation is the required and best value approach and if so, its extent and design, including powers.

56. Jersey's approach to deciding what needs to be assured through regulation should be clearly aligned with the States' strategic objectives and priorities – for example the outcomes of the Jersey Performance Framework and the Common Strategic Policy. Consideration should be evidence- and risk-based, proportionate to Jersey's circumstances and ambitions. Being able to clearly

demonstrate these considerations is important to the credibility of the regulatory process in the eyes of Islanders. A coherent regulatory framework is also important to Jersey's international reputation.

57. The approach might be considered as an iterative process (see Exhibit 3).

**Exhibit 3: Consideration of the steps in deciding what areas to regulate**




*Source: Jersey Audit Office*

58. Ensuring that risk and impact are evaluated to identify the optimum point in terms of the level of control, and that non-legislative actions and interventions are considered before introducing new rules, are important steps in the process. Being as transparent as possible about the evaluation can improve the compliance with and impact of regulation. The Government's work in this area includes considering whether safeguards and assurance can be delivered through frameworks below the level of statutory regulation. It is also considering the extent to which UK standards influence practice in Jersey regardless of whether they are incorporated into Island legislation.

59. Officers in the Cabinet Office have been researching international best practice, including from the Organisation for Economic Co-operation and Development (OECD). OECD reports and published working papers set out a rich source of evidence-based practice, including in stratifying the regulatory

approach to be proportionate to the known risk and desired outcome. The States of Jersey can make important steps forward by adopting such an approach.

## Stakeholder communications and collaboration mechanisms

### Stakeholder communications

60. Making sure Islanders understand regulatory requirements, how to comply and how to provide feedback are important to the overall success of regulation. In 2020 I issued a report on *Use of Enforcement* which included recommendations to do with communication, relevant to all Jersey regulators that hold enforcement powers. In summary, the recommendations required regulators to:

- improve publicly available information and overall communication about enforcement regimes
- capture and respond to feedback from service users
- set clear targets for improving stakeholder engagement and report performance; and
- ensure training is up to date, standardised approaches are used and learning is shared across all areas of enforcement.

61. A workstream was established in 2020 to deliver progress against these recommendations, supported by a Review Board. However, the scope of this workstream was limited to the Government's Planning function. At the end of 2021, despite key recommendations being evaluated by Government as 'red' (not delivered) the Review Board was disbanded and the dashboard used to report progress was no longer maintained. Following this, I understand that the Regulation Directorate monitors the outstanding actions as part of the Planning function's overall governance arrangements. However, there is no specific reporting of progress, and no mechanism for sharing learning with other relevant regulators.

62. There remain opportunities to ensure that all regulators that hold powers of enforcement have mechanisms in place to ensure fit for purpose communication and engagement.

63. More generally the Government acknowledges that there is more to do to ensure that Islanders can easily access reliable, clear, up to date and joined-up information on regulatory requirements and costs of compliance.

## Collaboration mechanisms

64. As part of my audit I undertook an anonymous, online survey of independent regulators. I included a question about work any had undertaken to understand, assess and respond to overlaps or common purpose with other regulators. Of the nine regulators that submitted responses:

- six noted that they had undertaken such work; and
- all six stated that there has been consequent action – for example improving engagement, developing Memoranda of Understanding and information sharing protocols, or joint work on particular policies.

65. An example of the importance of collaboration across regulators and other bodies is the development of the work-related death protocol. By helping shape and then signing up to this protocol, signatories committed to a joint investigation approach, appreciating that: *the public want to be confident that those investigating work-related deaths are doing all that they can to co-ordinate activities, and to cooperate with each other in the best interests of public safety and of those affected by work-related deaths*'. Steered by the Health and Safety Inspectorate, other signatories to the protocol are:

- States of Jersey Police
- Ports of Jersey Limited
- Jersey Care Commission
- States of Jersey Fire and Rescue Service; and
- the Regulation Directorate.

66. Whereas the States' external regulatory and other similar bodies routinely but informally get together to discuss areas of common interest, departmental regulatory functions are typically not included in such meetings. The benefits of a 'small Island' community can be built on but at present there is a lack of a mechanism to ensure joined up regulation.

67. Where a co-ordinated and co-operative approach is needed, including in areas which span organisational boundaries – for example financial crime, cyber security, consumer protection and environmental protection – there is a case for implementing more formal arrangements.

68. A good example of where an emerging risk has fostered collaboration concerns the establishment in 2025 of the Jersey AI Council. This intends to '*align and amplify artificial intelligence initiatives across Jersey's public and private sectors*'. The Council has an advisory role with no powers to mandate actions but intends to enhance AI initiatives to the benefit of Jersey's economic development and citizen wellbeing. It is likely that its activities will enable a clearer picture of any gaps or overlaps in legislation and regulation.

## Recommendation

**R4** Implement an overarching policy establishing principles and objectives of regulation, to be adopted as appropriate by regulators. Support this with a code of practice.

## Work planned that should be prioritised

**P1** Set out a workplan and timeline to ensure that, as soon as can be achieved, requirements of and indicative costs to those seeking to comply with regulations are easy to find, logically grouped, clearly set out and kept up to date. Ensure there are links to and from the central register of regulations and regulators.

## Areas for consideration

**A2** Formalise the expectations of collaboration between regulators in Jersey where a joined-up approach and response is needed, in particular where responsibilities for managing emerging and changing risks and opportunities are cross-sector.

**A3** Consider collating and publishing indirect regulatory compliance costs as part of official Jersey economic statistics. This should facilitate the ability to assess whether any changes are having the desired impact.

# Ensuring accountability

69. I considered whether there are clear and effective accountability arrangements which set out the respective roles and responsibilities of the States of Jersey, regulators and other bodies in the regulatory system. A best practice and proportionate approach to ensuring accountability would include:

- clarity on the allocation of roles and responsibilities between the responsible department(s), regulator(s) and other stakeholders, and clear lines of accountability from regulators to the States of Jersey and/or their sponsor departments; and
- mechanisms for regulators and other public bodies to be challenged or held accountable for their work and, where relevant, the wider impact of their actions, such as on vulnerable groups.

## Lines of accountability

70. Where regulatory activity is delivered by independent bodies, each is accountable to a Minister and has a sponsoring Government department. Depending on funding arrangements, different forms of agreement are in place. As part of my audit I have considered an example of a Memorandum of Understanding (MOU), a Partnership Agreement and a Framework Agreement. Taking a consolidated view across theses, they variously cover:

- the legal landscape including a clear timeline of any amendments and making relevant links across legislation
- roles, responsibilities and obligations, including in the area of enforcement of powers
- how the regulator will:
    - undertake risk management and any assessment of potential harm
    - report on performance against its objectives
    - report its finances in relation to aspects of regulation, including assessing its relative value for money; and

    - demonstrate how it takes account of the States' strategic priorities in decision making

- funding arrangements and roles in that process
- policy setting and accountability arrangements; and
- how operational independence to carry out regulatory obligations is protected, including where regulators regulate the Government.

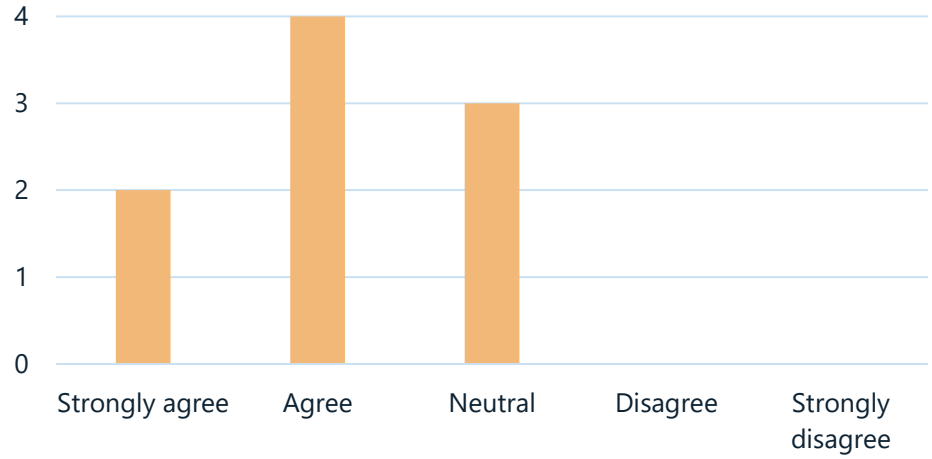
71. In my view it is important that all regulators - arm's-length and at States departmental level - have these elements as a minimum set of requirements. For independent bodies this might be in a framework or partnership agreement or MOU. Within States' departments these could be set out in a business or delivery plan.

72. In practice, the interaction between Ministers, Accountable Officers and arm's-length entities is managed in different ways, typically depending on the funding model in operation. For some, quarterly, structured meetings are established and in other cases annual 'catch up' meetings are more typical. Where direct budget or grant funding is received, the requirements of the Public Finances Manual apply and this can dictate engagement arrangements.

73. At the time of my audit, there was no formal agreement in place between the Minister for Sustainable Economic Development and the Jersey Data Protection Authority (JDPA). Following a change in arrangements which saw a move from the JDPA being partly Government funded to entirely fee funded, and the consequent ending of the Partnership Agreement then in place, a revised draft Partnership Agreement has been discussed. I understand that the JDPA has provided feedback on the draft to the Cabinet Office Policy Team, but at the time of my fieldwork there was no second draft under discussion.

74. One question in my online survey asked regulators about the extent to which they agreed with the statement: 'The allocation of roles and responsibilities between our organisation and the States of Jersey is clear, agreed and works well'. Exhibit 4 sets out the responses.

**Exhibit 4: Responses from nine regulators on their agreement with the statement '***The allocation of roles and responsibilities between our organisation and the States of Jersey is clear, agreed and works well'*.




*Source: Jersey Audit Office survey of specific regulators*

75. While none of the nine disagreed or strongly disagreed, the three 'neutral' responses might indicate that these regulators identify opportunities for improvement.

76. Free text entries in response to this question included comments on perceived conflicts of interest within Government regulatory activity, recognition of the need to work in a more joined-up way with a specific Government department (which is not the regulator's sponsoring department), and that some relationships were still 'forming, storming and norming'.

## Challenge and accountability mechanisms

77. There is wide variation in how regulators report against their aims and objectives. All independent regulators publish annual reports, but the content of these is not consistent. Government and non-Ministerial departments vary in the extent to which they publicly report on performance. Currently, there is no clear set of minimum criteria against which to report performance and enable comparison across regulators and with other jurisdictions.

78. In my 2024 report *Oversight of Arm's Length Bodies* and my 2020 and 2021 reports *Annual Reporting* I highlighted that the majority of Jersey's arm's-length and statutory bodies fail to report against quantifiable, outcome-driven targets linked directly to strategic goals. A review of key performance

indicators which are included within Jersey regulator annual reports indicate these tend to focus on inputs and operational outputs. Some regulators have taken steps to move forward towards reporting on outcomes, but the level of maturity varies.

79. The lack of an outcome focus hampers a clear understanding how regulation operates, what risks are being addressed and how local markets, businesses and Islanders benefit from the work of regulators.

80. In my audit, one regulator expressed to me the need for a solid system of reporting and accountability across all regulators. They noted that if even one regulator does not conform and agree to make information publicly available then that leaves space for Islanders to feel they do not have the full picture of the impact of regulation, and how it is being tailored to meet at least minimum need.

81. In addition to the need to develop challenge and accountability mechanisms within existing regulatory functions, there is a need for greater accountability in implementing new requirements, as the case study below demonstrates.

**Case study on weaknesses in implementation**

In October 2018, a Proposition (P.109/2018) was approved by the States Assembly, including periodic technical inspection of all motor vehicles. Evidence presented covered the twin imperatives of road safety and protecting the right for Jersey registered vehicles to drive in all part of the European Union. Supporting research also noted the potential contribution to Jersey's Carbon Neutral Roadmap through reduced emissions.

The regulation was designed to be proportionate to Jersey's circumstances. It would mean:

- two wheeled motor vehicles would be first inspected at three years, then every two years; and
- cars would be first inspected at five years, then every three years.

On 1 February 2019 legislation came into force, effective for two wheeled motor vehicles at the end of March 2019, and cars at the end of March 2020. However, due to lack of progress in establishing a delivery mechanism:

- in March 2021 the 2018 Order was amended to change the effective date to March 2024. In March 2024, the Order was amended again to move implementation to after March 2028; and

- in September 2024, the Ministerial response to a written question (WQ.294/2024) concluded that '*there are no current timescales for achieving this ahead of 31 March 2028*.'

Whereas elements of P.109/2018 - seatbelts in commercial vehicles over 3.5 tonnes, International Driving permits for driving in Europe and registration of trailers – were implemented, periodic technical inspection was not.

During the so far seven-year delay in fully implementing this agreed regulation, for which minimum requirements were established, there is no evidence that the risk of harm or the significance to the public interest have been re-tested or have diminished. Neither is there any evidence that the risk appetite has changed. However, these risks now appear to be being tolerated.

82. In its 2025 publication *Regulatory Policy Outlook* the OECD notes that:

*Regulations are improved when those affected by them are considered and involved in the rule-making process. People are more likely to support and comply with rules when they have had meaningful opportunities to help shape them, allowing governments to better deliver on their promises.*

83. In my survey I asked external regulators if they had undertaken any structured engagement with key stakeholders to understand their view of regulation. Seven of the nine responders said that they had. Anonymised comments on what this looked like include:

- we carry out a survey immediately post [each regulatory intervention]. We also have an annual survey for which the results are published, and we publish 'you said, we did' [information]
- [we undertake] regular six-weekly consultation and review [which] informs our relationship and actions
- we constantly review our communications plans as key personnel within regulated entities change which sometimes requires a different approach. Our process allows for formal consultation on key work programs which provides us with the opportunity of changing our position if appropriate
- we meet with our major [stakeholders] annually or biannually. We always offer the opportunity for feedback either directly or later in writing; and
- [it was] some time ago, so probably time to do it again.

84. Six of the seven regulators noted that stakeholder engagement had resulted in an improvement plan.

## Recommendation

**R5** Ensure agreements between the States of Jersey and all regulatory bodies are in place, making clear how bodies will demonstrate their efficacy, and the level of oversight required.

## Area for consideration

**A4** Consider requiring all regulators to undertake an agreed level of stakeholder engagement and use the feedback to improve regulation. Results should be routinely reported as part of oversight arrangements.

## Regulatory independence

85. I considered whether the States have articulated clearly and transparently their consideration of the degree of regulatory independence when developing arrangements for regulation. In particular I considered whether there was:

- a formal statement on the degree of independence each individual regulator has, for example in legislation or framework agreements, including where it has the power to bring an infraction case against government
- a shared understanding of the rationale for each regulator's level of independence among government, regulators and other stakeholders; and
- active consideration of the impact of how regulation is funded on its actual or perceived independence.

86. In December 2022 I published my Thinkpiece: *Governance and Accountability of Independent Bodies and Office Holders*. This reported on the statutory governance arrangements for 16 independent entities and how these could be enhanced, including practical developments which may be advanced outside legislation. Areas for consideration from this Thinkpiece which are relevant to this audit are to do with the benefits of:

- unequivocal statements about the independence of specific bodies and office holders
- a framework for funding of independent bodies and office holders:
    - based on overarching principles for when a body should be funded by fees, levies, grants or revenue heads of expenditure; and
    - establishing a consistent pattern of responsibility for the setting of fees and levies
- where independent bodies and office holders operate within the States of Jersey, a clearly identified, separate revenue head of expenditure
- the senior officer within the independent body having Accountable Officer status

- explicit application, with suitable adaptations, of the Public Finances Manual to all the independent bodies and office holders covered by the Thinkpiece; and

- a clear policy framework for the governance and accountability of independent bodies and office holders.

87. Officers have updated the Executive Response to my report, first issued in February 2023, as part of this audit. It shows that there was some early progress but in a number of areas there are no current plans to implement changes. At best, change is unlikely to progress unless there is, on a case-by-case basis, an update to legislation or policy.

88. As there is currently a focus on regulation and regulatory bodies, in my view opportunities should be explicitly taken to consider these areas further.

## Recommendation

**R6** Revisit the relevant areas for consideration from my 2022 Thinkpiece: *Governance and Accountability of Independent Bodies and Office Holders* in light of plans to make changes to arrangements for regulatory entities in Jersey. Ensure any opportunities to improve transparency, governance and accountability are taken as part of any changes.

## Regulatory powers

89. I considered whether the States have a clear process to ensure that regulators' powers are proportionate but allow them to operate effectively and adapt to changes in the regulated market. In particular, I looked to establish whether:

- there is clear rationale that matches each regulator's range of powers to its objectives, responsibilities, functions, capacity and resources
- regulators and policymakers work together and with other stakeholders to identify any limitations or gaps in powers and working to influence and overcome them
- regular consideration is given of regulators' powers and their effectiveness in a fast-changing technological and digital world; and
- a process exists for regulated entities, stakeholders and the general public to appeal against decisions made by a regulator under its powers that adversely affect them.

90. For the delivery of regulation to be fit for purpose, 'form follows function': the design and model of delivery, funding, powers and reporting requirements should all align to the overall purpose and level of assurance required.

91. Regulation in Jersey has been characterised by a lack of an overarching policy setting out principles of how regulation should be designed, implemented, reported and evaluated. In jurisdictions where such a policy is in place, supporting guidance typically does not seek to make all regulation and regulators look the same. Instead it establishes protocols and standards to reduce the risk that sectors 'over-tailor' their approaches. For example, the Australian Government's 2025 Regulatory Policy, Practice and Performance Framework:

'*guides policymakers and regulators to apply six principles for effective regulation: targeted and risk-based, system-integrated, user-centred, evidence-driven, digitally adaptive, and continuous improvement*.'

92. New Zealand balances sector-specific flexibility with cross-government consistency through its centralised Regulatory Management System. Overseen

by the Ministry for Regulation, this system establishes common protocols, analytical requirements, and governance duties to prevent regulatory silos without forcing a rigid, 'one-size-fits-all' model. Regulatory interventions must demonstrate clear rationale, proportionality, risk-based enforcement, and durability. This seeks to ensure every sector uses a shared quality benchmark while designing tailored rules.

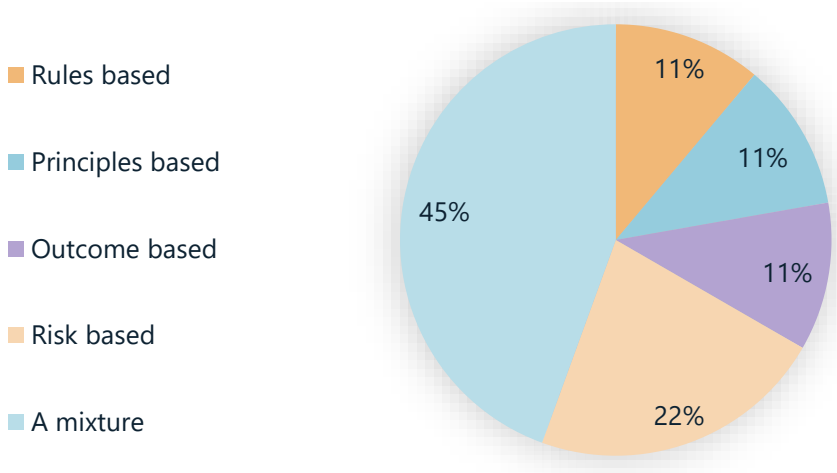
93. The UK's *Professional Standards Authority 'Right Touch' Regulation*, which is used as a guide by some Jersey regulators, seeks to control risk 'to an optimum point of balance but no further'. The six principles are: Proportionate; Consistent; Targeted; Transparent; Accountable; and Agile.

94. Regulators in Jersey use a range of language in describing how their approaches and powers are set in the context of staged intervention. For example:

- the Jersey Competition Regulatory Authority refers to: Public advocacy, Informal persuasion, Guidance, Enforcement
- the Regulation Directorate uses: Engage, Explain, Enable, Enforce; and
- the Jersey Office of the Information Commissioner expresses the stages as: Advise, Assess, Act.

95. My survey asked regulators to set out their regulatory approach by choosing between descriptions. Exhibit 5 demonstrates the range of responses.

**Exhibit 5: Responses from nine regulators on approaches taken to regulation**




*Source: Jersey Audit Office survey of specific regulators*

96. Four of the nine regulators noted that their approach to regulation can depend on circumstances. Three noted there is an important focus on options for self-regulation as part of the mix, to support an outcome-based approach. However, as I have set out earlier, there is little outcome-based reporting from regulatory bodies.

97. Regulators individually are ambitious to keep up with best practice in the way they deliver regulation in their sector, but there are no overarching objectives in this area or a systematic States-wide drive to support or require progress.

98. A Regulators' Code is in place but does not cover all regulators. It has been developed by the Regulation Directorate, which from 1 December 2026 will move from the Infrastructure and Environment department to be a part of the Government's Cabinet Office. Signatories to the Code are limited to the Regulation Directorate and Transport and Operations Directorate (part of the Infrastructure and Environment department). The Health and Safety Inspectorate, which is accountable to the Justice and Home Affairs department, also actively references it in its work.

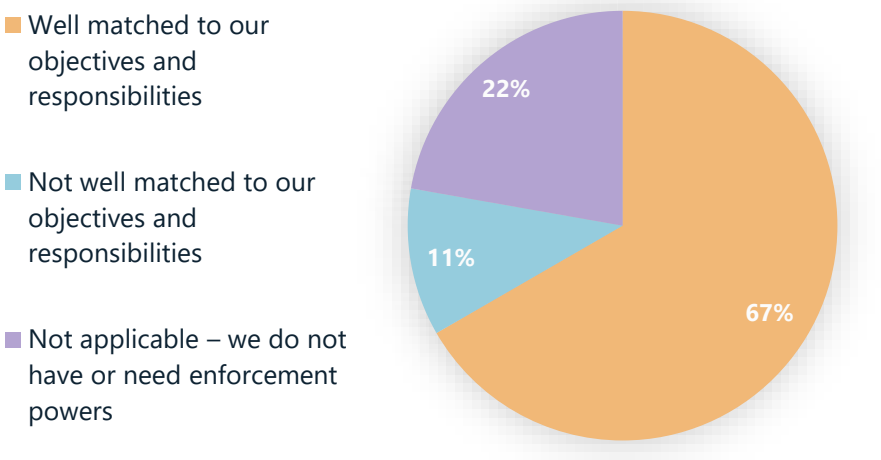
99. The Code was developed following my 2020 report *Use of Enforcement Powers*, which noted that public confidence is secured only where enforcement powers are exercised (and seen to be exercised) proportionately, consistently and fairly. The Code reflects the principles of proportionate, consistent, transparent and accountable regulation. It has been shared with other regulators as an example of good practice, and does include that:

*The Regulation Directorate, whose functions are specified by legislation, must have regard to the Regulators' Code when developing policies and operational procedures that guide their regulatory activities. Regulators must equally have regard to the Code when setting standards or giving guidance which will guide the regulatory activities of other regulators.*

100. I understand that the Directorate remains open to other regulators aligning with the Code where they consider that is appropriate. However, there has been no focus on seeking to develop a code to apply to all regulation and regulators.

101. I asked regulators about enforcement powers. One regulator noted that their enforcement powers are not well matched to responsibilities (see Exhibit 6). The narrative included in submissions is also set out (anonymously).

**Exhibit 6: Responses from nine regulators about enforcement powers**




*Source: Jersey Audit Office survey of specific regulators*

102. Comments included:

- our regulations are clear and fit for purpose
- (our approach) keeps pace with innovations and remains relevant
- we operate by way of influence, persuasion and negotiation
- when imposing enforcement powers we have been challenged but since 2020 we have not had an appeal; but also that
- [in essence] we need to be allowed to publish more information about interventions to demonstrate a proportionate approach and be a lesson to others.

## Recommendation

**R7** Revisit the relevant recommendations made in my 2020 report *Use of Enforcement Powers* and evaluate performance against these for all regulatory functions that hold enforcement powers.

# Funding models

103. I considered whether the States have a clear and transparent funding model that enables regulation to operate efficiently, adapt to changing risks and which is seen as fair by citizens and businesses. Decisions on how regulation should be designed and implemented to deliver agreed minimum (or otherwise optimal) levels of assurance necessarily includes consideration of cost and value. I looked at whether:

- overall funding levels are adequate to enable each regulator, operating efficiently, to fulfil effectively the objectives set
- funding processes are transparent, efficient and straightforward, and all funding activities contribute directly to each regulator's objectives; and
- the funding model allows regulators to respond to new or changing risks, for example by reprioritising work or recovering costs of additional work (such as new investigations or unanticipated court actions in the public interest).

## Funding

104. Regulation in Jersey is funded in different ways:

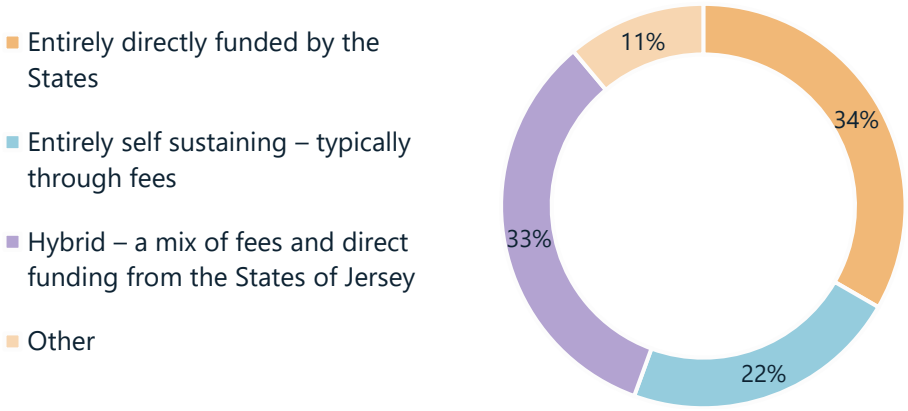
- entirely funded by the States through:
    - a commitment in the States of Jersey budget
    - grants; or
    - a specific fund
- from fees and / or charges; or
- often, a combination of two or more of these.

105. There are benefits and potential weaknesses to each funding arrangement. For example:

- a fixed budget makes it more difficult to respond to changes in volume or complexity of regulatory activity and new risk; and
- relying on fees from, for example, registration or licensing means that fluctuations in activity in a sector can significantly impact on income, potentially making meeting fixed costs more challenging.

106. My online survey asked regulators about sources of funding (see Exhibit 7).

**Exhibit 7: Responses from nine regulators about how each is funded**




*Source: Jersey Audit Office survey of specific regulators*

107. A supplementary question asked regulators whether each considered that their funding model works well in their particular circumstances. All nine regulators responded positively. It is important to note this question was focussed on the method of funding, not the level.

108. Comments received included that (edited to ensure anonymity):

- our funding model supports independence; and
- requests for additional funding when required have not been turned down

but also that:

- the level of grant funding has not increased since 2022 and is not keeping up with inflation which is now causing issues; and
- a regulator that cannot control its own fees can find its independent action curtailed.

109. In undertaking recent research, Government officers found there to be unclear fee structures, lack of co-ordination across regulators, multiple small costs, and in some cases numerous 'add-ons' obscuring a clear view of overall costs. Excluding those covering the finance sector, the Government's review indicated there could be more than 500 statutory fees covering a wide range of business activities. In taking an Islander's perspective, officers also report having difficulty establishing accurate and comprehensive costs from publicly available information.

## Costs

110. In addition to direct costs, indirect costs (the overheads of complying with the regulations) are also borne by Islanders and Island businesses. Although direct costs can be identified from independent regulator annual reports, indirect costs are not systematically tracked or published. Therefore, it is difficult to assess whether regulation in Jersey achieve its objectives proportionately and in a way that delivers value for money.

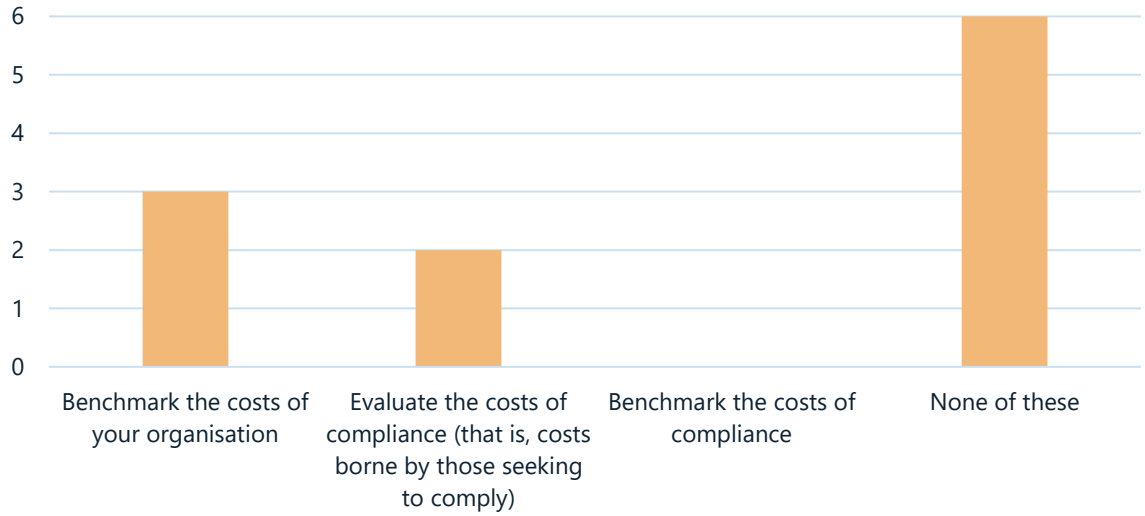
111. The lack of a total cost model for regulation can impact the ability to:

- take informed decisions relating to regulatory framework development, considering the appropriate level of regulation to satisfy Government's risk tolerance and associated costs, to enable the required level of assurance; and

- provide baseline costs information to help understand and assess the current areas for optimising regulation across today's regulatory landscape in Jersey, the cost of achieving the objectives proportionately and the impact on the economy.

112. My online survey sought to understand what work each of the independent regulators had done to evaluate and to benchmark costs. This question covered the running costs of the entity as a whole and costs associated with complying with its requirements. Regulators were asked to indicate all that applied (so there are more than nine responses – see Exhibit 8).

**Exhibit 8: Responses from nine regulators on work done to understand costs**




*Source: Jersey Audit Office survey of specific regulators*

113. Of the three entities which reported undertaking some benchmarking of their running costs, two had extended this to benchmarking their fee structures. The third reported work to benchmark staff costs.

114. None of the regulators had benchmarked the fuller cost of compliance – such as the administrative costs borne by those seeking to comply with regulations, or for example the costs of training staff to meet standards.

115. Six of the nine regulators reported no work had been carried out to understand or benchmark costs. In my view there is more to be done to ensure the costs of regulatory entities and functions and the costs of compliance are better understood and demonstrate value for money.

## Recommendation

**R8** Introduce a clear, understandable and objectively justifiable framework for funding of regulators by the:

- development of overarching principles for when a body should be funded by fees, levies, grants or revenue heads of expenditure; and
- adoption of a consistent pattern of responsibility for the setting of fees and levies.

## Area for consideration

**A5** Consider developing a model, suitably adjusted for Jersey's economic operating environment, which measures the direct and indirect costs of regulation.

# Appendix One

# Audit Approach

This audit used a:

- result-oriented approach (have the States of Jersey achieved their objectives with the design of regulation?); and
- problem-oriented approach (to what extent can the States of Jersey address the design of current arrangements to deliver effective regulation?).

The following criteria were used to assess relative performance during the audit:

**Defining the overall purpose of regulation**

Have the States of Jersey defined a clear overall purpose based on a good understanding that regulation is intended to address through:

- A clear understanding of the current landscape of regulation across Jersey with known overlaps or gaps identified?
- A clear articulation of the primary purpose of regulation and how it is intended to achieve its purpose?
- A process with which to periodically consider whether the purpose of regulation remains relevant and up to date, and to review the role of regulators?

**Setting regulatory objectives**

Do the States of Jersey have a set of clear objectives for regulated activities against which activity can be measured?

- A clear and logical explanation of how the overall purpose of regulation is translated into detailed objectives and priorities.

- An explicit recognition of any tensions or trade-offs between objectives, and clarity where appropriate over how such potential conflicts should be managed and resolved.
- A review and refresh, where relevant, of regulatory objectives including consideration of the benefits and risks of simplifying or streamlining them.
- Clear communication with stakeholders and the public on the above points, and mechanisms to coordinate and collaborate with other bodies, including other regulators, where they have related objectives and desired regulatory outcomes.

**Ensuring accountability**

Are there clear and effective accountability arrangements which set out the respective roles and responsibilities of the States of Jersey, regulators and other bodies in the regulatory system?

- Clarity on the allocation of roles and responsibilities between the responsible department(s), regulator(s) and other stakeholders, and clear lines of accountability from regulators to the States of Jersey and/or their sponsor departments.
- A mechanism for regulators and other public bodies to be challenged or held accountable for their work and, where relevant, the wider impact of their actions, such as in respect of vulnerable groups.

**Determining the degree of regulatory independence**

Have the States of Jersey articulated clearly and transparently their consideration of the degree of regulatory independence when developing arrangements for regulation?

- A formal statement on the degree of independence a regulator has, for example in legislation or framework agreements, including where it has the power to bring an infraction case against Government.
- A shared understanding of the rationale for a regulator's level of independence among Government, regulators and other stakeholders.

- Active consideration of the impact of how regulation is funded on its actual or perceived independence.

**Deciding on powers**

Do the States of Jersey have a clear process to ensure that regulators' powers are proportionate, but allow them to operate effectively and adapt to changes in the regulated market?

- A clear rationale that matches the regulator's range of powers to its objectives, responsibilities, functions, capacity and resources.
- Regulators and policymakers work together and with other stakeholders to identify and address any limitations or gaps in powers.
- Regular consideration of regulators' powers and their effectiveness in a fast-changing technological and digital world.
- A process for regulated entities, stakeholders and the general public to appeal against decisions made by a regulator under its powers.

**Determining a funding model**

Do the States of Jersey have clear and transparent criteria for the funding models adopted that enable regulation to operate efficiently, adapt to changing risks and which is seen as fair by citizens and businesses?

- Overall funding levels are adequate to enable a regulator, operating efficiently, to fulfil effectively the objectives set.
- Funding processes are transparent, efficient and straightforward, and all funding activities contribute directly to a regulator's objectives.
- The funding model allows regulators to respond to new or changing risks, for example by reprioritising work or recovering costs of additional work (such as new investigations or unanticipated court actions in the public interest).

The approach included the following key elements:

- document request and further submissions followed by review and analysis
- interviews with key officers within Government and with external regulators; and
- a survey of ten arm's-length regulators.

In addition to research papers, more than 400 documents were submitted for review as part of this audit. The document review included those from:

- Regulatory entities and functions, including arm's-length and States of Jersey regulatory functions, variously as made available:
    - Annual Reports and Accounts
    - Business Plans
    - Complaints data (as relevant)
    - Documents and notes of partnership, engagement and / or framework meetings
    - Internal and external reviews and reports
    - Legislation and amendments
    - Ministerial delegations and decisions
    - Overviews provided by regulators aligned with my audit specification
    - Policies and guidance, including those concerning regulatory approach
    - Risk management and performance data
    - Stakeholder engagement; and
    - Strategic plans.
- States of Jersey
    - Commissioned reports – for example: Barriers to Business (September 2023) and Policy Centre report on Regulation and Red Tape (December 2025)

- Corporate risk register
- Departmental risk registers
- Performance reports and dashboards
- Policy documents and delivery plans
- Propositions, Assembly debates, Impact assessments and Written Questions, for example relevant to the Periodic Technical Inspection legislation and Energy Strategy
- Regulators' Code
- Statistics Jersey
  - Labour Market Report, December 2025
  - Business Tendency Survey, June 2026
- Terms of Reference and papers from working, advisory, steering and oversight groups
- Time to Win – Final Ministerial Report and Action Plan March 2026

- Other (including other jurisdictions): publications describing strategies, developments and good practice in regulation including from:
  - Australia
  - the European Union
  - Jersey: Policy Centre
  - OECD
  - New Zealand
  - Scotland
  - the United Kingdom; and
  - the United States.

The following people contributed information through interviews or correspondence:

Government of Jersey

- Minister for Planning and Regulation
- Deputy Chief Executive
- Cabinet Office:
    - Head of Policy
    - Senior Policy Officer
- Infrastructure and Environment department:
    - Chief Officer
    - Group Director for Regulation
    - Head of Transport and Operations

Regulatory entities

- Jersey Care Commission:
    - Chief Inspector
    - Commissioners: Chair and Member of the Board
    - Head of Business and Performance
- Jersey Competition Regulatory Authority
    - Chair
    - Chief Executive
- Jersey Office of the Information Commissioner
    - Chief Executive
    - Operations Director

- Health and Safety Inspectorate
    - Director (to end July 2026)
    - Interim Director (at August 2026)

The fieldwork was carried out by the Deputy Comptroller and Auditor General and affiliates working for the Comptroller and Auditor General, between June and September 2026.

# Appendix Two

# Summary of Recommendations, Work planned that should be prioritised, and Areas for consideration

## Recommendations

**R1** Finalise the stock take to establish, and then maintain, a central register of regulations and regulators in Jersey.

**R2** Prioritise the development of a process by which all existing areas of regulation, and the areas where there are potential gaps in regulation, are considered against a set of criteria that enable:

- consideration of minimum / optimal level of assurance required to secure and underpin delivery of Jersey's strategic priorities; and
- decisions on how to gain assurance to meet the needs of public interest and the scale of intervention this requires.

**R3** Clearly document decisions and the evidence- and risk-based evaluation to support decisions to not regulate and include a timeframe for re-evaluation where this is required.

**R4** Implement an overarching policy establishing principles and objectives of regulation, to be adopted as appropriate by regulators. Support this with a code of practice.

**R5** Ensure agreements between the States of Jersey and all regulatory bodies are in place, making clear how bodies will demonstrate their efficacy, and the level of oversight required.

**R6** Revisit the relevant areas for consideration from my 2022 Thinkpiece: *Governance and Accountability of Independent Bodies and Office Holders* in light of plans to make changes to arrangements for regulatory entities in Jersey. Ensure any opportunities to improve transparency, governance and accountability are taken as part of any changes.

**R7** Revisit the relevant recommendations made in my 2020 report *Use of Enforcement Powers* and evaluate performance against these for all regulatory functions that hold enforcement powers.

**R8** Introduce a clear, understandable and objectively justifiable framework for funding of regulators by the:

- development of overarching principles for when a body should be funded by fees, levies, grants or revenue heads of expenditure; and
- adoption of a consistent pattern of responsibility for the setting of fees and levies.

## Work planned that should be prioritised

**P1** Set out a workplan and timeline to ensure that, as soon as can be achieved, requirements of and indicative costs to those seeking to comply with regulations are easy to find, logically grouped, clearly set out and kept up to date. Ensure there are links to and from the central register of regulations and regulators.

## Areas for consideration

**A1** Consider whether there should be formalised arrangements to ensure routine inspection by external regulators of specific services (to include emergency, prison and probation services), including unannounced and follow-up visits. Publish all reports and hold services to account for improvement.

**A2** Formalise the expectations of collaboration between regulators in Jersey where a joined-up approach and response is needed, in particular where responsibilities for managing emerging and changing risks and opportunities are cross-sector

**A3** Consider collating and publishing indirect regulatory compliance costs as part of official Jersey economic statistics. This should facilitate the ability to assess whether any changes are having the desired impact.

**A4** Consider requiring all regulators to undertake an agreed level of stakeholder engagement and use the feedback to improve regulation. Results should be routinely reported as part of oversight arrangements.

**A5** Consider developing a model, suitably adjusted for Jersey's economic operating environment, which measures the direct and indirect costs of regulation.

JERSEY AUDIT OFFICE

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