
STATES OF JERSEY



STATES OF JERSEY 2022 ANNUAL REPORT AND ACCOUNTS (R.73/2023) – COMMENTS

Presented to the States on 11th January 2024
by the Public Accounts Committee

STATES GREFFE

REPORT

In accordance with paragraphs 69-71 of the [Code of Practice](#) for engagement between ‘Scrutiny Panels and the Public Accounts Committee’ and ‘the Executive’, the Public Accounts Committee (PAC) presents its comments on the States of Jersey Annual Report and Accounts 2022 ([R.73/2023](#)).

Background and Context

Part of PAC’s role is to assess whether public funds have been applied for the purpose intended by the States and whether sound financial practices have been maintained. Therefore, the Committee reviewed the processes for the preparation of, and the performance reported in, the States Annual Report and Accounts 2022.

The Annual Report and Accounts contain a breakdown of the activities and initiatives carried out by the different elements of the States of Jersey, including Government Departments, Non-Ministerial Departments, funds and some subsidiary companies.

The Annual Report provides information on how the Government of Jersey has performed over the course of the year in the context of its objectives (‘the Performance Report’) and on how the States is governed (‘the Accountability Report’). It also provides information on the financial performance of the States of Jersey covering both assets and liabilities and income and expenditure.

The States Annual Report and Accounts is effectively the culmination of a Government Plan year and, therefore, reports on the successes or otherwise of the projects and programmes agreed within the financial envelope by the States Assembly for that year. As other Scrutiny Panels conduct reviews of proposals by Ministers within the Government Plan, the PAC ensures that this is retrospectively examined to identify whether or not priorities have been delivered and outcomes achieved. Furthermore, it is important to assess the following matters:

- Whether the performance reporting presents clearly the Government’s aims, activities, functions and performance.
- Whether the reported risks and mitigations have been clearly articulated and
- The transparency and timeliness of the overall report
- Whether consideration has been given by the States of Jersey to the recommendations of the External Auditors (Mazars), previous recommendations from the Comptroller and Auditor General and previous recommendations of the PAC.

This is the third set of accounts to be audited by Mazars (as appointed by the Comptroller and Auditor General (C&AG)). This is also the second Annual Report and Accounts to be examined by the current PAC, following on from its review on the States Annual Report and Accounts 2021 (P.A.C.1/2023), in which a number of key recommendations were made for future iterations of the report.

In agreeing to review the Annual Report and Accounts for 2022, the PAC noted that the responses provided to it in respect of recommendations made within its previous review had timescales which would be implemented in time for the 2023 Report and Accounts. Given this point, the PAC agreed that it would present this particular review in the

context of following up on the progress made implementing the recommendations highlighted for the 2023 Report and Accounts.

Comments

The PAC undertook a public hearing with the Treasurer of the States and the Assistant Chief Executive on Wednesday 25th October in order to follow up on the progress that had been made in relation to its previous recommendations. The following section details some of the key findings in respect of the progress made to date.

Recommendation 1	The Chief Executive should ensure that in future iterations of the Annual Report and Accounts, alongside a foreword from the Chief Minister and Chief Executive, an executive summary is included which outlines the key messages and overall picture of Government finances and performance over the year being reported. A digital summary report of these sections should also be produced to aid accessibility for key stakeholders.
Executive Response	Accept for the Annual Report and Accounts for 2023
Accept	The Annual Report and Accounts for 2022 already continues to develop improved accessibility.
Target Date	April 2024

The PAC questioned how the States Annual Report and Accounts in 2022 had developed improved accessibility and how this was built into the report. The following information was given during the public hearing:

Associate Director of Strategic Planning and Accountability:

I think the key elements of the document that demonstrate that ... so, for example, on page 4 of the Annual Report and Accounts, we very clearly, at the beginning of the document, set out a very brief structure of the Annual Report and Accounts, a sort of how to guide on how to use the information to try and signpost for Islanders at the outset where they can go and find the information they are interested in. I think the next element is we move a lot of the information around the structures of Government, particularly around the accounting boundaries and some financial information up to the front of the document. So that kind of sets this in its financial context and structures at the beginning, which was a new thing for this year. It also meant that in terms of the cohesion of the whole document trying to better integrate the financial aspects and the financial performance with the non-financial performance. That led us into being able to think more clearly about that.¹

Furthermore, it was explained that Government wanted to highlight for Islanders the complexity of the States of Jersey Group as a whole.² It was explained that the report has tried to give Islanders a structure and communicate that complexity, more clearly.³

¹ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

² Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

³ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

A summary of the financial performance at the front of the report, using the infographic, together with a better description of the financial performance of the States of Jersey Group and how Islanders' money is used, was also included in the 2022 report.⁴

It was also noted that the report then moved into a description of the strategic direction for the Council of Ministers noting the challenge faced in respect of the election halfway through the year and having to refer to the strategic priorities of the previous Council of Ministers for the first 6 months and the new Council of Ministers for the next 6 months.⁵

There have been improvements made to the presentation of the Annual Report and Accounts, however, the PAC is still not clear on what the Government are trying to demonstrate within the performance report. Despite questioning during the public hearing, the PAC ultimately requires more information as to what the purpose of the report is and, in future iterations, the Government will need to state clearly the improvements made and continue to make improvements with each iteration. The changes put in place for the 2022 Annual Report and Accounts are, however, a start and the PAC expects to see further evidence of these changes being followed through in the 2023 Report and Accounts.

Recommendation 2	The Chief Executive and Treasurer of the States should ensure that, after a general election, incoming States Members are provided with a briefing on the previous year's Annual Report and Accounts as soon as practicable after being sworn in. The incoming Council of Ministers should also be briefed on the previous year's document as soon as possible after their appointment.
Executive Response Accept	A briefing has been incorporated into plans for the induction for incoming States Members in 2026 following the next general election. The nature of this recommendation means that it will remain incomplete until 2026.
Target Date	March 2023

The PAC notes that this recommendation, by its nature, is not one that can be fully implemented until after the next election in 2026. The PAC will, however, maintain a watching brief to ensure that States Members are provided with sufficient briefings during the remainder of its term of office in respect of the Annual Report and Accounts for 2023 through to 2025. During the public hearing with the Treasurer of the States and the Assistant Chief Executive, assurances were however provided, that should States Members require further information in relation to the Annual Report and Accounts then they would be able to contact the relevant Officers directly in order to arrange meetings to that effect.

⁴ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

⁵ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

The PAC expects to see a more proactive approach from Officials to gauge whether States Members require further information in relation to the Annual Report and Accounts. Whilst it is clear that Members can approach Officials with any questions they may have, the PAC would expect to see action taken by Officers to engage with States Members to find out exactly what they may require in terms of briefings or information. The PAC would suggest that a methodology is developed in order to highlight the Annual Report and Accounts to States Members and engage with them to ensure they are receiving all of the information that they require to carry out their roles effectively.

Recommendation 3	In preparing future Annual Report and Accounts, the Chief Executive should ensure that feedback is routinely sought from key stakeholders in relation to the accessibility and understandability of the report after it is published. This will assist in the preparation of future iterations of the report.
Executive Response Accept	<p>The Chief Executive is committed to ensuring accessibility standards are met across all communications and this forms a large part of the recent Information and Engagement Review. Actions on accessibility and understanding of Government reports, documents, and communications, as part of the review, are currently being worked on.</p> <p>M&D has developed Government digital standards to make sure users have a positive digital experience. These ensure that published HTML content is discoverable, accessible, consistent and useful. Several standards and guidelines are used to ensure content is consistent and adopts best practice, which includes: Web content accessibility guidelines (WCAG) 2.1</p> <p>The Communications department has recently attended a lunch and learn session with a CLS Accessibility Champion, on ‘How to improve the accessibility of documents’, which included feedback on the accessibility and understanding of Government publications and reports and ways to make them more accessible. We are incorporating that feedback into our communications and publications, including the ARA. We will continue to seek feedback on the ARA and other reports and publications for future iterations.</p> <p>It should be noted that the Risk and Audit Committee routinely provide feedback to GoJ as part of their review of the Annual Report and Accounts.</p>
Target Date	Dec 2023

The PAC examined how feedback was gathered from key stakeholders in relation to the accessibility and understandability of the Annual Report and Accounts. Within its previous review, the PAC had identified that the length and detail provided in the report

was often considerable and it was not always easy to identify links between performance and related expenditure. Furthermore, the PAC wanted to follow up on changes that had been made within the 2022 Annual Report and Accounts in this regard.

When questioned during the public hearing, the Associate Director of Strategic Planning and Accountability gave the following information in relation to how feedback has been gathered in relation to the Annual Report and Accounts:

Associate Director of Strategic Planning and Accountability:

So we have received feedback from yourselves, we have received feedback from the Comptroller and Auditor General, we have received feedback from the Risk and Audit Committee directly, and then indirectly we find we get information from communications colleagues who get feedback from the public. So we have received feedback from a number of places and you asked at the beginning about who our key stakeholders were, some of our key stakeholders are in this room. You are the people most familiar with the document and so we take very highly ... take in very high regard the feedback you give us. Can we do more? Of course, we can do more but I feel we have listened very carefully to our key stakeholders and those who are most familiar with the documents and the improvements we have made.⁶

The PAC does note the view that the key stakeholders in relation to the annual report and accounts are States Members. The PAC does also note the feedback that has been taken on board from the C&AG's recommendations within her annual reporting reviews.⁷ Ultimately, it is the view of the PAC that the response in relation to this recommendation was weak. The PAC holds concerns that the responses given did not necessarily appear to understand the importance of gathering feedback in relation to accessibility of the report or understand what the main issues are. It would suggest that further time is taken by the officers with responsibility for writing and collating the report to truly understand how to present a report from the perspective of accessibility and inclusion. The PAC reiterates its recommendation above, noting of course that some work has been undertaken in this area, and would encourage Government to continue to engage with key stakeholders. It would also suggest that a list of key stakeholders for the Annual Report and Accounts is developed and made available.

Noting the changes expected within the 2023 Annual Report and Accounts, the PAC will endeavour to examine the feedback mechanisms in place in relation to those changes within its review of that iteration.

Recommendation 6	As part of the Annual Social Survey in 2023, the Government of Jersey should seek to include questions in order to gauge the level of public understanding in relation to how they can access and track government performance through the gov.je website.
Executive Response	The content of JOLS (the Jersey Opinions and Lifestyle Survey) is decided by Statistics Jersey after engagement with departments and other stakeholders who may wish to
Accept	

⁶ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

⁷ Annual Reporting – Jersey Audit Office

	<p>include questions in the survey. The Chief Statistician will consider this request for a question in the 2023 Survey, which will take place in May.</p> <p>There is, in practice, a limit on how many questions can be asked in JOLS – if the questionnaire is too long households will not respond. If this topic were prioritised for the 2023 JOLS, it would also be necessary for Statistics Jersey to test whether it is possible to develop simple questions that Islanders find acceptable and can readily answer.</p> <p>Statistics Jersey will finalise the content for JOLS by April. The Chief Statistician will notify the PAC of the outcome in relation to this request.</p>
Target Date	<p>End 2023</p> <p>The Chief Statistician will notify PAC in April whether it has been possible to include the requested topic in 2023 JOLS. If so the results and analyses will be by end December.</p>

The PAC notes that this recommendation was accepted within the Executive Response to the previous report. It was informed that the recommendation would be put towards the Chief Statistician who would in turn liaise with the PAC in relation to whether questions could be placed within the JOLS survey. The Chief Statistician wrote to the Chair of the PAC in June 2023 and explained that this was not something that could be included within the JOLS survey at this time. The Assistant Chief Executive explained the rationale for not including the questions further during a public hearing:

Assistant Chief Executive Officer:

The Chief Statistician felt that, given the pressures on different question areas in the Jersey Opinions and Lifestyle Survey, he did not feel that there was a great amount of utility including it on this occasion, but I know that he is very happy and wishes to stay engaged with the committee over how that feedback might be available via other means.⁸

The PAC notes the rationale provided by the Chief Statistician as to why these questions could not be included at this time. It did, however, further question the Assistant Chief Executive as to what additional steps would be taken by Officers to take forward the recommendation. It was provided with the following response:

Deputy L.V. Feltham:

... given that the Chief Statistician - and you knew - did not include this question in the Jersey Opinions and Lifestyle Survey, what other measures did you take so that you could gauge the level of public understanding in relation to how they can access and track Government performance or do you think it is not important?

⁸ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

Assistant Chief Executive Officer:

*I think that the recommendation was very specific and so we implemented it as requested by asking the Chief Statistician that question, he engaged with you. I think the Chief Statistician in his letter has offered to come and have that discussion with you. He seems like he has got the professional expertise and he is the right person to have the discussion.*⁹

The PAC notes the view of the Assistant Chief Executive Officer in that the recommendation was implemented by asking the Chief Statistician to engage with PAC in relation to the inclusion of the questions. Whilst this is understood, the PAC is disappointed that no further action appears to have been taken by officials to gather public feedback in relation to the questions raised in the recommendation. The PAC is not the correct vehicle to gather this information and it believes that further steps should be taken by Government to gather views from the public in relation to how information on performance is presented. The Associate Director of Strategic Planning and Accountability provided the following information during a public hearing in relation to how the information available on performance is managed:

Associate Director of Strategic Planning and Accountability:

*If it assists as well, so the Chief Statistician and his department are responsible for the Island outcomes webpages and they are responsible for the service performance measure webpages as well, which is the primary method by which Islanders can access that performance information.*¹⁰

The PAC is disappointed with the response to this recommendation and expects to see further action taken by Officers in future in order to meet the spirit of the recommendations made by the PAC.

Recommendation 7	The Chief Executive should ensure that a process is developed whereby, at the end of a States Assembly term of office, government performance data can be examined across the four- year term showing the wider performance following the ‘golden thread’ from Common Strategic Priority to individual services and indicators.
Executive Response Reject	<p>Performance data is already published quarterly online and is available for analysis at any time. As time progresses and more quarters of information are available any user will be able to compare performance across years.</p> <p>The Common Strategic Policy 2023-26 formally endorses the Future Jersey Vision and the Island Outcomes and Indicators which form the top-level of the ‘golden thread’.</p> <p>The Annual Report and Accounts for 2022 links the Island Outcomes with the Common Strategic Policy Priorities, and the Delivery Plans link the Common Strategic Policy</p>

⁹ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

¹⁰ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

	Priorities with Ministerial Priorities and Actions. We will continue to use the ‘golden thread’ when developing performance reporting.
Target Date	N/A

The PAC notes that this recommendation was rejected with the justification given that in time performance data will be able to be compared across previous years. Whilst this is understood, the PAC did question the rationale for this rejection further. The following response was provided during a public hearing:

Associate Director of Strategic Planning and Accountability:

The golden thread is a model that seeks to align the performance of individual employees across the organisation with that high-level Future Jersey vision that I mentioned before. The way in which it works is you would anticipate that the performance of an individual employee contributes to the performance of their team or the service or the department. The performance of that department contributes towards the delivery of the Common Strategic Policy priorities and the ministerial priorities, which are set out in the ministerial plans. They also contribute towards the Island outcomes and the indicators which are set out as a result of Future Jersey and that then contribute on to Future Jersey. It is a way of aligning that activity. It is a model, it works differently in different places and depending on the subject matter you are talking about but it is a model which is available to departments in terms of thinking about how they are aligning the activity that takes place with ultimately improving outcomes for Islanders.¹¹

Whilst the use of the ‘Golden Thread’ is noted by the PAC and a commitment has been made within the Executive Response to make performance data comparable across years, there is still concern that the spirit of the recommendation is not being met. The PAC has put forward the view that at the end of a term of office it should be possible for States Members and Members of the public to be able to review the performance of a particular Government over the course of its term of office.

The PAC would however, question whether the term is fully understood within the context of the performance report. The PAC reiterates its recommendation that an end of term report, separate to the Annual Report and Accounts, should be developed to allow key stakeholders and the general public to better understand and track the achievements of Government across its term of office. The PAC notes that this is already undertaken by Scrutiny Panels and the PAC in the form of legacy reports which are presented to the States Assembly at the end of a term of office. This would be a suitable style of report to be presented by the Government in relation to its own performance against its stated objectives.

Whilst mechanisms are being implemented to allow for performance data to be viewed across a number of years, the PAC would expect to see an overall performance report provided for a government’s term of office. This is a matter which the PAC shall keep

¹¹ Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

under review and will identify whether any further recommendations can be made in this regard.

Recommendation 8	The Treasurer of the States should ensure that, in the presentation of the 2023 Annual Report and Accounts, the report contains clear information quantifying the risks faced by the Government of Jersey and detailing the link between risk and the overall objectives of the organisation.
Executive Response Accept	Accept for the Annual Report and Accounts for 2023. The data already exists in the Enterprise Risk Management site and by the Annual Report and Accounts for 2023 we will look to see how we can best incorporate this in the document. Following the C&AG's comments we have already included some text to demonstrate how risk, governance and strategic priorities correlate.
Target Date	April 2023

The PAC has held a long-standing interest in how risk management is handled across the organisation. Furthermore, the PAC has also considered risk management in the context of performance management and reporting. In reviewing the 2021 Annual Report and Accounts, the PAC concluded that the presentation and quantification of risks faced by the organisation was not as detailed or as clear as possible. The recommendation noted the difficult timeline for implementation within the 2022 Annual Report and Accounts and therefore, it was suggested that changes should be implemented into the 2023 iteration. This was questioned further at the public hearing:

Mr. M. Woodhams:

Sorry, if you look at the narrative in there that it literally says people will start to not have a reliable health service in Jersey which could result in deaths. Okay, if it goes that badly wrong, if you had an almost certain catastrophic event, you expect the report to give an indication, this is our current risk level; red, amber, green and it does not take huge pages, a little red block even.

Head of Risk:

Yes. That is being incorporated into the 2023 accounting pack. We have consulted with C. & A.G. (Comptroller and Auditor General) around that. There was a reason we did not provide scorings necessarily in previous versions like in 2022 and that is around certain risks, for example, such as cyber, where we are not wanting to expose the Island in terms of risk.¹²

The PAC notes the improvements that are expected to be made in this respect and will continue to monitor the manner in which Government reports on, and quantifies, risks in the context of performance reporting. This is also a matter which the PAC is examining in its ongoing review of Performance Management.

¹² Transcript – Public Hearing re States Annual Report and Accounts 2022 – 25th October 2023

Conclusion

In conclusion, the PAC is pleased to note that some suggestions made within previous recommendations by the PAC and the C&AG have been taken into account in the preparation of the 2022 Report and Accounts. Furthermore, there is evidence to suggest that further changes have been considered and are due to be implemented in the reporting of the 2023 Report and Accounts. However, the PAC would express disappointment in relation to how two of the recommendations (six and seven) have been approached by Government. The PAC would strongly encourage the Treasurer of the States to ensure the recommendations it has previously made are fully implemented within the next iteration in 2023. The PAC shall also endeavour to conduct a more detailed review of the 2023 Report and Accounts given the changes due