

Mid-Term Reflections

31 July 2023

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Foreword

I took up the post of Comptroller and Auditor General (C&AG) on 1 January 2020 for a fixed term appointment of seven years. It therefore felt appropriate to take-stock at this mid-point in my term of office and to publish my Mid-Term Reflections on the Office of the C&AG.

The C&AG (Jersey) Law 2014 (the 2014 Law) introduced a number of changes following the publication by my predecessor of her Report *Public Audit in Jersey* (July 2013). It is appropriate for any law to be reviewed on a periodic basis in order to consider whether amendments should be made to make the law fit for the future. My Mid-Term Reflections considers the 2014 Law and includes proposals for amendments to that law.

In addition, 2025 represents the 20th anniversary of the establishment of the Office of the C&AG in Jersey. This is a significant milestone for Jersey and the Jersey Audit Office. Jersey can be proud that it was the first of the Crown Dependencies to establish such a position with the Isle of Man only recently becoming the second Crown Dependency to do so by appointing an Auditor General in March 2023.

In publishing my Mid-Term Reflections I am encouraging the States of Jersey to update the 2014 Law to bring it into line with recognised international principles and to make appropriate amendments to supporting policies and procedures. I consider that it would be fitting for a new C&AG (Jersey) Law to be in place for the 20th anniversary year of the Office and in advance of the appointment of a new C&AG at the end of 2026.

I have structured my Mid-Term Reflections around six key themes:

- The value of public audit to Jersey
- C&AG powers and duties
- Arrangements to ensure the independence of the C&AG
- Accountability arrangements for the Office of the C&AG
- Oversight of the Office of the C&AG
- Resources of the Office of the C&AG

I am recommending changes that would result in wider duties and powers for the C&AG to appoint auditors and independent examiners to more entities, as well as enhanced independence and enhanced oversight and accountability arrangements for the C&AG. I would welcome a broad public debate on the matters raised in my Mid-Term Reflections.

Lynn Pamment
Comptroller and Auditor General

The value of public audit to Jersey

1. Public audit should and does make a difference to the citizens of Jersey. The core purpose of the Office of the C&AG is to provide independent assurance to the people of Jersey that public money is spent economically, efficiently and effectively and that the controls and governance arrangements in place within public bodies demonstrate value for money.
2. The auditing of government and public sector entities has a positive impact on society's level of trust because auditing helps to focus the minds of the custodians of public resources on how well they use those resources. Such awareness should underpin accountability mechanisms and lead to improved decision making. The publication of reports by the C&AG enables citizens to hold the custodians of public resources accountable. In this way the Jersey Audit Office promotes the efficiency, accountability, effectiveness and transparency of public administration.
3. Through its work and its engagement with stakeholders, the Jersey Audit Office aims to be a credible source of independent and objective insight, supporting beneficial change in the public sector in Jersey. In addition, the Jersey Audit Office aims to be a model organisation, leading by example and delivering its core values:

Independence and objectivity

We appoint auditors, determine our work plan, carry out our work and report our findings impartially. We are accessible, transparent and responsive. We drive constructive and positive change through our recommendations and follow up. We respond with agility to the ever changing environment in which we operate.

Fairness and justice

We are open and honest in the way we undertake our work, how we communicate with all stakeholders and how we treat people. We report our evidence-based findings in public, without fear or favour. We undertake audit work as economically, efficiently and effectively as possible.

Integrity

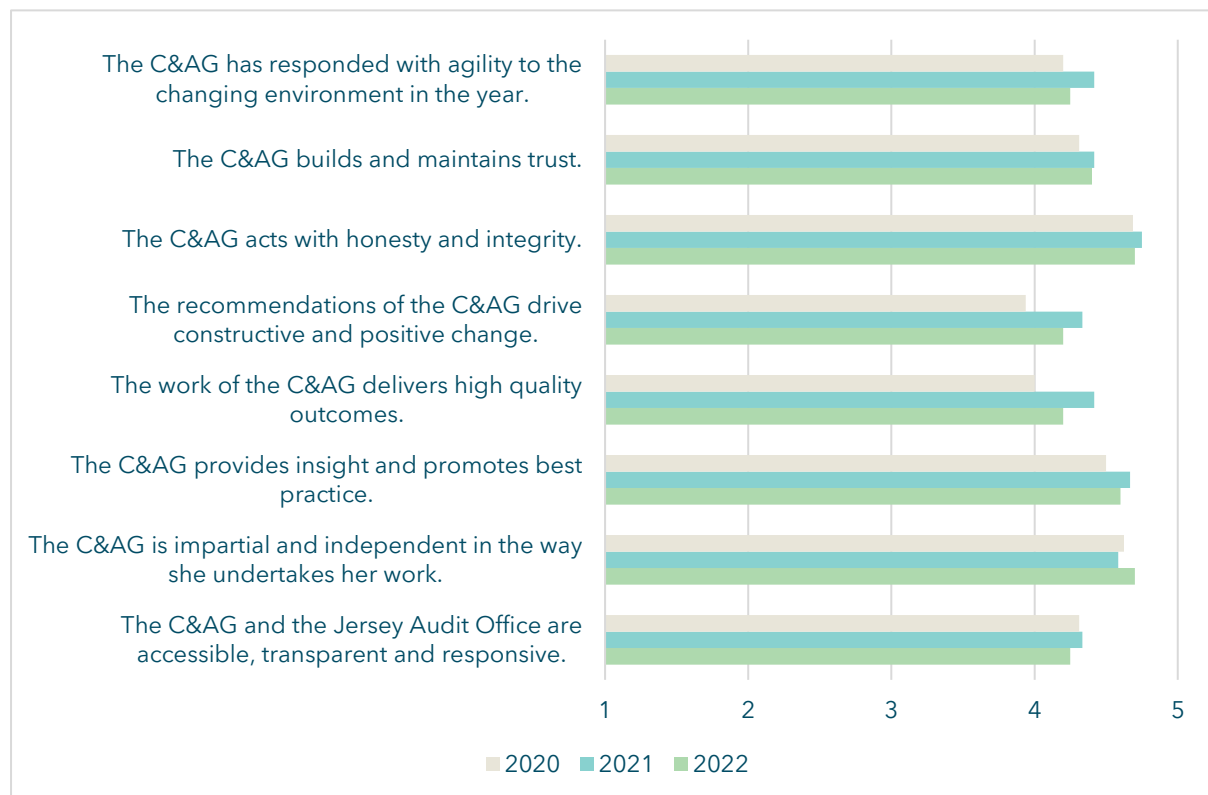
We speak up for what is right. We strive for and deliver high quality outcomes. We are truthful in making decisions and in responding to challenge. We meet our responsibilities in an ethical and fair way.

Credibility

We provide insight and promote best practice. We engage proactively with our stakeholders, with whom we work hard to build and maintain trust. Our work follows best practice and is undertaken by a team of reliable and dedicated professionals in accordance with recognised international standards.

- Feedback from our stakeholders demonstrates that the Jersey Audit Office delivery meets its values and objectives.

Exhibit 1: Feedback from States Members, lay members of the Public Accounts Committee and members of the Government of Jersey Risk and Audit Committee



- I have set clear objectives for the Jersey Audit Office with performance against each objective reported in the Annual Report and Accounts. The objectives set match our ambition to be a trusted and innovative audit organisation that champions good governance and the wise use of public money in Jersey. These objectives encompass four key areas:



High performing audit organisation



Making a difference



Supporting effective scrutiny and accountability



Building a better organisation

6. Most of the new recommendations I make in carrying out my duties relate to opportunities for the Government and public sector entities to improve value for money. However, many of the 'open' recommendations yet to be implemented by Government and public sector entities also relate to improvements needed in arrangements for governance and accountability.

Exhibit 2: Analysis of the themes of C&AG recommendations

Themes of 2022 recommendations



Themes of all 'open' recommendations

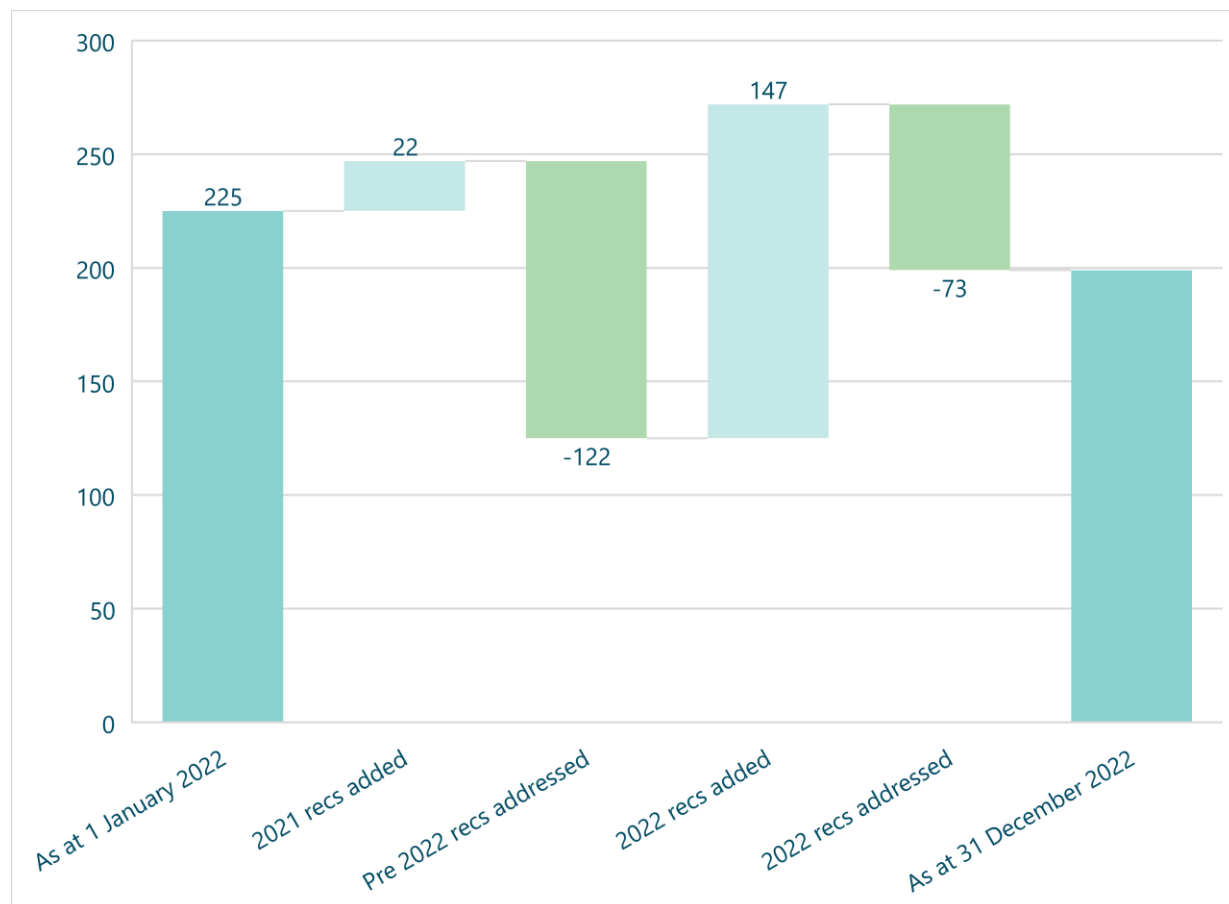


Source: Jersey Audit Office analysis of Government of Jersey C&AG recommendations tracker

7. In my *Annual Report of Findings 2022* (February 2023) I noted that there remain some recommendations dating back as far as 2014 that have been accepted by the Government for action but have not yet been implemented.
8. C&AG recommendations that remain 'open' and have not been implemented represent opportunities for improvement that are not being realised. At 1 January 2023, there were 87 accepted recommendations that were overdue for action out of a total of 199 'open' recommendations recorded on the Government of Jersey C&AG recommendations tracker at that time.
9. I encourage Government and public sector entities to prioritise the implementation of C&AG recommendations and to continue to monitor implementation through the C&AG recommendations tracker.
10. In overall terms, I consider that the balance between number of reports and recommendations made by the C&AG and the capacity of Government to

implement C&AG recommendations is about right. Exhibit 3 shows the movement in the Government of Jersey C&AG recommendations tracker during 2022.

Exhibit 3: Movement in C&AG 'open' recommendations during 2022



Source: Jersey Audit Office analysis of Government of Jersey C&AG Recommendations Tracker data

11. I also consider that the number of reports that I issue compares favourably to other jurisdictions. The results from our 2022 analyses comparing Jersey to seven other audit offices from British Overseas Territories, Canadian provinces, Australian states and territories and an independent country, with populations ranging from 68,000 to 570,000, show the same as in previous years: the Jersey Audit Office provides a significant volume of reports to the States Assembly, particularly when compared to relative populations (Exhibits 4 and 5).

Exhibit 4: Number of reports issued in 2022 compared to other audit offices

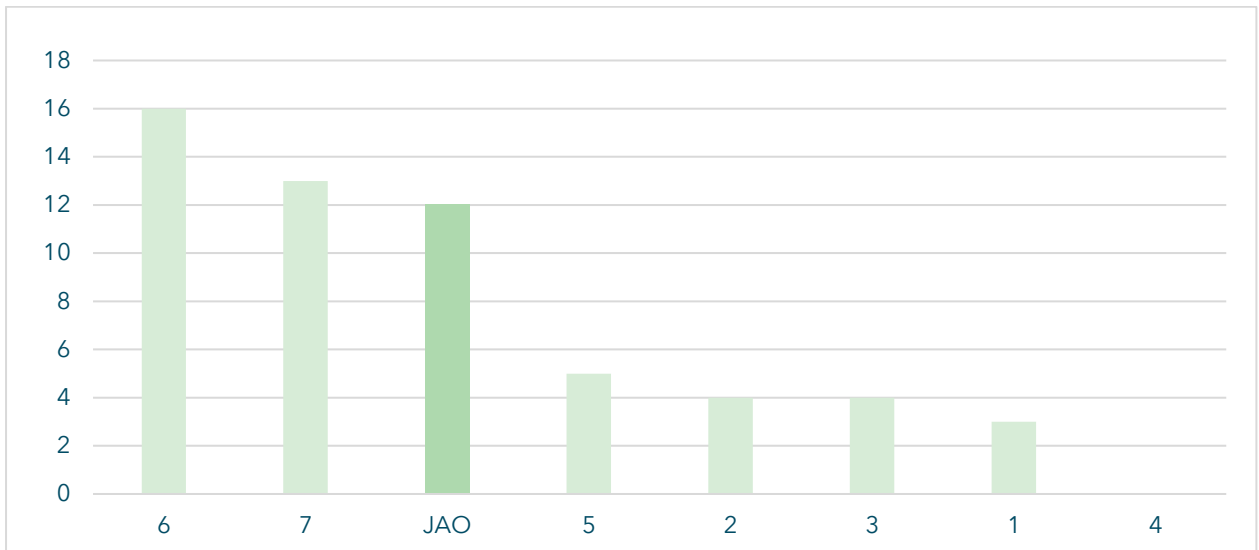
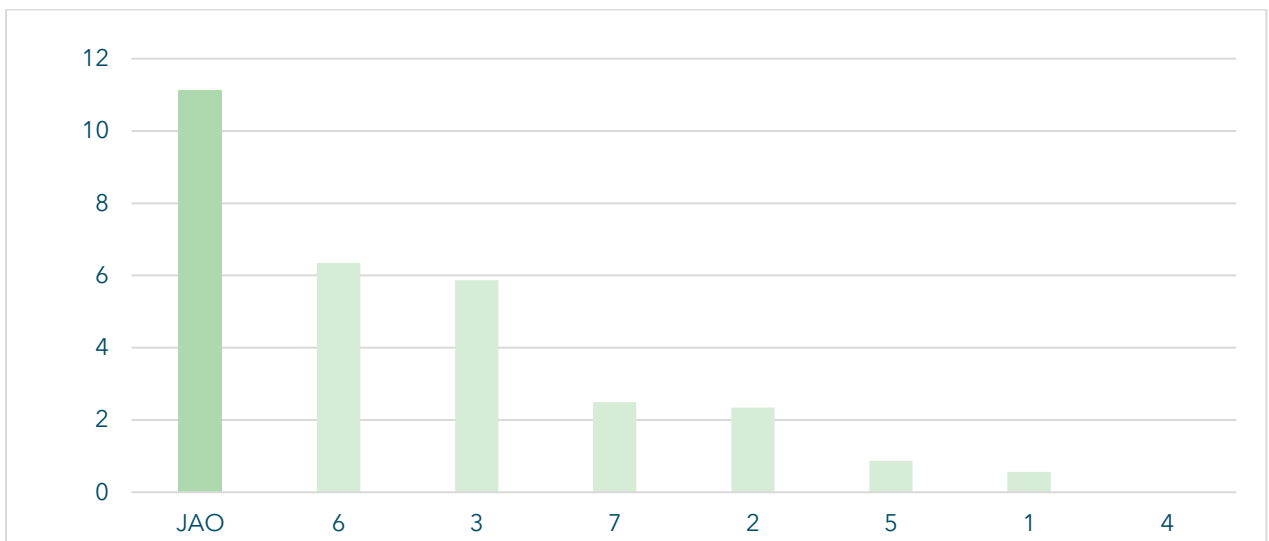


Exhibit 5: Number of reports (other than on financial statements) per 100,000 population issued in 2022



Source: Jersey Audit Office analysis

12. I will continue to benchmark the performance of the Jersey Audit Office against other audit offices during my term of office to ensure that we continue to deliver value from public audit for the citizens of Jersey.

C&AG powers and duties

13. Public audit provides independent assurance to the people of Jersey on the extent to which public money is spent economically, efficiently and effectively and on whether the controls and governance arrangements in place within public bodies demonstrate value for money. Delivering that assurance requires that the framework for public audit is comprehensive and robust and that the C&AG has appropriate powers and duties enshrined in legislation.
14. In this section I consider:
 - entities to which the C&AG appoints auditors
 - the benefits to Jersey of extending the C&AG's duties to appoint auditors
 - powers of the C&AG in relation to third party assets held by the States of Jersey; and
 - C&AG expert opinions and rights of consultation.

Entities to which the C&AG appoints auditors

Previous C&AG recommendations regarding the appointment of auditors

15. Financial audit is one part of public audit and one part of the overarching assurance framework. High quality audit of financial statements is facilitated by high quality financial and associated non-financial reporting. Financial audit focusses on determining whether an entity's financial information is presented in accordance with the applicable financial reporting and regulatory framework. This is accomplished by obtaining sufficient and appropriate audit evidence to enable the auditor to express an opinion as to whether the financial information is free from material misstatement due to fraud or error.

16. Independent appointment of auditors is a fundamental principle of effective public audit. The Public Audit Forum¹ Principles of Public Audit recognise that an independent process for the appointment of auditors is one way of safeguarding the independence of public sector auditors.
17. There are significant numbers of States controlled entities and entities established by the States of Jersey. Who should appoint financial statements auditors to these entities has been raised both by my predecessor and by myself in recommendations and areas for consideration from a range of our reviews. In July 2013, my predecessor issued a report *Public Audit in Jersey*. The report included the following recommendations:
- R10 Give the C&AG the power to appoint auditors to all States bodies that are not States' owned companies.
- R11 Give the C&AG the power to consider financial control, value for money and corporate governance in respect of States' owned companies to the extent relevant to the audit of the States.
- R14 When a legislative opportunity arises, place a duty on auditors appointed by the C&AG to express an opinion on the regularity of income and expenditure.
18. However while these recommendations had been accepted they have not been implemented by Government.
19. In 2019 my predecessor issued *Governance: A Thinkpiece* (December 2019). Within the Thinkpiece my predecessor again set out the arguments for appointment of auditors by the C&AG and included the following Area for Consideration:
- A25 Legislative amendments to transfer the duty for appointment of the external auditors of all public bodies (other than companies) to the Comptroller and Auditor General.

¹ The Public Audit Forum (PAF) was established in 1998. It brings together all the UK's public audit organisations to provide a focus for developmental thinking about public audit www.public-audit-forum.org.uk

20. My publication *Public Audit in Jersey: A Thinkpiece* (January 2021) reported that there remain entities controlled by or established by the States where the C&AG does not have the statutory responsibility for appointment of auditors. 80% of respondees to the 2020 public consultation undertaken as part of my January 2021 Thinkpiece agreed that a consistent approach, giving the C&AG responsibility for the appointment of auditors of the financial statements of all entities established or controlled by the States (other than companies and the Office of the C&AG), would be appropriate.
21. At that time I made four relevant recommendations and identified a further Area for Consideration:
- R2 Amend legislation to give the C&AG a power to appoint auditors of financial statements of all entities established or controlled by the States (other than companies).
 - R3 Codify in legislation the existing arrangements for the preparation of the financial statements of the Jersey Dental Scheme.
 - R4 Establish a consistent statutory framework relating to the responsibilities and powers of auditors appointed by the C&AG.
 - R5 Update legislation to recognise the C&AG as the 'competent authority' for the regulatory oversight of the auditors she appoints.
 - A2 Consult with relevant stakeholders on amending legislation to give the C&AG the power to appoint auditors to States controlled companies who exercise functions of a public nature or are substantially funded from public money.

The current landscape of duties and powers to appoint auditors to States controlled and States established entities in Jersey

22. Exhibit 6 summarises the current position on appointment of auditors for all those entities where I have recommended or suggested previously that the C&AG should have the power to appoint auditors. This is not an exclusive list of all entities established by the States of Jersey.

Exhibit 6: Entities where I consider the C&AG should have the duty to appoint auditors

Entities controlled by the States of Jersey and consolidated in the States of Jersey Group Accounts	Entities controlled by the States of Jersey and not consolidated in the States of Jersey Group Accounts	Entities established by the States of Jersey
Auditors currently appointed by the C&AG		
States of Jersey		Public Employees' Pension Fund Jersey Teachers' Superannuation Fund Jersey Financial Services Commission Data Protection Authority Jersey Competition Regulatory Authority Gambling Commission

Entities controlled by the States of Jersey and consolidated in the States of Jersey Group Accounts	Entities controlled by the States of Jersey and not consolidated in the States of Jersey Group Accounts	Entities established by the States of Jersey
Auditors currently appointed by the entity		
States of Jersey Development Company (and its subsidiaries)	Jersey Electricity plc	Commissioner for Children and Young People ²
Andium Homes (and its subsidiaries)	JT Group Ltd	Office of the Financial Services Ombudsman
Ports of Jersey (and its subsidiaries)	Jersey Waterworks Company Ltd	Jersey Overseas Aid Commission ³
	Jersey Post International Ltd	Jersey Advisory and Conciliation Service
	Government of Jersey London Office	Care Commission ⁴
	Digital Jersey Ltd	Jersey Bank Depositors' Compensation Board
	Jersey Business Ltd	Jersey Consumer Council ⁵

² No separate audit outside of the States of Jersey audit. There is a discretion for the Commissioner to appoint an auditor

³ No separate audit outside of the States of Jersey audit. There is a statutory duty on the Chairman of the Jersey Overseas Aid Commission to present audited financial statements to the States Assembly but the legislation is silent on who appoints the auditor. Legislation requires the Jersey Overseas Aid Commission to keep accounts in a form that is acceptable to the Minister for Treasury and Resources. The Memorandum of Understanding between the Jersey Overseas Aid Commission and the Government of Jersey states however that Jersey Overseas Aid Commission 'will not keep a separate set of accounts nor appoint its own external auditors, but will utilise with Treasury's support the Government of Jersey's JD Edwards System

⁴ No separate audit outside of the States of Jersey audit. I consider that inclusion of the income and expenditure of the Care Commission in the audited accounts of the States of Jersey may not meet the statutory requirement for an audit of the accounts of the Commission

⁵ I have previously recommended that this entity should be subject to independent examination rather than an audit

Entities controlled by the States of Jersey and consolidated in the States of Jersey Group Accounts	Entities controlled by the States of Jersey and not consolidated in the States of Jersey Group Accounts	Entities established by the States of Jersey
	Jersey Finance Ltd Visit Jersey Ltd Jersey Sport Ltd Jersey Legal Information Board Bureau des Iles Anglo-Normandes Channel Islands Brussels Office	Jersey Safety Council ⁶

Source: Jersey Audit Office analysis

23. There are certain other entities in addition to the list of entities included in Exhibit 6 that have been established by the States of Jersey but have not been the subject of previous C&AG recommendations in respect of the power or duty of the C&AG to appoint auditors. Exhibit 7 contains more details of these other entities.

⁶ I have previously recommended that this entity should be subject to independent examination rather than an audit

Exhibit 7: Other entities established by the States of Jersey

Entities where no requirement for accounts or an audit (financial transactions are included in the States of Jersey Annual Accounts but not identified separately)

Charity Commissioner	Official Analyst
Charity Tribunal	Police Complaints Authority
Complaints Panel	Probation and After-Care Service
Director Civil Aviation	States Assembly
Independent Prison Monitoring Board	States Employment Board
Jersey Appointments Commission	States of Jersey Police
Jersey Employment and Discrimination Tribunal	States of Jersey Police Authority
Jersey Law Commission	Statistics Jersey (Statistics User Group)
Mental Health Tribunal	

Entities required to prepare accounts but no audit requirement (financial transactions are included in the States of Jersey Annual Accounts but not identified separately)

Criminal Injuries Compensation Board ⁷	Public Lotteries Board ⁸
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⁷ There is a requirement for the Minister, after consultation with the Board, to submit an annual report on the operation of the scheme together with a statement of accounts. No deadline is set and no audit requirements are set out.

⁸ Under the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975 the Minister is required to submit to the States a report and an income and expenditure account of the Channel Islands Lottery conducted during the previous year. No audit requirements are set out.

Entities required to prepare accounts (financial transactions are not included in the States of Jersey Annual Accounts)

Jersey Gas Company

Source: Jersey Audit Office analysis

24. In my view, all States established and States controlled entities should disclose or publish relevant financial information to assist stakeholders in assessing the performance of the entity. Where financial transactions of an entity are included within the States of Jersey Accounts, the relevant financial information could be disclosed either within the States of Jersey Accounts or within the entity's own annual report, or both.
25. In my view, for all States established and States controlled entities that publish financial information as part of an Annual Report (separate to the States of Jersey Annual Report and Accounts), there should be an assurance requirement for at least an independent examination by an examiner appointed by the C&AG where expenditure of the entity exceeds a minimum threshold. It would be for the States to determine that minimum threshold. I would suggest a threshold of £25,000 but recognise that there could be a rationale for a higher threshold.
26. For all States established and States controlled entities with expenditure above a defined threshold per annum (such as £500,000), my view is that there should be a requirement to produce financial statements that are audited by an auditor appointed by the C&AG.
27. While I have suggested a threshold of £500,000 for an audit requirement, I recognise that there could be a rationale for a higher threshold being in place.
28. If specific audit or independent examination requirements are introduced in the future for the entities listed in Exhibit 7, I am of the view that the C&AG should be given the duty to appoint the auditors or independent examiners.
29. I do not consider that granting additional duties to appoint auditors and, where appropriate, independent examiners will require additional resources to be allocated to the Jersey Audit Office. The skills and infrastructure for such appointments already exist within the Jersey Audit Office team.
30. My proposals will result in no changes for 26 States established entities. For 21 States controlled and States established entities my proposals will result in the C&AG being given the duty to appoint independent examiners or auditors if

thresholds are reached. These 21 entities are currently incurring external audit costs and, in some instances, savings may be generated if it is appropriate to appoint independent examiners rather than auditors. For four States controlled and States established entities my proposals will result in the C&AG being given the duty to appoint independent examiners or auditors if thresholds are reached as and when financial statements are produced by the entities concerned. These four entities are the Care Commission, the Commissioner for Children and Young People, the Criminal Injuries Compensation Board and the Public Lotteries Board.

31. I have summarised the implications of my proposals on individual entities in Appendix Two.

The benefits to Jersey of extending the C&AG duties to appoint auditors and independent examiners

32. I consider that there are benefits to the States of Jersey, States controlled and States established entities and to the public of Jersey if the C&AG is given wider duties to appoint auditors and independent examiners. These benefits fall under five main areas:
 - the ability for entities to benefit from expertise in the procurement of external audit services and have confidence in the appointments that are made
 - greater assurance as to the quality of the audits that are being conducted across States controlled and States established entities
 - potential efficiencies that may be generated by having one auditor appointed for the whole of the States of Jersey Group
 - increased confidence that Jersey is meeting international best practice standards set out in the Principles of the International Organisation of Supreme Audit Institutions (INTOSAI); and
 - increased confidence that Jersey is meeting best practices as adopted by other similar sized jurisdictions.

Expertise in the procurement of external audit services

33. The audit market continues to experience challenges and there have been instances where audit tenders have had to be issued more than once to attract audit firms to bid for audits of Jersey entities. The Jersey Audit Office has

expertise in the procurement of external audit services and is able to engage with the firms operating in the market on a regular basis. Granting the C&AG wider duties to appoint auditors means that more entities would benefit from the Jersey Audit Office expertise in the procurement of external audit services.

34. It is worth stating that if the C&AG is given wider duties to appoint auditors, the discharge of these duties would be undertaken working with the entities concerned. Entities should not therefore be concerned that they would not be involved in the appointment of the auditors or independent examiners to their entities. Under the C&AG Code of Audit Practice (November 2020), the C&AG would exercise the power to appoint auditors to undertake the audit of financial statements either by:
- following a transparent procurement process undertaken by the C&AG; or
 - where I consider it to be appropriate, following a transparent procurement process undertaken by the entity in question.

Greater assurance over audit quality

35. Granting the C&AG wider duties to appoint auditors will provide greater assurance over the quality of the audits undertaken through three main mechanisms:
- a consistent appointment framework
 - application of the C&AG Code of Audit Practice to the audit of all public sector entities; and
 - a consistent regulatory oversight framework.

Consistent appointment framework

36. Where statutory provisions exist relating to the appointment of auditors of entities other than the States of Jersey they are spread between different pieces of legislation. The statutory provisions are generally very limited:
- making different provisions about qualification for appointment
 - usually making no provisions about the responsibilities of auditors; and
 - not providing auditors appointed by the C&AG with any explicit powers relating to access to information to fulfil their functions (in contrast to the provisions relating to the C&AG).

37. In my view, high quality public audit would be facilitated by a consistent statutory framework relating to the responsibilities and powers of auditors appointed by the C&AG. This view was shared by all respondents to the relevant question in my 2020 public consultation.
38. A consistent statutory framework could be achieved through amendment to the 2014 Law and the repeal of relevant provisions in other legislation.

Application of the C&AG Code of Audit Practice to the audit of all public sector entities

39. Article 18 of the 2014 Law requires me to prepare and publish a statement of the manner in which I propose to discharge my functions. The Code of Audit Practice (the Code) revised in November 2020 discharges that responsibility.
40. The Code applies to the C&AG and to auditors of the financial statements of the States of Jersey and other entities to which the C&AG appoints auditors.
41. In addition, the C&AG may issue supplementary guidance to auditors of the financial statements of the States of Jersey and other entities to which the C&AG appoints auditors. This supplementary guidance is designed to facilitate compliance with this Code and may include guidance on emerging issues relevant to the functions of auditors appointed by the C&AG.
42. As the Code only applies to the Office of the C&AG and the auditors appointed by the C&AG, it does not apply currently to the audit of all States controlled and States established entities. As a consequence, there are differences in the auditing standards applied to similarly constituted public sector entities in Jersey.
43. If legislation is amended to give the C&AG duties to appoint auditors to all States established and States controlled entities then the Code would apply on a consistent basis to all entities. I consider that it would be appropriate to amend legislation to apply the Code to the audits of all States controlled and States established entities whether or not the C&AG is responsible for the appointment of auditors.

Regulatory oversight of public sector auditors

44. There is a potential gap in regulatory oversight of the auditors of those States controlled and States established entities where the C&AG does not appoint the financial statements auditor.
45. These audits are not in all instances obviously subject to regular inspection by statutory or professional bodies in either Jersey or the United Kingdom.

46. For those bodies where I appoint the auditor, I enhanced the Audit Quality Framework under my Code of Audit Practice to allow the C&AG to review, or appoint a person or persons to review, the quality of audit work undertaken by auditors appointed by the C&AG, including through review of audit working papers.
47. The position I have adopted in the Code would be reinforced if it was supported by legislation (for example, by amending the 2014 Law). In addition, the practice would be further enhanced if the Audit Quality Framework adopted in the Code was extended through legislation to encompass the auditors of all States controlled and States established entities. I consider that this amendment could take place whether or not the C&AG is responsible for the appointment of auditors.

Potential efficiencies from a single Group auditor

48. At the current time the entities that are consolidated into the States of Jersey Group Accounts are audited by a variety of audit firms. There is potential for efficiencies to be gained by the C&AG appointing auditors to all Group entities. There is also the potential for further efficiencies to be made by the appointment of a single Group auditor across all consolidated entities.

Compliance with the Principles of INTOSAI

49. I have undertaken a review to consider whether the 2014 Law is compliant with the Principles set out by the INTOSAI in respect of the duties of the C&AG to audit States controlled and States established entities.

50. INTOSAI Principle 1 (the Lima declaration) Section 18 paragraph 3 states:

All public financial operations, regardless of whether and how they are reflected in the national budget, shall be subject to audit by Supreme Audit Institutions. Excluding parts of financial management from the national budget shall not result in these parts being exempted from audit by the Supreme Audit Institution.

51. Section 19 goes on to state:

As a general principle, public authorities and other institutions established abroad shall also be audited by the Supreme Audit Institution.

52. Section 23 refers to commercial enterprises with public participation. It states:

The expansion of the economic activities of government frequently results in the establishment of enterprises under private law. These enterprises shall also be

subject to audit by the Supreme Audit Institution if the government has a substantial participation in them--particularly where this is majority participation--or exercises a dominating influence.

53. In my view the 2014 Law could be enhanced with explicit provision for the C&AG to have the duty to audit all public financial operations, including States controlled and States established entities.
54. I also remain of the view that legislation could be enhanced in Jersey by containing specific provision for the C&AG to have the duty to appoint auditors to States controlled companies who exercise functions of a public nature or are substantially funded from public money.

Comparison of Jersey provisions to other jurisdictions

55. In comparator jurisdictions of the United Kingdom, Scotland, Wales, Northern Ireland and the Isle of Man the Comptroller and Auditor General or equivalent is eligible to be appointed as a statutory auditor of a company. In addition, Ministers and/or Departments have the power to require certain companies to appoint the Comptroller and Auditor General or equivalent as their auditors.
56. Under Jersey legislation, a company is required to appoint an auditor if:
 - it is a public company
 - its articles so require; or
 - a resolution of the company in a general meeting so requires.
57. I have considered both the arrangements in other jurisdictions and company legislation in Jersey. I am of the firm view that independent appointment of auditors is a fundamental principle of public audit. While Ministerial and/or Departmental powers to appoint may in some instances be considered independent of States controlled companies, giving the C&AG the duty to appoint auditors to States controlled companies would provide complete independence.
58. Exhibit 8 contains details of arrangements in place in the nations of the United Kingdom and in the Isle of Man. In all jurisdictions, the C&AG is eligible for appointment as a company auditor and/or appoints auditors to companies.

Exhibit 8: Audit of Government controlled companies in other jurisdictions

United Kingdom

HM Treasury may by statutory order make C&AG auditor of a body which exercises functions of a public nature or is entirely or substantially funded from public money and have access to documents and if the body is a Companies Act company the order does not need to be laid before Parliament. (Section 25, Government Resources and Accounts Act 2000). The C&AG is eligible to be appointed as a statutory auditor for a Companies Act company (Section 1226, Companies Act 2006).

Scotland

The Scottish Ministers may by Order provide for a company registered in Scotland to be audited by the Auditor General for Scotland if it exercises in Scotland functions of a public nature none of which relate to reserved matters and is funded entirely or substantially by a body whose accounts are audited by the Auditor General for Scotland (section 483, Companies Act 2006).

The Auditor General for Scotland is eligible to be appointed as a statutory auditor for a Companies Act company (Section 1226, Companies Act 2006).

Wales

The Welsh Ministers may by Order make provision about the audit of a body specified in Schedule 17 of the Government of Wales Act 1998 (section 144, Government of Wales Act 1998). Section 144 of the Government of Wales Act 1998 also allows the Welsh Ministers to add a 'public body' (being a body that exercises functions of a public nature or is entirely or substantially funded by public money) to Schedule 17. The effect of Section 144 is to allow the Welsh Ministers to provide that certain companies are audited by the Auditor General for Wales.

The Welsh Ministers may appoint the Auditor General for Wales as auditor of any body where they are entitled to appoint the auditor (Paragraph 18, Schedule 8, Government of Wales Act 2006).

The Auditor General for Wales is eligible to be appointed as a statutory auditor for a Companies Act company (Section 1226, Companies Act 2006).

Northern Ireland

The Department of Finance and Personnel may by Order provide for the accounts of a body that exercises functions of a public nature or is entirely or substantially funded

from public money to be audited by the Comptroller and Auditor General of Northern Ireland (Article 5, Audit and Accountability (Northern Ireland) Order 2003).

The Comptroller and Auditor General of Northern Ireland is eligible to be appointed as a statutory auditor for a Companies Act company (Section 1226, Companies Act 2006).

Isle of Man

Under the Audit Act 2006, All accounts required to be audited under the Act shall be – (a) audited by the Tynwald Auditor General; or (b) examined by an auditor appointed by the Tynwald Auditor General for the purpose. The bodies covered by the Audit Act 2006 are:

(a) every Department

(b) every Statutory Board

(c) every local authority

(d) every body established by or under any statutory provision and consisting of or including persons appointed by one or more bodies referred to in paragraphs (a), (b), and (c)

(e) every company, more than half of the equity share capital of which is beneficially owned by one or more Departments or Statutory Boards or is otherwise held by or in trust for the Government, and which is not liable to comply with section 109(3) (filing of accounts) of the Companies Act 1931

(f) every company which is a subsidiary of a body referred to in paragraph (e)

(g) every office or department of the Government or the Legislature

(h) any other body to which the Treasury by order direct that this subsection shall apply; and

(i) any other body whose accounts are directed by any statutory provision other than this Act to be inspected in accordance with this Act

Source: Jersey Audit Office analysis

59. In all of the comparator jurisdictions noted in Exhibit 8, the Comptroller and Auditor General or equivalent is eligible to be appointed as a statutory auditor of a company. In addition, Ministers and/or Departments have the power to require certain companies to appoint the Comptroller and Auditor General or equivalent as their auditors.

60. The C&AG and the Jersey Audit Office do not carry out financial statements audits currently and, where the C&AG has the duty to appoint auditors, this is exercised by appointing professional audit firms. Therefore, in Jersey if the C&AG is granted duties to appoint auditors to more entities, these duties would be fulfilled by appointing independent professional audit firms to undertake the audits.
61. In respect of independent examination of public sector entities, I note that the Isle of Man requires that independent examinations apply to smaller local government bodies with expenditure of up to £100,000 per annum and assurance reviews (which are not a full audit) apply to such bodies with expenditure of between £100,000 and £1,000,000 per annum.

Recommendations

- R1** Amend legislation to give the C&AG a duty to appoint auditors (or, where relevant, independent examiners) of all entities established or controlled by the States who are required to publish financial statements.
- R2** Establish a consistent statutory framework relating to the responsibilities and powers of auditors appointed by the C&AG.
- R3** Introduce legislative amendments to apply the Jersey Audit Office Code of Audit Practice to the audit of all States controlled and States established entities.
- R4** Introduce legislation to recognise the C&AG as the 'competent authority' for the regulatory oversight of the auditors of all States controlled and States established entities.

Powers of the C&AG in relation to third party assets held by the States of Jersey

62. The States of Jersey hold certain assets on behalf of third parties, as are disclosed in Note 4.25 of the Annual Accounts of the States of Jersey for the year ended 31 December 2022. These third party assets comprise mainly:
- assets arising from the activities of the Viscount of the Royal Court; and
 - charitable funds.

63. These monies and assets are not recognised in the accounts where the States of Jersey do not have a direct beneficial interest in them. Accordingly, neither the funds held by the Viscount nor the charitable funds administered by the States of Jersey fall within the remit of the C&AG.
64. It is my understanding that if the Viscount were challenged about any act or omission, the relevant forum for determination would be the Court.
65. In respect of the charitable funds, the Treasurer has established a Charitable Funds Oversight Board with a remit to ensure that trust assets are managed in line with their trust deeds and relevant regulations.
66. I have not identified any standard practice for C&AG powers in relation to third party assets held by governments across other jurisdictions. There is also no INTOSAI principle that covers third party assets specifically. I note that in the UK, there are a significant number of trustee bodies administering charitable funds associated with the National Health Service. The UK's National Audit Office (NAO) has the power to audit the summarised charitable funds accounts of these bodies and the C&AG has the power to access the accounts of trustees and the records relating to them.
67. I do not make any specific recommendations for change in Jersey in relation to third party assets held by the States of Jersey. I would however encourage the States Assembly to consider and reaffirm whether they are content with the existing arrangements for oversight and assurance in respect of these assets.

C&AG expert opinions and rights of consultation

68. The 2014 Law does not place any obligations on the C&AG or the States of Jersey regarding expert opinions and rights of consultation. I note however that INTOSAI Principle 1 (the Lima declaration) Section 12 sets out the following:

1) When necessary, Supreme Audit Institutions may provide Parliament and the administration with their professional knowledge in the form of expert opinions, including comments on draft laws and other financial regulations. The administrative authorities shall bear the sole responsibility for accepting or rejecting such expert opinions; moreover, this additional task must not anticipate the future audit findings of the Supreme Audit Institution and must not interfere with the effectiveness of its audit.

2) Regulations for appropriate and as uniform as possible accounting procedures shall be adopted only after agreement with the Supreme Audit Institution.

69. In practice the States of Jersey have consulted with the C&AG on most of the changes to the Public Finances Manual and the Jersey Financial Reporting Manual (JFReM) that have been proposed. I consider however that the position should be strengthened to require consultation on proposed changes to the Public Finances Manual and the JFReM. This could be achieved by the inclusion of a provision within the Public Finances Manual and will bring Jersey into line with the INTOSAI Principle 1 Section 12.

Recommendation

- R5** Introduce changes to the Public Finances Manual to require the States of Jersey to consult with the C&AG on proposed changes to the Public Finances Manual and the Jersey Financial Reporting Manual.

Arrangements to ensure the independence of the C&AG

70. My Thinkpiece *Governance and Accountability of Independent Bodies and Office Holders* (December 2022) recognised that the independence and effectiveness of bodies and office holders is enhanced by:
- clear statements about the independence of bodies and office holders and their freedom from direction
 - clear, objective processes for appointment
 - limitations on terms of office of members of bodies and of office holders, where such limitations are international norms; and
 - clear, objective processes for removal from office.
71. There are three areas identified in my 2022 Thinkpiece where I recommend legislative changes in respect of the Office of the C&AG. These are in respect of the:
- legal status of the Office of the C&AG
 - appointment of the C&AG; and
 - revocation of appointment of a C&AG.

Legal status of the Office of the C&AG

72. My 2022 Thinkpiece noted that clarity of the legal nature of independent bodies and office holders is important. However, the legal personality of the Office of the C&AG is not clear. The legislation does not include a clear statement that the C&AG is a corporation sole with the capacity to contract as 'The Comptroller and Auditor General'. This is in contrast to, for example, the Chief Officer of the States of Jersey Police under Article 8 of the States of Jersey Police Force Law 2012.
73. Being a corporation sole would reduce the risk of effective or perceived effective control as the C&AG would not be reliant on anybody else to enter into contracts. I note that in practice the C&AG has contracted as 'The Comptroller and Auditor General' on a relatively consistent basis.

74. Any move to a body corporate would involve structural change to create the corporate body separate from the Auditor General. This is the model adopted in the UK and Wales. For example, under section 12 of the Budget Responsibility and National Audit Act 2011 the UK C&AG is a corporation sole and that National Audit Office is a body corporate under section 20 of the same Act.

Recommendation

- R6** Update legislation to clarify the legal nature of the Office of the C&AG, including in particular whether the Office has legal personality.

Appointment of the C&AG

75. The Board of Governance of the Office of the C&AG is a key means by which the C&AG is held to account for the use of public funds allocated to the Office. The Board of Governance keeps under review whether the C&AG has used and is using the resources allocated properly, efficiently and effectively.
76. Neither the 2014 Law nor the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015 (the 2015 Order) give the Board of Governance a role in the appointment of the C&AG or in the agreement of terms and conditions for the C&AG.
77. Under Article 3(1) of the 2014 Law the Office of C&AG shall be held by a person appointed by the States on a proposition signed by the Chief Minister and the Chairman of the Public Accounts Committee. Under Article 3(3) of the 2014 Law, before recommending to the States the appointment of a person to the Office of C&AG the Chief Minister and the Chairman of the Public Accounts Committee must take into account the views and recommendations of the Jersey Appointments Commission. There is no requirement for the Chief Minister and the Chairman of the Public Accounts Committee to take into account the views and recommendations of the Board of Governance.
78. In practice for my appointment the Chairman of the Board of Governance was a member of the interview panel. I consider however that legislation should be enhanced for future appointments to require the Chief Minister and the Chairman of the Public Accounts Committee to take into account the views and recommendations of the Board of Governance in proposing the appointment of a future C&AG.

79. Under Article 4(1) of the 2014 Law, a person appointed to the Office of C&AG shall hold the office on such terms and conditions as are agreed between the person, the Chief Minister and the Chairman of the Public Accounts Committee. Again there is no role under the 2014 Law or the 2015 Order for the Board of Governance to be consulted on or to make recommendations regarding the terms and conditions of appointment of the C&AG.
80. My terms and conditions of appointment are consistent with those of my predecessor. I am self-employed with an individual contract for services with the States of Jersey. I do not however consider it to be a threat to independence for independent office holders and staff of independent bodies to hold contracts of employment with the States Employment Board, provided that it is clear that such employees shall be treated as if they were the staff of the independent body or office holder.
81. There is scope to reconsider the employment status of the next C&AG provided that clear provision is made under legislation for the C&AG if employed by the States Employment Board to be treated as though they were a member of staff of the Office of the C&AG. I encourage the Chief Minister and Chairman of the Public Accounts Committee, in consultation with the Board of Governance, to consider options for the terms and conditions of appointment of the next C&AG in advance of the recruitment process commencing.

Recommendations

- R7** Update legislation to require the Chief Minister and the Chairman of the Public Accounts Committee to take into account the views and recommendations of the Board of Governance in proposing an appointment of a C&AG and in agreeing terms and conditions of appointment of a C&AG.
- R8** Introduce legislation for the Office of the C&AG to specify that States of Jersey employees working for the Office of the C&AG shall be treated as if they were the staff of the Office of the C&AG.
- R9** Undertake a formal review of the options for the terms and conditions of appointment of the next C&AG in advance of the recruitment process commencing.

Revocation of appointment of a C&AG

82. Under Article 7(1) of the 2014 Law, the States may revoke the appointment of a person to the Office of Comptroller and Auditor General on a proposition signed by the Chief Minister and the Chairman of the Public Accounts Committee.
83. There is no requirement however under the 2014 Law or the 2015 Order for the Board of Governance to be consulted on or to make recommendations to the Chief Minister and the Chairman of the Public Accounts Committee regarding any proposed revocation of the appointment of a C&AG.

Recommendation

- R10** Update legislation to require the Chief Minister and the Chairman of the Public Accounts Committee to take into account the views and recommendations of the Board of Governance in proposing a revocation of appointment of a C&AG.

Accountability arrangements for the Office of the C&AG

84. I consider that many of the accountability arrangements for the Office of the C&AG are strong. These include the:

- role of the Board of Governance to keep under review whether the C&AG has used and is using the resources allocated properly, efficiently and effectively
- Public Finances Manual Chapter applicable to the Office of the C&AG that makes appropriate adaptations to the requirements of the Public Finances Manual to reflect the circumstances of the Office; and
- requirement for the Office of the C&AG to produce accounts which must be audited by an auditor appointed by the Chairman of the Public Accounts Committee.

85. INTOSAI Principle1 (the Lima declaration) Section 16 states:

1) The Supreme Audit Institution shall be empowered and required by the Constitution to report its findings annually and independently to Parliament or any other responsible public body; this report shall be published.

86. There is however no specific requirement under the 2014 Law for the C&AG to produce an annual report of findings. The *Annual Report of Findings 2022* which I published in February 2023, met the INTOSAI Principle on a voluntary basis.

Recommendation

R11 Update legislation to require the C&AG to publish an annual report of findings.

Oversight of the Office of the C&AG

The role of the Board of Governance

87. The Board of Governance for the Office of the C&AG plays a crucial oversight role. It is responsible for keeping under review whether the C&AG has used and is using the resources allocated properly, efficiently and effectively and is a key means by which the C&AG is held to account for the public funds allocated to the Office.
88. The Board of Governance is not however granted the statutory limitation of liability in the discharge of its functions that is granted to the C&AG under Article 10 of the 2014 Law. The granting of such a limitation of liability would provide the Board of Governance with a degree of protection in acting without fear or favour in its role.

Recommendation

- R12** Update legislation to provide statutory limitation of liability to the Board of Governance in the discharge of its functions.

Relationship with Government

89. In practical terms, the financial transactions of the Office of the C&AG are recorded in the States of Jersey general ledger system. The Office of the C&AG does not have its own bank account and all payments to contractors and service providers are made through the States of Jersey bank account. The financial transactions of the Office of the C&AG are included within the States of Jersey Accounts as well as being the subject of the separate Annual Report and Accounts prepared by the Office of the C&AG and audited by independent auditors appointed by the Public Accounts Committee.
90. There have been occasions where the important statutory requirement for the C&AG to consult with the Board of Governance and agree budget requirements with the Chairman of the Public Accounts Committee have been overlooked in timetables for the production of Government Plans. These have resulted in requests to the Office of the C&AG for the submission of business cases for extra resources to be submitted to Government rather than to the Public Accounts Committee.

91. There is no Memoranda of Understanding (MoU) (setting out the principles for ways of working) or Service Level Agreement (SLA) (setting out respective responsibilities, services to be provided, timescales and mechanisms for reviewing the services provided) in place between the Treasury and Exchequer Department and the Office of the C&AG. Having a robust MoU and SLA in place, adhered to by both parties, would assist in providing assurance as to the independence of the Office of the C&AG.

Recommendations

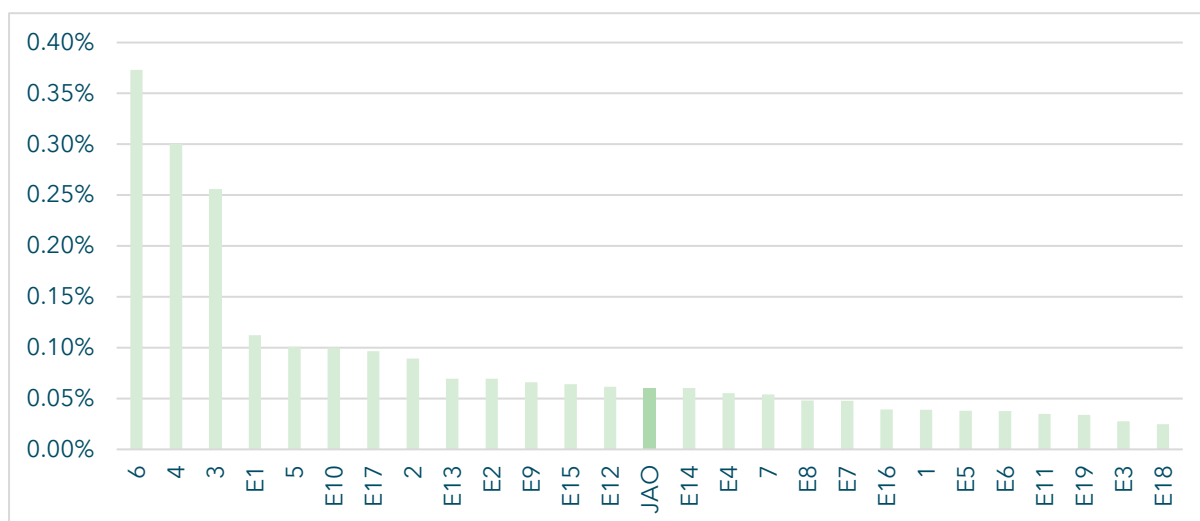
- R13** Agree a Memorandum of Understanding for the provision of financial systems and support by the Government of Jersey to the Office of the C&AG.
- R14** Following agreement of the Memorandum of Understanding for the provision of financial systems and support to the Office of the C&AG, agree a Service Level Agreement setting out service standards and mechanisms for monitoring performance against those standards.

Resources of the Office of the C&AG

Level of resources provided to the Office of the C&AG

92. Under the 2014 Law the States must ensure that the C&AG is provided with sufficient resources to carry out his or her functions. The agreed practice is that the budget for the Office is approved by the Chairman of the Public Accounts Committee after consultation with the Board of Governance.
93. My experience to date is that the Office is appropriately resourced for its current duties and responsibilities. Exhibit 9 shows the results of recent benchmarking with other (anonymised) jurisdictions and 19 European regional audit offices and demonstrates the value for money provided by the Jersey Audit Office.

Exhibit 9: Expenditure of the Jersey Audit Office and comparative audit offices as a proportion of expenditure of government



Source: Jersey Audit Office analysis

94. One area however where legislation could be enhanced would be to embrace INTOSAI Principle 1 Section 7 2) which states:

If required, Supreme Audit Institutions shall be entitled to apply directly for the necessary financial means to the public body deciding on the national budget.
95. Such a provision could be restricted to situations where the C&AG and the Board of Governance are unable to reach agreement with the Chairman of the Public Accounts Committee as to level of budget for the Office.

Recommendation

- R15** Introduce legislative provision to enable the C&AG with the support of the Chairman of the Board of Governance to apply directly to the States Assembly for resources in situations where agreement on resources cannot be reached with the Chairman of the Public Accounts Committee.

Appendix One

Summary of recommendations

C&AG powers and duties

- R1** Amend legislation to give the C&AG a duty to appoint auditors (or, where relevant, independent examiners) of all entities established or controlled by the States who are required to publish financial statements.
- R2** Establish a consistent statutory framework relating to the responsibilities and powers of auditors appointed by the C&AG.
- R3** Introduce legislative amendments to apply the Jersey Audit Office Code of Audit Practice to the audit of all States controlled and States established entities.
- R4** Introduce legislation to recognise the C&AG as the 'competent authority' for the regulatory oversight of the auditors of all States controlled and States established entities.
- R5** Introduce changes to the Public Finances Manual to require the States of Jersey to consult with the C&AG on proposed changes to the Public Finances Manual and the Jersey Financial Reporting Manual.

Arrangements to ensure the independence of the C&AG

- R6** Update legislation to clarify the legal nature of the Office of the C&AG, including in particular whether the Office has legal personality.
- R7** Update legislation to require the Chief Minister and the Chairman of the Public Accounts Committee to take into account the views and recommendations of the Board of Governance in proposing an appointment of a C&AG and in agreeing terms and conditions of appointment of a C&AG.
- R8** Introduce legislation for the Office of the C&AG to specify that States of Jersey employees working for the Office of the C&AG shall be treated as if they were the staff of the Office of the C&AG.
- R9** Undertake a formal review of the options for the terms and conditions of appointment of the next C&AG in advance of the recruitment process commencing.

- R10** Update legislation to require the Chief Minister and the Chairman of the Public Accounts Committee to take into account the views and recommendations of the Board of Governance in proposing a revocation of appointment of a C&AG.

Accountability arrangements for the Office of the C&AG

- R11** Update legislation to require the C&AG to publish an annual report of findings.

Oversight of the Office of the C&AG

- R12** Update legislation to provide statutory limitation of liability to the Board of Governance in the discharge of its functions.
- R13** Agree a Memorandum of Understanding for the provision of financial systems and support by the Government of Jersey to the Office of the C&AG.
- R14** Following agreement of the Memorandum of Understanding for the provision of financial systems and support to the Office of the C&AG, agree a Service Level Agreement setting out service standards and mechanisms for monitoring performance against those standards.

Resources of the Office of the C&AG

- R15** Introduce legislative provision to enable the C&AG with the support of the Chairman of the Board of Governance to apply directly to the States Assembly for resources in situations where agreement on resources cannot be reached with the Chairman of the Public Accounts Committee.

Appendix Two

Summary of implications of proposals on individual entities

Entity	Change to current arrangements	Implications
Andium Homes (and its subsidiaries)	Yes	C&AG will be given the duty to appoint auditors
Bureau des Iles Anglo-Normandes	Yes	C&AG will be given the duty to appoint an independent examiner or auditors if thresholds are reached
Care Commission	Yes	Production of stand-alone financial statements audited by an auditor appointed by the C&AG
Channel Islands Brussels Office	Yes	C&AG will be given the duty to appoint an independent examiner or auditors if thresholds are reached
Charity Commissioner	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Charity Tribunal	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Commissioner for Children and Young People	Yes	Production of stand-alone financial statements audited by an auditor appointed by the C&AG

Entity	Change to current arrangements	Implications
Complaints Panel	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Criminal Injuries Compensation Board	Yes	C&AG will be given the duty to appoint an independent examiner or auditor of financial statements prepared by the entity
Data Protection Authority	No	No change to current arrangements
Digital Jersey Ltd	Yes	C&AG will be given the duty to appoint auditors
Director Civil Aviation	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Gambling Commission	No	No change to current arrangements
Government of Jersey London Office	Yes	C&AG will be given the duty to appoint an independent examiner or auditors if thresholds are reached

Entity	Change to current arrangements	Implications
Independent Prison Monitoring Board	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Jersey Advisory and Conciliation Service	No	No change to current arrangements
Jersey Appointments Commission	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Jersey Bank Depositors' Compensation Board	Yes	C&AG will be given the duty to appoint an independent examiner or auditors if thresholds are reached
Jersey Business Ltd	Yes	C&AG will be given the duty to appoint auditors
Jersey Competition Regulatory Authority	No	No change to current arrangements
Jersey Consumer Council	Yes	C&AG will be given the duty to appoint an independent examiner or auditors if thresholds are reached
Jersey Electricity plc	Yes	C&AG will be given the duty to appoint auditors

Entity	Change to current arrangements	Implications
Jersey Employment and Discrimination Tribunal	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Jersey Finance Ltd	Yes	C&AG will be given the duty to appoint auditors
Jersey Financial Services Commission	No	No change to current arrangements
Jersey Gas Company	Yes	C&AG will be given the duty to appoint auditors
Jersey Law Commission	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Jersey Legal Information Board	Yes	C&AG will be given the duty to appoint an independent examiner or auditors if thresholds are reached
Jersey Overseas Aid Commission	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold

Entity	Change to current arrangements	Implications
Jersey Post International Ltd	Yes	C&AG will be given the duty to appoint auditors
Jersey Safety Council	Yes	C&AG will be given the duty to appoint an independent examiner or auditors if thresholds are reached
Jersey Sport Ltd	Yes	C&AG will be given the duty to appoint auditors
Jersey Teachers' Superannuation Fund	No	No change to current arrangements
Jersey Waterworks Company Ltd	Yes	C&AG will be given the duty to appoint auditors
JT Group Ltd	Yes	C&AG will be given the duty to appoint auditors
Mental Health Tribunal	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
Office of the Financial Services Ombudsman	Yes	C&AG will be given the duty to appoint auditors
Official Analyst	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold

Entity	Change to current arrangements	Implications
Police Complaints Authority	No	<p>No immediate change to current arrangements</p> <p>If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold</p>
Ports of Jersey (and its subsidiaries)	Yes	C&AG will be given the duty to appoint auditors
Probation and After-Care Service	No	<p>No immediate change to current arrangements</p> <p>If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold</p>
Public Employees' Pension Fund	No	No change to current arrangements
Public Lotteries Board	Yes	C&AG will be given the duty to appoint an independent examiner or auditor of financial statements prepared by the entity
States Assembly	No	<p>No immediate change to current arrangements</p> <p>If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold</p>

Entity	Change to current arrangements	Implications
States Employment Board	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
States of Jersey	No	No change to current arrangements
States of Jersey Development Company (and its subsidiaries)	Yes	C&AG will be given the duty to appoint auditors
States of Jersey Police	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold
States of Jersey Police Authority	No	No immediate change to current arrangements If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold

Entity	Change to current arrangements	Implications
Statistics Jersey	No	<p>No immediate change to current arrangements</p> <p>If financial statements are required in the future, the C&AG will be given the duty to appoint an independent examiner of financial statements prepared by the entity or an auditor if expenditure exceeds an agreed threshold</p>
Visit Jersey Ltd	Yes	C&AG will be given the duty to appoint auditors



JERSEY AUDIT OFFICE

LYNN PAMMENT

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