

Jersey Audit Office Strategy 2024-27

26 January 2024

Contents

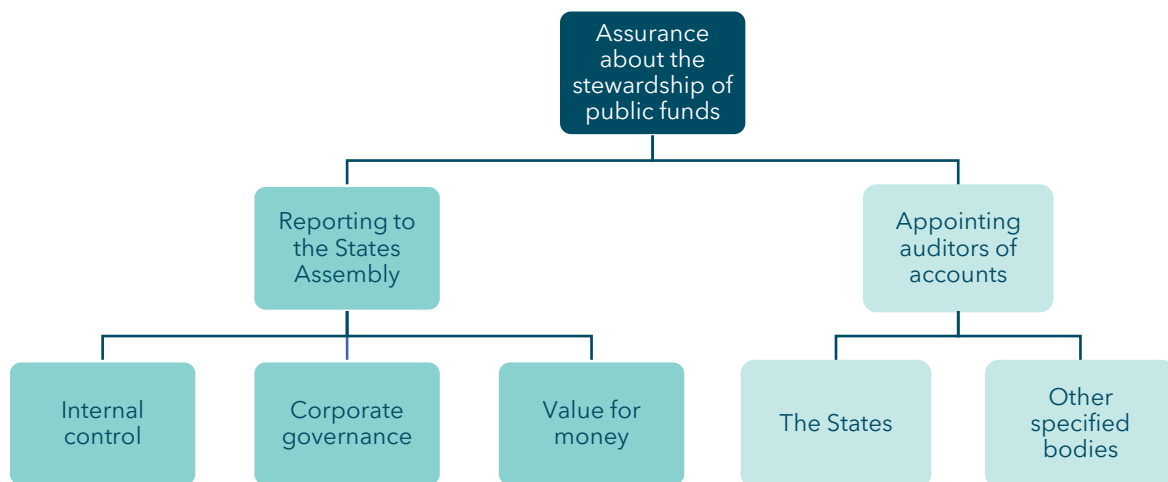
Summary	3
Foreword	5
Purpose, Vision and Values.....	6
High Performing Audit Organisation.....	7
Supporting effective scrutiny and accountability.....	15
Making a difference.....	19
Building a better organisation.....	25
Resources to deliver the Strategy	29

Summary

What do we do?

The purpose of the Comptroller and Auditor General (C&AG), fulfilled through the Jersey Audit Office (JAO), is to provide 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.

The C&AG discharges her responsibilities through appointing auditors of accounts and through undertaking project work and reporting to the States Assembly:



What are our ambitions?

The vision of the JAO is to be a trusted and innovative audit organisation that champions good governance and the wise use of public money in Jersey.

Our ambitions are to:

- be a high performing audit organisation
- support effective scrutiny and accountability
- make a difference; and
- build a better organisation.

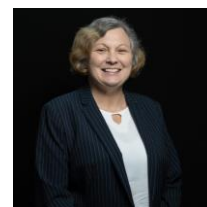
How do we plan to achieve our ambitions?

Our ambition	Our planned actions 2024-27
 <p>High performing audit organisation</p>	<ul style="list-style-type: none"> • Deliver an enhanced audit quality framework • Improve our project management and use of technology • Measure and action stakeholder feedback • Enhance links to other audit organisations to share best practice and enhance benchmarking
 <p>Supporting effective scrutiny and accountability</p>	<ul style="list-style-type: none"> • Make effective recommendations • Work closely with the Public Accounts Committee (PAC) • Hold stakeholder events to enable sharing of best practice and experiences • Hold outreach events to engage Islanders in the work of the JAO • Work effectively with internal audit, audit committees and other independent bodies and office holders
 <p>Making a difference</p>	<ul style="list-style-type: none"> • Share good practice more proactively • Continued investment in communication mechanisms • Implement our Corporate Social Responsibility Strategy • Celebrate the 20th Anniversary of the JAO in 2025
 <p>Building a better organisation</p>	<ul style="list-style-type: none"> • Support the Board of Governance to perform its role effectively • Implement effective succession plans for the Chair of the Board of Governance and the C&AG as they reach the end of their terms of office • Refresh policies and procedures including the service level agreement with the States of Jersey • Support the drafting and implementation of an updated C&AG (Jersey) Law

Foreword



Lynn Pamment CBE
C&AG



Grace Nesbitt OBE
Board Chair

Independent external audit is an important part of the process of accountability for the use of public money. It provides assurance on the management of public funds and on corporate governance.

The JAO Strategy 2023-26 was published in January 2023. We have updated the Strategy to reflect actions taken during 2023 and to include a forward look to 2027, consistent with the Government Plan period.

During the period of this Strategy our ambitions will remain constant, to:

- be a high performing audit organisation
- support effective scrutiny and accountability
- make a difference; and
- build a better organisation.

We have however taken the opportunity to update the focus areas underpinning each of the four ambitions to reflect some key milestones during the period of the Strategy, in particular:

- the proposed development of an updated C&AG (Jersey) Law in 2024 in response to the *C&AG Mid-Term Reflections* published in July 2023
- the 20th Anniversary of the JAO in 2025
- the need to undertake a tender exercise for the States of Jersey external audit during the period of the strategy
- the change in Chair of the Board of Governance due to take place in 2025; and
- the change in C&AG as the current C&AG's appointment comes to an end at the end of 2026.

We will deliver our ambitions through our core values of independence and objectivity, fairness and justice, integrity and credibility. These values will continue to underpin our interactions with our stakeholders. As we work through the delivery of our Strategy we will report publicly through our Annual Report on the progress we are making. We will also review and refine our Strategy on at least an annual basis.

For more information on the JAO visit www.jerseyauditoffice.je

Purpose, Vision and Values

Purpose

The purpose of C&AG and the JAO is to provide 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.

Vision

The vision of the JAO is to be a trusted and innovative audit organisation that champions good governance and the wise use of public money in Jersey.

Values

The JAO operates to the following fundamental 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.

High Performing Audit Organisation

Our ambition	Our planned actions 2024-27	Key Performance Indicators
 High performing audit organisation	<ul style="list-style-type: none"> • Deliver an enhanced Audit Quality Framework • Improve our project management and use of technology • Measure and action stakeholder feedback • Enhance links to other audit organisations to share best practice and enhance benchmarking 	<ul style="list-style-type: none"> • Annual audits and reports delivered to a high quality and to agreed timescales • Number of projects supported by effective use of Office 365 • Action plans in place to address stakeholder feedback • Benchmarking against other audit offices

Audit Quality Framework

A quality audit is one that meets recognised professional standards and delivers appropriate outcomes. Our Audit Quality Framework sets out how we ensure that:

- audit work is undertaken by appropriately trained and supported individuals and audit teams
- there are organisation-wide arrangements for quality control both within the JAO and the audit firms appointed by the C&AG; and
- there is appropriate, independent assurance activity.

The following core principles underpin our Audit Quality Framework:

- audit quality should be embedded in the delivery of all audit work
- audit quality should be assessed in terms of outputs and outcomes as well as inputs and processes; and

- the approach to audit quality should drive continuous improvement in public services.

Assurance about audit quality is secured at three levels:

First	Appropriately trained and supported individuals and audit teams
Second	Organisation-wide arrangements for quality control
Third	Independent audit assurance activity

Appropriately trained and supported individuals and audit teams

For both areas of responsibility of the C&AG (financial statements audit appointments and undertaking projects to report to the States Assembly) it is essential that work is carried out by appropriately trained and supported individuals and audit teams. Over the four-year period of this Strategy the following actions will be undertaken:

Audit Quality Framework elements	Activities planned
Financial statements auditors	
<ul style="list-style-type: none"> • Appointment of auditors of the States of Jersey and other entities following procurement processes that evaluate, among other things, the skills and competence of audit teams and the key individuals deployed on audit engagements. • Where appropriate, requiring prior approval of changes in key members of the audit teams. 	<ul style="list-style-type: none"> • Procurement of auditors will continue on a cyclical basis during the period of the plan. This will include a procurement exercise for the States of Jersey audit in the Strategy period. • During 2024 the C&AG will develop and consult on a strategy for external audit appointments. This strategy will recognise the current challenges facing external audit firms and the external audit market place. • Audit firm annual returns to include details of key audit team members.
JAO	
<ul style="list-style-type: none"> • Engagement of affiliates following procurement processes that assess their skills and experience. 	<ul style="list-style-type: none"> • Any procurement activity in the period will include an assessment of skills and experience.

Audit Quality Framework elements	Activities planned
<ul style="list-style-type: none"> Requirement, where relevant, that the Deputy C&AG and affiliates hold a practicing certificate from their professional institute. Facilitated training for JAO affiliates. 	<ul style="list-style-type: none"> During 2022 the C&AG issued a Code of Conduct for affiliates. This will be updated in 2024. Compliance with the Code will be monitored. Annual review of practicing certificates for affiliates. Regular team meetings and annual update day for all affiliates.

Organisation-wide arrangements for quality control

Organisation-wide arrangements will be considered in respect of the audit firms appointed by the C&AG to undertake audits as well as for the JAO.

Audit Quality Framework elements	Activities planned
Financial statements auditors	
<ul style="list-style-type: none"> Evaluation of organisational arrangements for quality control prior to making an appointment and annually during the audit appointment. Adapting the approach to oversight of the work of auditors in light of their assessment of risk to audit quality. The C&AG reserving the right to terminate the appointment of an auditor at any time. 	<ul style="list-style-type: none"> Information on organisational arrangements for quality control will continue to be included in the annual returns provided by audit firms. Review of available regulator reports on individual audit firms and, where appropriate, raising questions and seeking assurances from the relevant firms. Review of available transparency reports produced by individual audit firms and, where appropriate, raising questions and seeking assurances from the relevant firms.
JAO	
<ul style="list-style-type: none"> Documentation and implementation of organisation-wide arrangements for quality control. 	<ul style="list-style-type: none"> In 2022 the C&AG undertook a review of the JAO methodology and procedures against the principles and standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). This review identified areas for changes to be made to organisation-wide arrangements, the Code of Audit Practice and the JAO audit

Audit Quality Framework elements	Activities planned
<ul style="list-style-type: none"> • Identification, evaluation, reduction of and reporting of threats to independence. Such arrangements include a system of annual declaration of independence by individuals working for the JAO. • Implementing a consistent approach for undertaking audit work. This approach includes appropriate arrangements for peer review of work undertaken and judgements made. • Seeking feedback from the bodies to which audit work relates. 	<p>methodology. Changes to the Code of Audit Practice and the JAO audit methodology and procedures were implemented during 2023. We will evaluate the effectiveness of these changes during 2024.</p> <ul style="list-style-type: none"> • Independence declarations from all affiliates annually. • Peer review procedures implemented on a consistent basis as part of the JAO audit methodology. • Feedback from stakeholders on work undertaken at the end of each year. • Documentation of an annual action plan to address feedback received from stakeholders.

Independent audit assurance activity

Audit Quality Framework elements	Activities planned
Financial statements auditors	
<ul style="list-style-type: none"> • Auditors are required to provide information annually about the operation of their arrangements for quality control, including breaches and weaknesses identified and corrective action. • Feedback is sought annually from management and Those Charged with Governance of the entities to which the C&AG appoints auditors about the quality of audit work undertaken. 	<ul style="list-style-type: none"> • Annual returns from each audit firm capturing relevant information for review. • Annual review meetings with each audit firm to discuss any issues arising. • Feedback survey issued to all audited bodies seeking feedback on auditors.

Audit Quality Framework elements	Activities planned
<ul style="list-style-type: none"> The C&AG may review, or appoint a person or persons to review, the quality of audit work undertaken, including through review of audit working papers. Messages from Audit Quality Framework activities communicated to audit firms for action. 	<ul style="list-style-type: none"> Implementation of a programme of audit inspections as outlined in more detail below. Annual update event for all audit firms focussing on key messages from the quality monitoring arrangements and planning for the subsequent audit round.
JAO	
<ul style="list-style-type: none"> In relation to the work that the JAO undertakes, the C&AG will invite public audit agencies to review the quality of audit work. 	<ul style="list-style-type: none"> During the period covered by this Strategy the C&AG will seek to engage with other public audit agencies on a programme of peer review.

Audit inspections

The C&AG will continue to undertake a programme of work to inspect financial statements audits on a periodic basis, using a third party to undertake audit file inspections.

In selecting the financial statements audits to inspect in a particular year, the C&AG will take account of a number of factors including the assessed risk in relation to the entity. As part of the risk assessment activities the C&AG or her Deputy will review annually the financial statements and auditor’s report to Those Charged with Governance for each audited entity.

Inspection of audit engagements of entities that are Public Interest Entities will be undertaken at least every three years. For other audit engagements, inspections will take place at least every five or every seven years, depending on size.

Three tiers of inspection activity will take place:

Inspection Tier	Commentary
Public Interest Entities (States of Jersey and Public Employees' Pension Fund)	Full inspection by an appointed third party at least once every three years. Annual monitoring by JAO team of actions to implement inspection findings. Review of financial statements and reports to Those Charged with Governance by C&AG or Deputy C&AG.
Larger entities (Jersey Teachers' Superannuation Fund and Jersey Financial Services Commission)	Full inspection by an appointed third party at least once every five years. Annual monitoring by JAO team of actions to implement inspection findings. Review of financial statements and reports to Those Charged with Governance by a member of the JAO team.
Other entities (Gambling Commission, Jersey Competition Regulatory Authority, Jersey Advisory and Conciliation Service and Data Protection Authority)	Full inspection by an appointed third party at least once every seven years. Annual monitoring by JAO team of actions to implement inspection findings. Review of financial statements and reports to Those Charged with Governance by a member of the JAO team.

Reviews of audit engagements will focus on the appropriateness of key audit judgments made in reaching the audit opinion and the sufficiency and appropriateness of the audit evidence obtained.

In 2023 the C&AG completed a review of the JAO audit methodology and procedures against the principles and standards issued by INTOSAI. The review identified actions that relate to:

- proposed amendments to legislation
- amendments needed to the Code of Audit Practice; and
- amendments to JAO audit methodology and procedures.

Recommendations for proposed amendments to legislation were made by the C&AG in her *Mid-Term Reflections* (July 2023). The Government has responded to these recommendations and a new C&AG (Jersey) Law will be developed during 2024.

In 2023 the C&AG consulted on, and in December 2023 published an updated Code of Audit Practice, together with revised Standing Guidance for auditors. The updated Code of Audit Practice is fully compliant with INTOSAI principles and standards and comes into effect for 2023 financial statements audits and in all other respects from 1 January 2024.

The C&AG will hold a meeting for all appointed financial statements auditors in January 2024 to highlight key changes in the Code of Audit Practice and Standing Guidance, and key themes arising from the inspections and review of financial statements and auditor's report to Those Charged with Governance.

An updated Performance Audit Manual has been developed to reflect amendments to JAO methodology and procedures. This Performance Audit Manual is being applied to all JAO performance audits in full from 1 January 2024. We will evaluate the effectiveness of these changes during 2024.

Following the methodology changes developed in 2023 and being implemented from 2024, the C&AG will seek to engage in a programme of external peer reviews of audit quality with other public audit agencies. This work is planned to commence in 2025.

Project management and the use of technology

During the period of this Strategy the JAO will enhance its management of individual projects through:

- further refining the project level budgeting and costing introduced in 2022
- using Microsoft Teams to facilitate project information documentation requests and responses
- more effective use of standardised workflow and project management documentation; and
- enhanced monitoring of project progress against planned timescales.

Technology plays a vital role in the way in which the JAO undertakes its work. It enables us to:

- receive and analyse data to support our audit work
- record and communicate the results of our audit work; and
- run an efficient workplace.

We accelerated the use of technology to support the efficient running of the JAO during the COVID-19 pandemic. The now established practice of considering the benefits of holding meetings remotely has increased our flexibility and enhanced our efficiency.

During 2023, the Government of Jersey has implemented Connect Finance. During 2024 the JAO will consider the potential benefits of additional investment in audit tools and technologies to support data capture and analysis from the Connect Finance system to

support performance audit projects. Where potential benefits are shown to clearly outweigh the additional costs of investment, a business case for additional resources will be developed for discussion with the Board of Governance and the Chair of the Public Accounts Committee.

Stakeholder feedback

On an annual basis, feedback will be sought from:

- Those Charged with Governance - on the performance of financial statements auditors
- Senior States of Jersey officers - on the performance of the JAO
- States Assembly Members - on the performance of the JAO; and
- other independent bodies and office holders - on the effectiveness of their working relationship with the JAO.

The results of the feedback received will be analysed and specific plans developed where appropriate to take action on the feedback received.

The results of feedback received will be reported in the Annual Report of the JAO.

During the period of this Strategy we will consider commissioning an independent feedback exercise to obtain more in depth feedback from key stakeholders.


Benchmarking performance against other audit offices

For a number of years, the Annual Report of the JAO has included benchmarking of the performance of the JAO against other audit offices. During 2021, the JAO became an Associate Member of the European Organisation of Regional Audit Institutions (EURORAI). Membership of EURORAI provides an opportunity to enhance the benchmarking of the performance of the JAO against a wider range of audit offices.

During the period of this Strategy, the JAO will enhance the range of measures on which it benchmarks its performance against other audit offices. Where appropriate, specific plans will be developed to address areas for improvement identified by the benchmarking activities.

The results of the enhanced benchmarking of performance will be reported in the Annual Report of the JAO.

Supporting effective scrutiny and accountability

Our ambition	Our planned actions 2024-27	Key Performance Indicators
 Supporting effective scrutiny and accountability	<ul style="list-style-type: none"> • Make effective recommendations • Work closely with the PAC • Hold stakeholder events to enable sharing of best practice and experiences • Hold outreach events to engage Islanders in the work of the JAO • Work effectively with internal audit, audit committees and other independent bodies and office holders 	<ul style="list-style-type: none"> • % of recommendations fully accepted for implementation and % of recommendations subsequently implemented within timescales agreed • Number of PAC meetings supported by our work • % of stakeholders rating our events as good or excellent • % of stakeholders perceiving us to deliver against our objectives • % of relevant stakeholders perceiving us as having effective working relationships

Make effective recommendations

The work of the C&AG and the audit firms appointed by the C&AG result in identified recommendations for improvements in public services in Jersey. The positive impact of the JAO for the citizens of Jersey is maximised when these recommendations for improvement are implemented by Government of Jersey and other public sector entities.

Over recent years the Government of Jersey has maintained a C&AG Recommendations Tracker to monitor progress in implementing C&AG recommendations. This Recommendations Tracker identifies that a number of recommendations that have been made still require implementation.

Over the period of this Strategy the JAO will continue to implement procedures to support and challenge the implementation of C&AG recommendations through:

- providing an opportunity for Chief Officers to discuss and comment on recommendations at a draft stage
- supporting the PAC in reviewing and, where appropriate, challenging Executive Responses to C&AG reports
- the introduction of regular meetings with Chief Officers specifically focussing on the actions being taken to implement agreed recommendations
- the inclusion of specific pieces of follow-up work in the C&AG Audit Plan; and
- reporting on the overall picture of the implementation of recommendations in the C&AG Annual Report of Findings.

Working with the Public Accounts Committee (PAC)

The C&AG is required to liaise with the PAC and attend all meetings of the PAC.

The C&AG:

- liaises with the PAC on the development of, delivery of and changes to their audit plan
- presents the results of their work to the PAC; and
- provides such further briefings on the results of their work as they determine will assist the PAC in discharging its functions.

The PAC's role is to receive reports from the C&AG and to report to the States upon any significant issues arising. It also assesses whether public funds have been applied for the purpose intended. The PAC will undertake its own programme of work based mainly on the reports of the C&AG.

During the period of this Strategy the JAO will continue to work closely with the PAC. The C&AG (or her Deputy where appropriate) will attend all PAC meetings and the JAO will:

- provide induction training for new PAC members appointed during the period
- support the PAC in its continued training and development activities
- provide briefings to the PAC on the work of the JAO; and

- support the PAC in its work programme activities where they relate directly to the work of the JAO.

As the composition of the PAC changes and new PACs are formed (for example, a new PAC will be formed in 2026 following elections in Jersey) we will support new PAC members as part of their induction training.

Stakeholder events

During the period of this Strategy the JAO will enhance the ways in which it promotes and shares best practice. This will include the production of specific publications such as 'Thinkpieces' and 'Good Practice Guides' as well as holding stakeholder events aimed at sharing best practice more widely.

The JAO will aim to run at least one stakeholder best practice event in each year of the Strategy.

Public engagement

The work of an audit office is often difficult for the public to understand. During the period of this Strategy the JAO will enhance its outreach activity to engage more Islanders in the work of the JAO.

This will include:

- enhancing the effectiveness of communications when C&AG reports are issued
- engaging with the work of the Youth Parliament; and
- where appropriate, seeking feedback from Islanders as part of the evidence obtained on individual audit projects.

Working effectively with internal audit, audit committees and other independent bodies and office holders

Internal Audit

The roles of external and internal audit are different. It is important however for the work of the C&AG to be co-ordinated effectively with that of Internal Audit.

During the period of the Strategy the C&AG will continue to liaise regularly with the Chief Internal Auditor. The C&AG will consider the work of Internal Audit in the development of the C&AG Audit Plan and the delivery of the programme of performance audit.

States of Jersey Risk and Audit Committees

The Government of Jersey Risk and Audit Committee advises Ministers, the Treasurer of the States and the Principal Accountable Officer on matters relevant to their responsibilities. Its remit includes receipt and consideration of reports from the audit firm appointed to audit the financial statements of the States of Jersey.

Both the JAO and the audit firm appointed to audit the financial statements of the State of Jersey will attend meetings of and provide relevant reports to the Risk and Audit Committee.

The States of Jersey Non-Ministerial Departments Audit Committee advises Accountable Officers from a range of Non-Ministerial Departments on matters relevant to governance, risk management and assurance. The JAO will liaise with the Non-Ministerial Departments Audit Committee and provide briefings on the results of relevant C&AG work.

Other independent bodies and office holders

Within Jersey there are several independent bodies and office holders which undertake activities of a regulatory, audit, oversight and challenge nature. The JAO along with the Data Protection Authority has been instrumental in the establishment of the Jersey Regulators Forum. During the period of this Strategy the JAO will continue to participate in the Regulators Forum and will seek to identify and implement opportunities for closer working.

The updated Code of Audit Practice contains enhanced provisions for the liaison between the C&AG and Jersey Regulatory Bodies. During the period of the Strategy the JAO will establish of Memoranda of Understanding where appropriate with other independent bodies and office holders. These Memoranda will contribute to knowledge sharing and the overall effectiveness of the JAO.

Making a difference

Our ambition	Our planned actions 2024-27	Key Performance Indicators
 Making a difference	<ul style="list-style-type: none"> • Share best practice more proactively • Continued investment in communication mechanisms • Implement our Corporate Social Responsibility Strategy • Celebrate the 20th Anniversary of the JAO in 2025 	<ul style="list-style-type: none"> • Downloads from website and feedback from best practice events • Website visits and social media engagement • Implementation of Corporate Social Responsibility Strategy • Implement a specific 2025 programme of events

Sharing best practice



The JAO aspires to be known as a valuable source of knowledge on how public resources can be used effectively and how the governance and performance of public services can be improved.

During the period of this Strategy we will make it easier for others to understand and apply the lessons from our work. We will:

- improve how we communicate so that it is easier for people to find and use what they need, and to understand and apply the lessons from our work

- continue to publish 'Thinkpieces' and 'Good Practice Guides' to share best practice more proactively
- actively engage with consultations on proposed legislative changes where they relate to recommendations made by the C&AG; and
- hold stakeholder events to share best practice more widely.

The work of the JAO has its greatest impact in improving public services for Islanders when C&AG recommendations are implemented by the States of Jersey. An important part of the work of the C&AG will continue to be following up on the implementation of recommendations by the States of Jersey. During the period of the Strategy, we will build on the work undertaken on the C&AG Recommendations Tracker. We will continue to challenge the States of Jersey on their implementation of recommendations and will look to enhance the accessibility of reporting to the public on the status of implementation of agreed recommendations.

Communication mechanisms

Since 2020 the JAO has developed its communication mechanisms through:

- enhancing the JAO website content to include:
 - news items
 - a video on the work of the Office; and
 - better search functionality in the 'Our Work' section
- implementing a revised brand for all types of publications
- enhancing readability through refined editing processes
- establishing a presence on social media through a dedicated LinkedIn page and an X (previously Twitter) account for the Office; and
- the publication of short videos to explain the headlines of reports and other publications.

During the period of this Strategy further work will be undertaken to re-design and enhance the JAO website with the aim of making content more accessible and user-friendly.

A content strategy will also be implemented for the LinkedIn and X accounts to enhance the sharing of best practice.

Corporate Social Responsibility Strategy

The States of Jersey have made a strong commitment to sustainable wellbeing. The Public Finances (Jersey) Law 2019 requires the Council of Ministers to take into account the sustainable wellbeing of current and future generations when it develops the Government Plan.

Sustainable wellbeing focusses on long-term progress and measures:

- Community wellbeing - the quality of people's lives
- Environmental wellbeing - the quality of the natural world around us; and
- Economic wellbeing - how well the economy is performing.

The Jersey Performance Framework measures the progress that Jersey makes towards sustainable wellbeing across these three areas.



The Jersey Performance Framework is supported by a series of Island Outcomes and Indicators. These Outcomes and Indicators are long-term, whole Island measures of performance.

The JAO Corporate Social Responsibility Strategy considers how the JAO can contribute to better community, environmental and economic wellbeing outcomes for the Island.

Relevant Island Outcomes

It is not the role of the JAO to contribute to all of the outcome statements, outcome indicators and outcome measures within the Jersey Performance Framework. However, a principle of the JAO Corporate Social Responsibility Strategy is that the JAO should contribute to each of the three overarching wellbeing themes identified in the Jersey Performance Framework.

An analysis has been undertaken of the Jersey Performance Framework in developing our Strategy to identify the outcomes that it is relevant for the JAO to contribute towards. The outcomes identified are:

Area	Sub-area	Outcome statement	Island Outcome
Community	Vibrant and inclusive community	Islanders engage in the public decisions that affect their Island	Perceptions of Government
		Islanders enjoy living in a vibrant and inclusive community	Islanders enjoy life in a strong, inclusive community
Economic	Affordable living	Islanders are able to afford a decent standard of living	Households have sufficient income to afford a decent standard of living
	Jobs and growth	Islanders benefit from a strong, sustainable economy and rewarding job opportunities	Government has sustainable finances

Area	Sub-area	Outcome statement	Island Outcome
Environmental	Sustainable resources	Jersey's natural resources are managed and used responsibly	<p>Jersey benefits from good air quality</p> <p>Jersey manages the amount of waste it produces</p> <p>Jersey will become a carbon neutral Island</p>

Specific activities

During the period 2024-27 the JAO will contribute to the Island Outcomes identified in the table above by undertaking the following activities:

Island Outcome	Planned activities
Perceptions of Government	The JAO will seek to participate in work with the Jersey Youth Parliament alongside the PAC to raise the profile of the Office with young people on the Island.
Islanders enjoy life in a strong, inclusive community	The JAO will look to participate in Island programmes aimed at supporting inclusion and diversity. This will include the donation of volunteer time by the C&AG and, where appropriate, Deputy C&AG and affiliates.
Households have sufficient income to afford a decent standard of living	<p>The JAO will review its expenditure to consider using Jersey-based supply chains where appropriate and possible and ensure that it is paying its suppliers promptly.</p> <p>The JAO will explore options to participate in apprentice schemes to help develop on Island skills.</p>
Government has sustainable finances	The C&AG will manage the finances of the JAO appropriately to ensure that value for money can be demonstrated by the expenditure of the Office.

Island Outcome	Planned activities
Jersey benefits from good air quality	The JAO will review its travel policy at least annually to maximise the use of sustainable transport thereby contributing to better air quality on the Island.
Jersey manages the amount of waste it produces	The JAO will reduce its consumption of paper and single use plastics on the Island.
Jersey will become a carbon neutral Island	The JAO will monitor and reduce its carbon emissions compared with a baseline of 2019. During the period of this Strategy the JAO will publish a climate strategy and carbon neutral roadmap.


Celebrating the 20th Anniversary of the Jersey Audit Office

The Office of the C&AG was established in Jersey on 14th September 2005 under the then Public Finances (Jersey) Law 2005. For many years Jersey has been a leader in the Crown Dependencies in having an Audit Office. The Isle of Man has recently appointed its first Auditor General, in 2023.

2025 marks an opportunity to celebrate the 20th Anniversary of the Jersey Audit Office and to engage a wider range of stakeholders in the work of the Office. We plan to hold a number of events to celebrate and to share best practice during this important milestone year for the Office.



Building a better organisation

Our ambition	Our planned actions 2024-27	Key Performance Indicators
 <p>Building a better organisation</p>	<ul style="list-style-type: none"> Support the Board of Governance to perform its role effectively Implement effective succession plans for the Chair of the Board of Governance and the C&AG as they reach the end of their terms of office Refresh policies and procedures including the service level agreement with the States Support the drafting and implementation of an updated C&AG (Jersey) Law 	<ul style="list-style-type: none"> Positive assurance report from the Board of Governance Stakeholders observe a smooth transition in the Chair and C&AG roles Refreshed suite of policies and procedures in place Updated C&AG (Jersey) Law enacted

Supporting the Board of Governance

The Board of Governance, established under the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015, is responsible for keeping under review whether the resources provided to the C&AG by the States Assembly have been and are being used properly, efficiently and effectively.



Specifically, the Board is responsible for:

- scrutinising the use of resources by and the governance arrangements of the C&AG
- reporting any concerns to the Chief Minister and the Chair of the PAC
- if requested by the Chair of the PAC, advising on the appointment of auditors of the accounts of the C&AG
- reviewing any estimates submitted by the C&AG to the Chair of the PAC for the purposes of the Government Plan or the budget
- reviewing the audited accounts of the C&AG; and
- if requested by the C&AG, advising on the appointment, remuneration and terms and conditions of the Deputy C&AG.

The Board also has a power to prepare an assurance report on the expenses of the C&AG.

Since 2020 the Board has undertaken a number of actions to continue to review its own effectiveness. These include:

- an independent review undertaken by the UK National Audit Office of board effectiveness
- the implementation of an action plan to address the recommendations made by the UK National Audit Office
- enhanced evaluation of the performance of individual Board members; and

- developing the reporting by the C&AG to the Board to integrate more effectively financial and non-financial reporting.

During 2023, the Board met on Island and engaged with a number of key stakeholders including the then Chief Minister, the PAC, the then Chief Executive and other key officers.

The Board is keen to implement changes to enhance its effectiveness. Particular changes that have been pursued include:

- the recruitment of a Board apprentice; and
- the recruitment of an additional Board member from on Island.

A Board apprentice joined the Board meetings during 2023. The Board will evaluate the effectiveness of this arrangement when the term of office for the current Board apprentice expires.

The process to appoint an additional Board member from on Island is ongoing with an appointment expected to be confirmed in the early part of 2024. The JAO will support the new Board member through delivery of a tailored induction programme.

The Board will continue to engage with key stakeholders and will meet on Island as a Board and in person with stakeholders in each year of this Strategy.

During the period of this Strategy, the C&AG and the Secretary to the Board will continue to support the Board in discharging its responsibilities.

Succession plans

Over the period of this Strategy there will be a need to recruit:

- a new Chair of the Board of Governance
- new independent members to the Board of Governance; and
- a new C&AG.

All of these appointments are the responsibility of the States Assembly and the States of Jersey. The current C&AG and Board of Governance will however have a role to play in ensuring effective succession plans are developed and implemented.

The JAO, through the Secretary to the Board will work proactively with the States of Jersey on the recruitment processes for the new Chair and new independent members to

the Board of Governance. In addition, the current Chair will ensure that an effective handover to the new Chair and members takes place.

The JAO and the Chair of the Board of Governance will work proactively with the States of Jersey on the recruitment process for a new C&AG to take up office from 1 January 2027. Members of the JAO team, including the current C&AG, will develop and implement an effective handover plan from the current to the new C&AG.

Refreshing policies and procedures

The requirements and ambitions for audit have never been greater, driven by higher regulatory standards and stakeholder expectations. The JAO will keep pace with developments in the wider audit profession and will continue to invest in enhancements to policies and procedures. During the period of this Strategy this will include:

- ongoing refreshments to our audit methodology and use of technology
- implementing revised financial policies and procedures to reflect an updated chapter of the States of Jersey Public Finances Manual specific to the JAO
- refreshing our website policies including our privacy policy and our cookie consent procedures
- implementing new policies and procedures to reflect the ambitions of our Corporate Social Responsibility Strategy; and
- training all our affiliates in our new policies and procedures.

Supporting new legislation

In July 2023, the C&AG published her *Mid-Term Reflections* which contained a number of recommendations to update the C&AG (Jersey) Law. The Executive Response indicates that an update to the C&AG (Jersey) Law will be progressed during 2024.

The JAO will ensure that it has appropriate plans to implement changes to legislation as it is enacted.

Resources to deliver the Strategy

The JAO team



The Strategy will be delivered by the JAO team together with the financial statements auditors that the C&AG appoints to particular entities.

Headed by Lynn Pamment, C&AG, the JAO team also comprises a Deputy C&AG (Helen Thompson) and a Communications and Administration function, as well as contract staff and affiliates who are engaged when required to provide specialist knowledge and experience.

Further details of the JAO team members and their specialist skills can be found at www.jerseyauditoffice.je

Budgeted expenditure

The Government Plan 2024-27 includes the following planned expenditure for the work of the JAO.

	2024 £	2025 £	2026 £	2027 £
Final estimates	1,152,000	1,196,000	1,187,000	1,215,000

The Office operates to an already tight budget compared to other audit offices and, as demonstrated in the comparative data provided in our Annual Report, offers significant value for money for the services provided.

During this Government Plan period, the Office of the Comptroller and Auditor General faces continued cost pressures. Despite the cost pressures, the overall budgeted expenditure for the JAO is only increasing to cover known cost requirements relating to

recruitment, increased audit fees associated with a planned change in accounting boundary and general inflationary pressures to 2027. In order to deliver this Strategy, further efficiencies will be required in the way the JAO works, including through a greater use of technology.

The JAO will continue to actively explore opportunities to share support services with other independent bodies and office holders where appropriate in order to drive efficiencies and value for money. In addition, the JAO will consider whether there are opportunities to share functions with other public audit agencies to drive greater efficiencies.



JERSEY AUDIT OFFICE

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