

Jersey Audit Office

Audit Quality

Transparency Report

2024

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's remit includes the audit of financial statements and wider consideration of public funds, including internal financial control, value for money and corporate governance.

This report can be found on the Jersey Audit Office website at <https://www.jerseyauditoffice.je/>

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Report by the Comptroller and Auditor General: May 2025

Contents

Introduction	4
How the JAO is organised	5
JAO quality assurance processes	9
Quality monitoring results	15

Introduction

The vision of the Jersey Audit Office (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 more resilient organisation.

This is the second Transparency Report on audit quality issued by the JAO. The purpose of the report is to provide a clear picture of how the JAO delivers audit quality in line with our ambition to be a high performing audit organisation. It is aimed at providing stakeholders with assurance on the quality of audits delivered by the JAO and by the financial statements auditors appointed by the Comptroller and Auditor General (C&AG).

This Transparency Report on audit quality provides an overview of:

- how the JAO is organised to meet the responsibilities of the C&AG
- how the quality assurance processes for the JAO work; and
- our quality monitoring results for 2024.

Wherever possible we have benchmarked our performance against other jurisdictions. Not all jurisdictions publish the same data on audit quality. We have ensured we have included data for the following jurisdictions for all measures that are comparable to data collected for the JAO:

- Australia
- Malta
- Scotland
- Tasmania
- UK; and
- Wales.

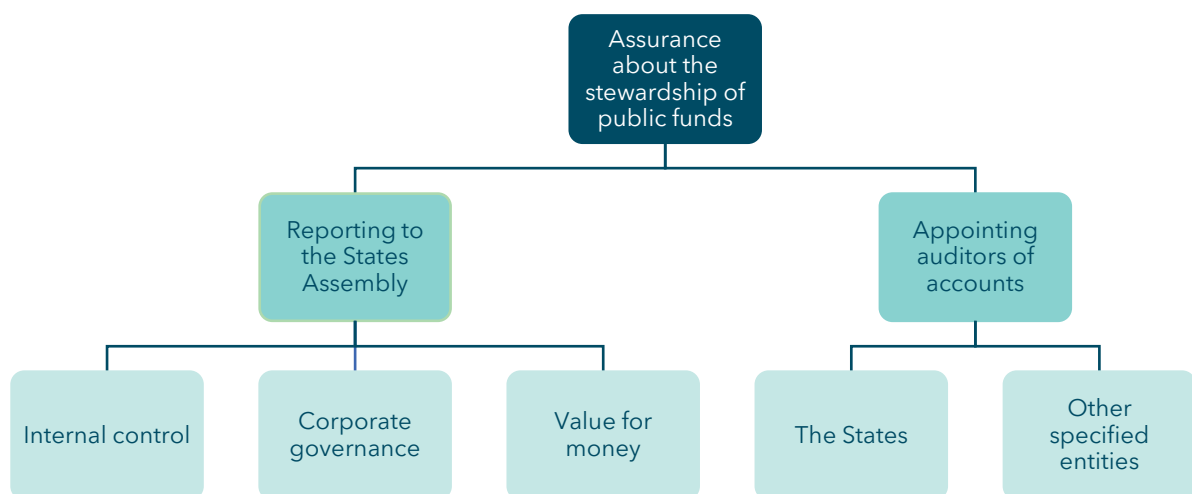
How the JAO is organised

The Role of the C&AG and the JAO

The C&AG is appointed by the States Assembly and is independent of Government. Her responsibilities (depicted in Exhibit 1) are to:

- report to the States Assembly on the effectiveness of internal control, general corporate governance arrangements and economy, efficiency and effectiveness ('value for money'); and
- appoint auditors of the accounts of the States (including the Social Security Fund, the Social Security (Reserve) Fund, the Health Insurance Fund and the Long-Term Care Fund) and certain other specified entities.

Exhibit 1: Responsibilities of the C&AG

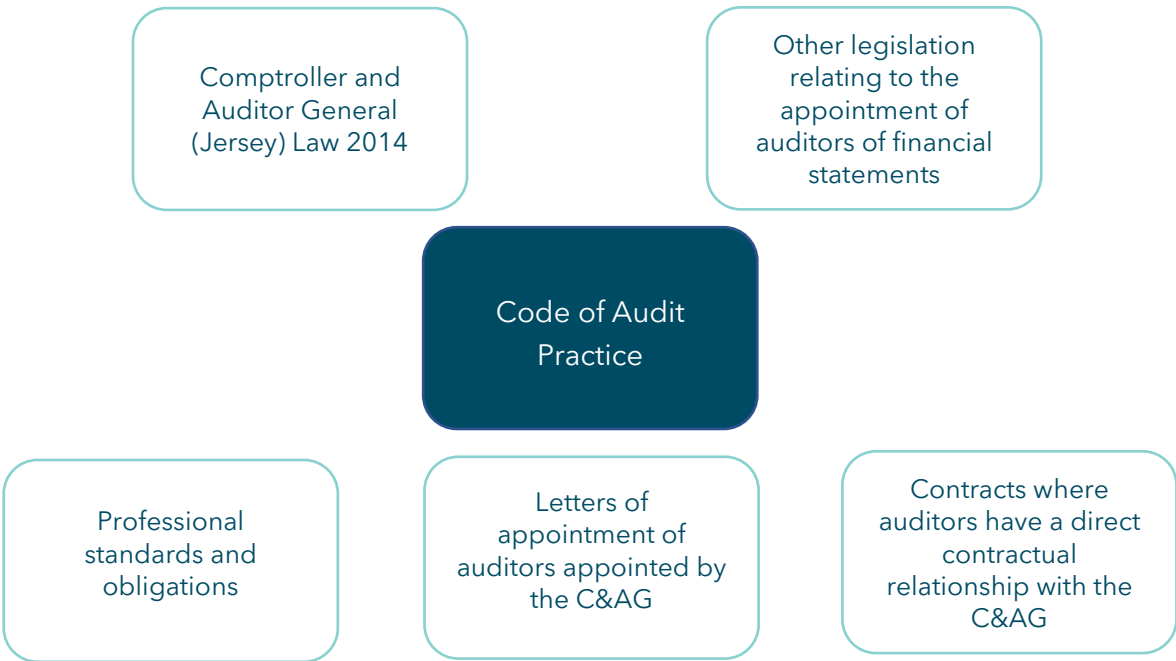


The Code of Audit Practice and the statutory framework

Statute requires that the C&AG publishes a Code of Audit Practice, setting out how she discharges her functions. The Code is at the centre of the arrangements for public audit as shown in Exhibit 2.

How the JAO is organised

Exhibit 2: The Code is at the centre of the arrangements for public audit



Financial Statements Auditors

The auditors appointed by the C&AG for the 2024 financial year are summarised in Exhibit 3.

Exhibit 3: Financial Statements Auditors for the 2024 financial year

Entity	Nature of appointment	Current auditor appointed
Data Protection Authority*	Statutory	Baker Tilly Channel Islands Limited
Gambling Commission*	Statutory	Alex Picot
Jersey Advisory and Conciliation Service	Statutory	Alex Picot
Jersey Competition Regulatory Authority	Statutory	RSM Channel Islands (Audit) Limited
Jersey Financial Services Commission*	Statutory	Grant Thornton Limited
Jersey Teachers' Superannuation Fund	At request of the Treasurer of the States	CLA Evelyn Partners Limited

How the JAO is organised

Entity	Nature of appointment	Current auditor appointed
Public Employees' Pension Fund	Statutory	CLA Evelyn Partners Limited
States of Jersey Group	Statutory	Forvis Mazars LLP

** These appointments were subject to extensions or tenders during 2024*

Source: Jersey Audit Office Register of Audit Appointments

Performance Audit

The programme of performance audit that underpins the reports to the States Assembly is delivered by the JAO team. This team comprises the C&AG, a Deputy, a communications and administration function, a finance and governance function, and affiliates. The JAO has no employees.

Governance and accountability

The C&AG is appointed by the States Assembly for a non-renewable fixed term of seven years. The current C&AG Lynn Pamment CBE took up office on 1 January 2020 for a seven year term expiring on 31 December 2026.

The C&AG is an Accountable Officer under the Public Finances (Jersey) Law 2019 for the funds allocated to the Office of the C&AG. The C&AG has responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of the JAO's policies, aims and objectives, while safeguarding the public funds and assets.

A Board of Governance, established under the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015 (the 'Order'), 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. The Order provides for the membership of the Board to comprise between two and four independent members appointed by the States, plus the C&AG, with a quorum of the C&AG and at least two independent members. Independent members of the Board are appointed by the States Assembly for four or five year terms and may not serve more than two terms.

How the JAO is organised

The Board of Governance 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 Public Accounts Committee (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 Medium-Term Financial 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.

The Board receives an update report from the C&AG and Deputy C&AG on audit quality framework activities at each of its meetings. The minutes of Board meetings are published on the JAO website.

The Annual Report and Accounts of the Office of the C&AG provides more detailed information on governance and accountability arrangements and outcomes.

JAO quality assurance processes

Audit Quality Framework

Our Audit Quality Framework covers 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) we take steps to seek to ensure that work is carried out by appropriately trained and supported individuals and audit teams. Exhibit 4 contains more information.

JAO quality assurance processes

Exhibit 4: Assuring appropriately trained and supported individuals and audit teams

Audit Quality Framework elements	Activities undertaken in 2024
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"> Two procurement processes were undertaken during 2024. Baker Tilly Channel Islands Ltd was reappointed as auditor of the Data Protection Authority for the audits from 2024 to 2026. PKF BBA Audit & Assurance Limited was appointed as auditor for the Jersey Financial Services Commission for the audits from 2025 to 2027. Under the provisions of the contracts awarded, extensions to audit appointments for 2024 were issued to Grant Thornton Limited for the Jersey Financial Services Commission and to Alex Picot for the Jersey Advisory and Conciliation Service and the Jersey Gambling Commission. Audit firm annual returns include details of key audit team members.
JAO	
<ul style="list-style-type: none"> Engagement of a Deputy C&AG and affiliates following procurement processes that assess their skills and experience. Requirement, where relevant, that the Deputy C&AG and affiliates hold a practising certificate from their professional institute. Facilitated training for JAO affiliates. 	<ul style="list-style-type: none"> A procurement process for additional affiliates was commenced during 2024 and included an assessment of skills and experience. The C&AG, Deputy C&AG and all affiliates have confirmed their compliance with the JAO Code of Conduct for 2024. The C&AG, Deputy C&AG and affiliates confirmed practising certificates where appropriate as part of their annual Code of Conduct declaration. All affiliates engaged to perform work in 2024 attended regular team training meetings.

JAO quality assurance processes

Organisation-wide arrangements for quality control

Organisation-wide arrangements are considered in respect of the audit firms appointed by the C&AG to undertake audits as well as for the JAO. Exhibit 5 contains more information.

Exhibit 5: Assuring organisation-wide arrangements for quality control

Audit Quality Framework elements	Activities undertaken in 2024
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 included in the annual returns provided by audit firms for 2024. • Available regulator reports on individual audit firms for 2024 were reviewed and, where appropriate, assurances were sought from the relevant firms.
JAO	
<ul style="list-style-type: none"> • Documentation and implementation of organisation-wide arrangements for quality control. • Identification, evaluation, reduction of and reporting of threats to independence. Such arrangements include a system of annual declaration of independence by affiliates 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 on the quality of work undertaken. 	<ul style="list-style-type: none"> • During 2024 the C&AG implemented an updated audit methodology to comply with the principles and standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). The C&AG plans to request a peer review of the effectiveness of these changes during 2025. • Code of Conduct declarations obtained from all affiliates for 2024 including confirmation of independence. • Work undertaken by affiliates and secondees reviewed by the C&AG or Deputy C&AG. • Feedback was obtained from stakeholders on quality of work undertaken in 2024.

JAO quality assurance processes

Independent audit assurance activity

In addition to the organisation-wide arrangements, the C&AG has committed to a programme of independent audit assurance activities (see Exhibit 6).

Exhibit 6: Independent audit assurance activities

Audit Quality Framework elements	Activities undertaken in 2024
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. 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. 	<ul style="list-style-type: none"> Annual returns from each audit firm capturing relevant information for review. Annual review meetings, where appropriate, with each audit firm to discuss any issues arising. An annual update event was held for all audit firms focussing on key messages from the quality monitoring arrangements and on planning for the subsequent audit round. Feedback survey issued to all audited bodies seeking feedback on auditors. A programme of audit inspections was implemented as explained below.
JAO	
<ul style="list-style-type: none"> In relation to the work that the JAO undertakes, the C&AG may invite public audit agencies to review the quality of audit work. 	<ul style="list-style-type: none"> A programme of peer review by another audit office is planned for 2025 following the roll out of the new JAO methodology in 2024.

Audit inspections

The C&AG undertakes 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 takes account of a number of factors including the assessed risk in relation to the entity.

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

JAO quality assurance processes

Three tiers of inspection activity take place as shown in Exhibit 7.

Exhibit 7: Inspection Tiers

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 reports to Those Charged with Governance by C&AG and Deputy C&AG prior to issue.
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.
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.

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

Stakeholder feedback

On an annual basis, feedback is sought from:

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

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

JAO quality assurance processes

Benchmarking performance against other audit offices

The JAO seeks to benchmark its performance against other audit offices. The next section of this report includes details of benchmarking of the JAO against other audit offices in respect of quality indicators. The Annual Report and Accounts of the Office of the C&AG contains benchmarking data on funding of and outputs from the JAO compared to other audit offices.

Quality monitoring results

Financial statements audit inspection activity

At the request of the C&AG the Quality Assurance Department (QAD) of the Institute of Chartered Accountants in England and Wales (ICAEW) undertook an independent quality assurance inspection of two of the audits of Jersey entities in 2024, where legislation requires the C&AG to appoint auditors of the financial statements.

These inspections assessed the quality of audit work and compliance with clarified International Standards on Auditing (UK) (UK ISAs), APB Practice Note 10 (PN10), the Code of Audit Practice (the Code) and the Jersey Financial Reporting Manual. Each inspection included a review of audit planning, reporting, completion and principal areas of risk.

The QAD assessed the audit work it reviewed to be of a good standard overall with one file being graded as 'good' and the other being graded as 'generally acceptable'. This represents a similar level of audit quality to that seen in previous years.

On the file that was graded as 'generally acceptable', the QAD identified some aspects of the audit where there was scope for some improvement but judged that the findings did not detract significantly from the overall quality of the audit. These aspects related to the review of going concern not covering the minimum period and the audit report being incorrectly addressed to the C&AG rather than relevant individuals within the audited entity.

The QAD identified good practice on both files reviewed. Matters identified included:

- comprehensive and clearly documented audit working papers, including the revaluation of specialised assets and the audit of revenue; and
- effective use of publicly available third-party information to test the completeness of tangible assets, in-year and deferred income.

Stakeholder feedback

The JAO routinely collects feedback from four stakeholder groups:

- States of Jersey senior officers
- States Members and members of the PAC
- wider stakeholders with whom the JAO engages during the year including regulatory bodies and States entities; and

Quality monitoring results

- the bodies to whom the C&AG appoints financial statements auditors (feedback on the financial statements audits).

Feedback from senior officers

Senior officers have been asked to score the JAO on a series of statements for the past five years. In each year, the number of officers who have responded has varied which, as numbers are relatively small, has had an impact on the reported results.

We have refined the series of statements that officers are asked to score each year and introduced a number of new statements during 2024.

In 2024, we committed to understanding better the fall in officers' perceptions of the JAO in the 2023 survey results. We identified two overarching themes:

- how we ensure our work is valued for driving improvement and/or change; and
- how we ensure our team is respected for their knowledge of the public sector, and wider context of operating, in Jersey.

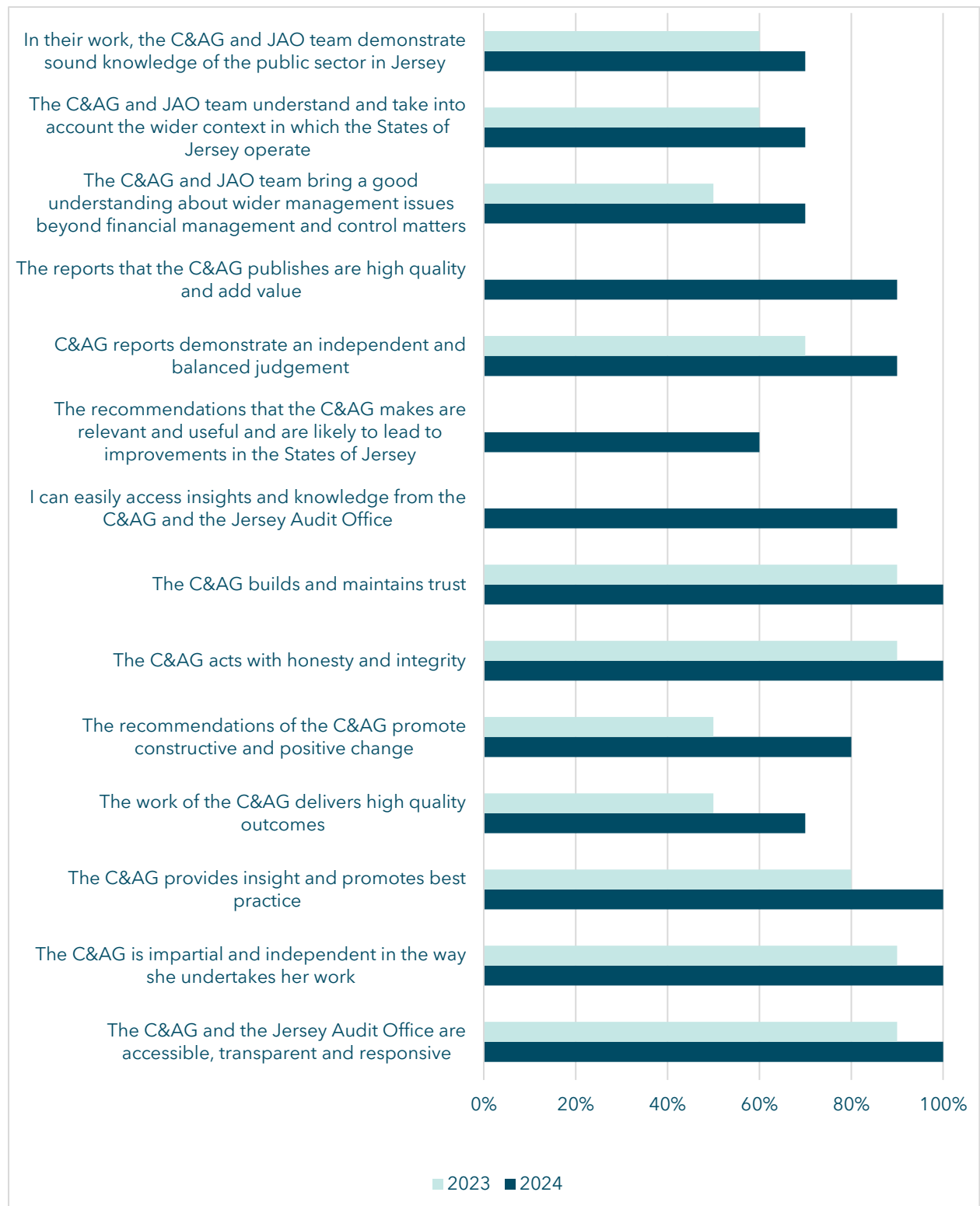
We put actions in place to address these themes. These included more frequent meetings with senior officers, a focus on recommendations to ensure they are proportionate and relevant to Jersey and reviewing our internal processes to ensure we keep our people updated on matters relating to their work.

We are pleased to see an overall increase in satisfaction from the senior officer feedback on our performance in 2024. However, we acknowledge there are areas where we can continue to improve, and we will update our action plan to focus on these.

Exhibit 8 summarises the results of the feedback on 2024. Where the same question was asked in 2023, those results are included for comparison.

Quality monitoring results

Exhibit 8: Percentage of senior officers strongly agreeing or agreeing with a series of statements regarding the JAO



Source: JAO survey of senior officers 2023 and 2024

Quality monitoring results

We have identified three other audit offices that provide information on feedback from senior officers in respect of performance audit in their annual reports:

- Audit Scotland
- UK National Audit Office; and
- Tasmanian Audit Office.

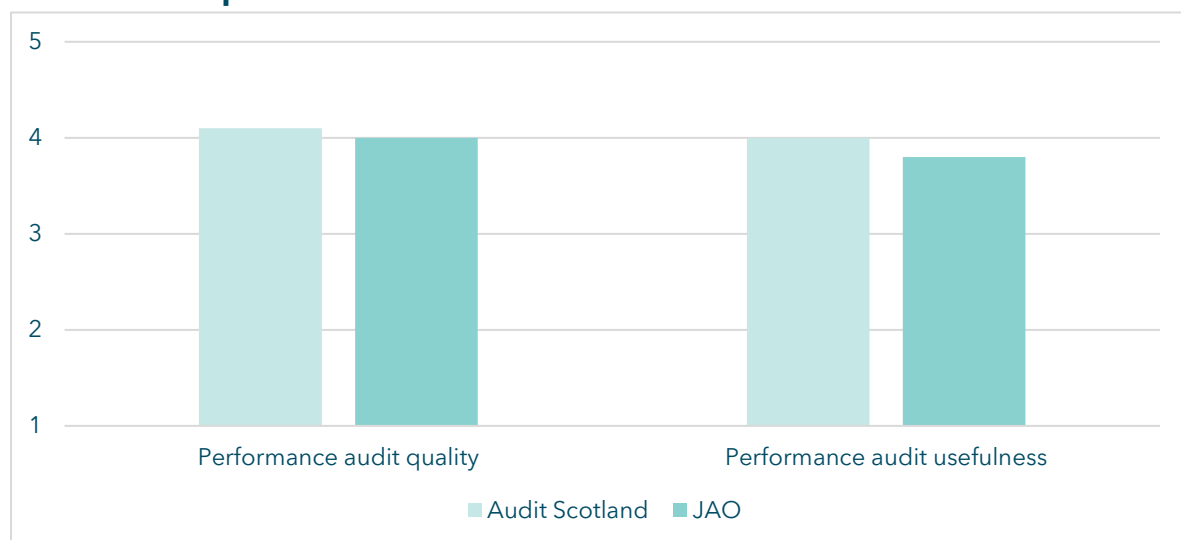
Audit Scotland

Audit Scotland discloses a rating out of 5 for performance audit quality and performance audit usefulness.

Exhibit 9 compares the performance of the JAO with that of Audit Scotland using the following broadly equivalent measures from the officer feedback on the JAO:

- performance audit quality - 'The reports that the C&AG publishes are high quality and add value' ('strongly agree' has been scored as 5 with 'strongly disagree' scored as 1 in compiling an overall comparative score); and
- performance audit usefulness - 'The recommendations that the C&AG makes are relevant and useful and are likely to lead to improvements in the States of Jersey' (using the same compilation of scoring as for performance audit quality).

Exhibit 9: Comparison of senior officer feedback to the JAO and Audit Scotland



Source: JAO survey of senior officers and Audit Scotland Transparency Report 2023/24

The performance of the JAO and Audit Scotland are broadly similar. For both organisations, the most recent survey results demonstrate a year on year improvement in each area.

Quality monitoring results

UK National Audit Office

The UK National Audit Office (NAO) discloses results of feedback from senior officials in percentage terms. We have therefore used as a comparison the percentage of officers who agree or strongly agree with comparable statements used in the NAO and JAO surveys. The JAO survey data that the feedback statements have been drawn from is shown in Exhibit 8.

The statements compared are:

- UK NAO 'Senior officials in the bodies we audit consider that our work leads to better outcomes' with JAO 'The work of the C&AG delivers high quality outcomes'; and
- UK NAO 'Senior officials in the bodies we audit say that they can easily access our insights and knowledge' with JAO 'The C&AG provides insight and promotes best practice' and 'The C&AG and the JAO are accessible, transparent and responsive'.

Exhibit 10 contains this benchmarking.

Exhibit 10: Comparison of senior officer feedback to the JAO and the NAO



Source: JAO survey of senior officers and NAO Transparency Report 2023-24

The JAO and NAO feedback indicates a similar perception that both deliver high quality outcomes, and in both cases these results are an improvement on 2022-23. The JAO feedback shows a significantly stronger view that the JAO is accessible and provides insights, although again the NAO result is a year on year improvement.

Quality monitoring results

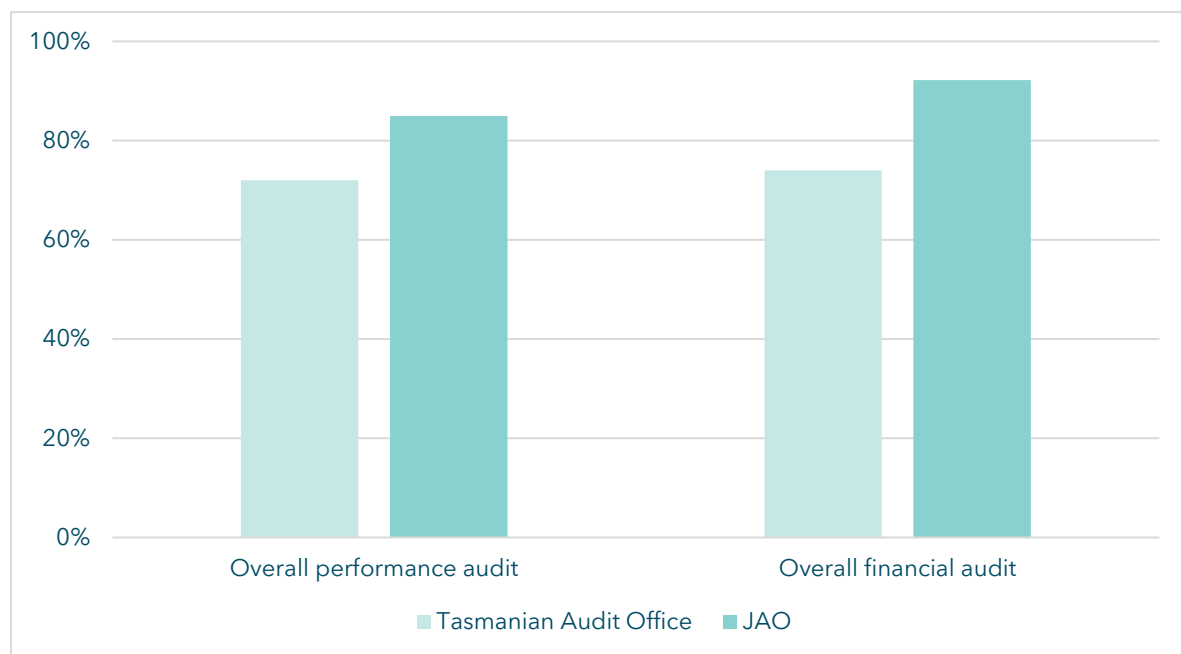
Tasmanian Audit Office

The Tasmanian Audit Office provides overall percentage scores for performance audit process, reporting and value and for financial audit performance, reporting and value, based on officer feedback. To compare with the Tasmanian Audit Office we have taken an overall score from senior officer feedback shown in Exhibit 8 for performance audit, together with an overall score for financial statements audits from audited bodies' feedback.

In both instances the overall JAO score out of five has been converted into a percentage score.

Exhibit 11 contains this benchmarking.

Exhibit 11: Comparison of senior officer feedback to the JAO and officer feedback to the Tasmanian Audit Office



Source: JAO survey of senior officers and Tasmanian Audit Office Annual Report 2023-24

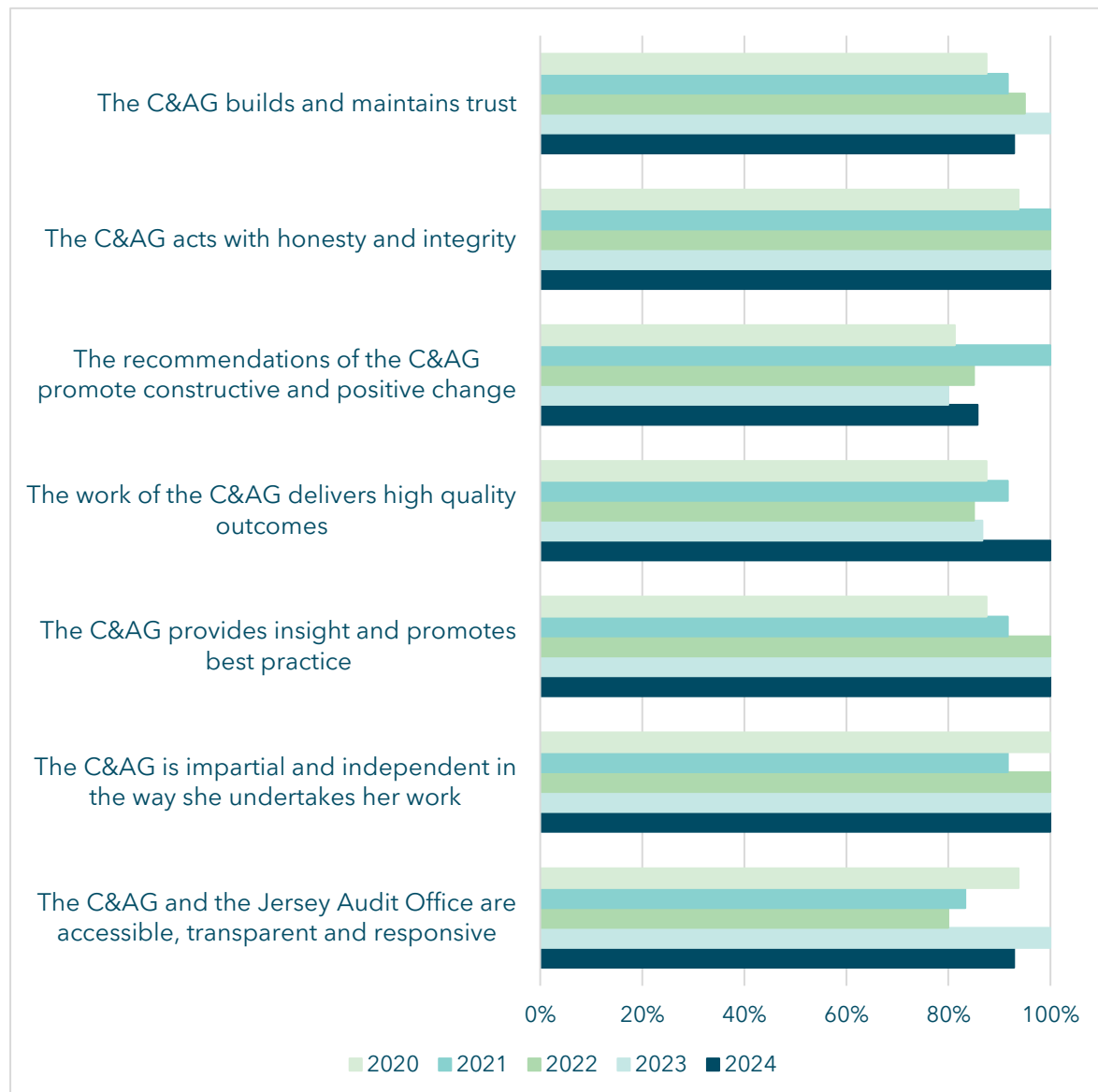
In both overall performance audit and overall financial audit, the JAO scores more highly than feedback to the Tasmanian Audit Office suggests.

Quality monitoring results

Feedback from States Members and Public Accounts Committee members

For the last five years, the JAO has collected feedback from States Members and PAC members using a consistent set of statements. Exhibit 12 provides a summary of this feedback for the last five years and shows the percentage of respondents who strongly agree or agree with the series of statements.

Exhibit 12: Feedback from States Members and PAC members



Source: JAO survey of States Members and PAC members 2020 to 2024

The UK National Audit Office

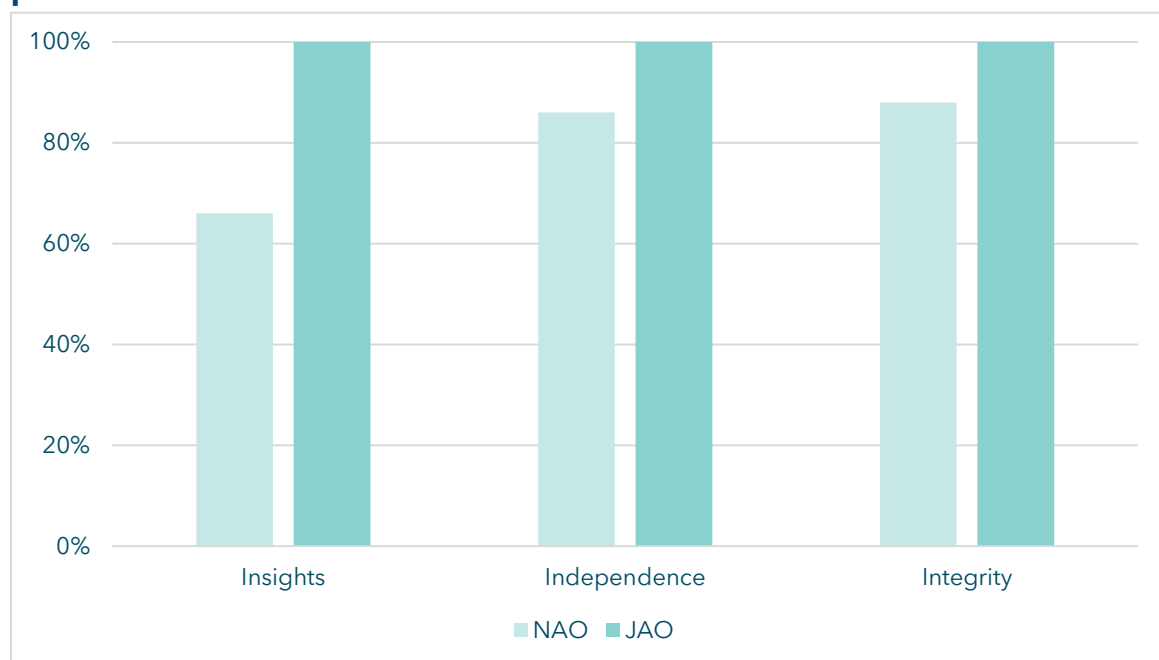
The UK NAO publishes data on feedback it receives from Members of Parliament (MPs). We have identified three areas where similar questions mean that feedback can be compared:

Quality monitoring results

- the NAO statement 'MPs agree that they can easily access our insights and knowledge' has been compared with the percentage of States Members and PAC member who responded that they strongly agreed or agreed with the statement 'The C&AG provides insight and promotes best practice'
- the NAO statement 'MPs rated us as above average for acting impartially and independently' has been compared with the percentage of respondents to the JAO survey who strongly agreed or agreed with the statement 'The C&AG is impartial and independent in the way she undertakes her work'; and
- the NAO statement 'MPs rated us as above average for acting with honesty and integrity' has been compared with the percentage of respondents to the JAO survey who strongly agreed or agreed with the statement 'The C&AG acts with honesty and integrity'.

Exhibit 13 summarises the NAO and JAO comparative performance.

Exhibit 13: Comparison of feedback from elected and PAC members on audit office performance



Source: JAO survey of States Members and PAC members and NAO Transparency Report 2023-24

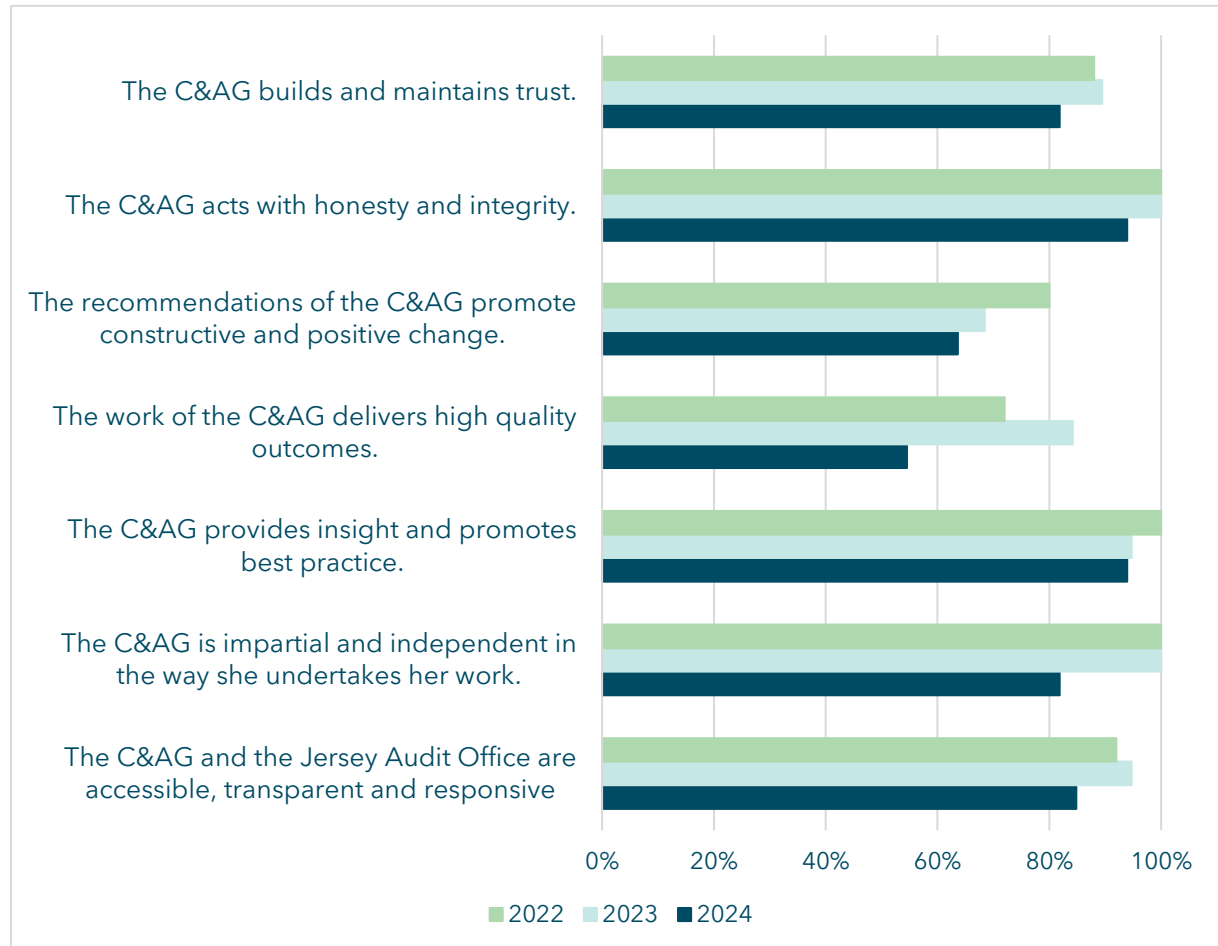
The feedback from States Members and PAC members on their perceptions of the JAO remains more positive across these three areas than the feedback from MPs on their perception of the NAO.

Quality monitoring results

Wider stakeholder feedback

For the last three years, we have collected feedback on our performance from wider groups of stakeholders including regulatory bodies in Jersey and States entities. Exhibit 14 summarises the percentage of respondents who strongly agreed or agreed with a series of statements.

Exhibit 14: Wider stakeholder feedback on the JAO



Source: JAO survey of wider stakeholders 2022 to 2024

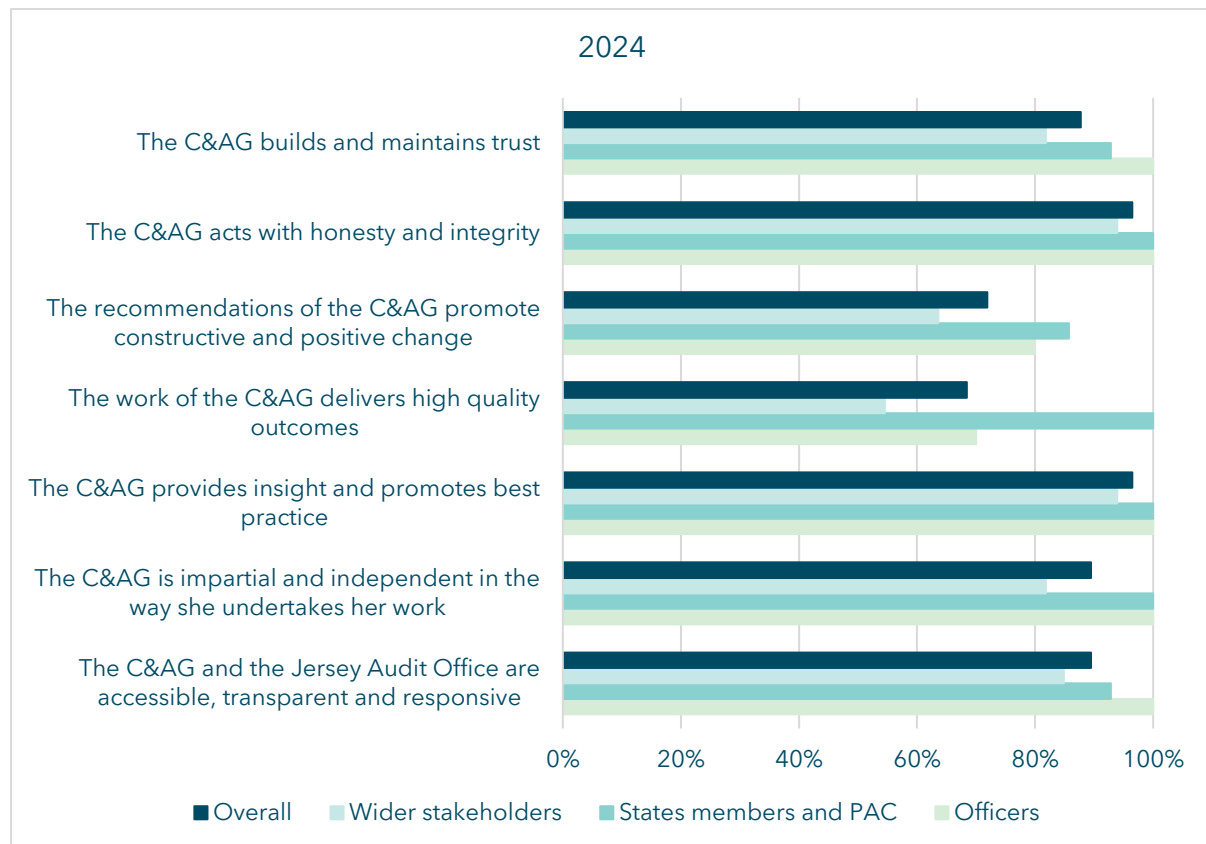
We are committed to understanding better the fall in stakeholders' perceptions of the JAO in 2024. The C&AG plans to use collective and individual meetings with stakeholders during 2025 to identify key areas of action for the JAO arising from the feedback given.

For 2023 and 2024 we have asked senior officers, States Members, PAC members and wider stakeholders to provide feedback on a consistent set of statements.

Exhibit 15 summarises the percentage of respondents who, reflecting on the work of the JAO in 2024, strongly agreed or agreed with this series of statements.

Quality monitoring results

Exhibit 15: Summary of feedback from senior officers, States and PAC Members and wider stakeholders



Source: JAO surveys

Audit Wales

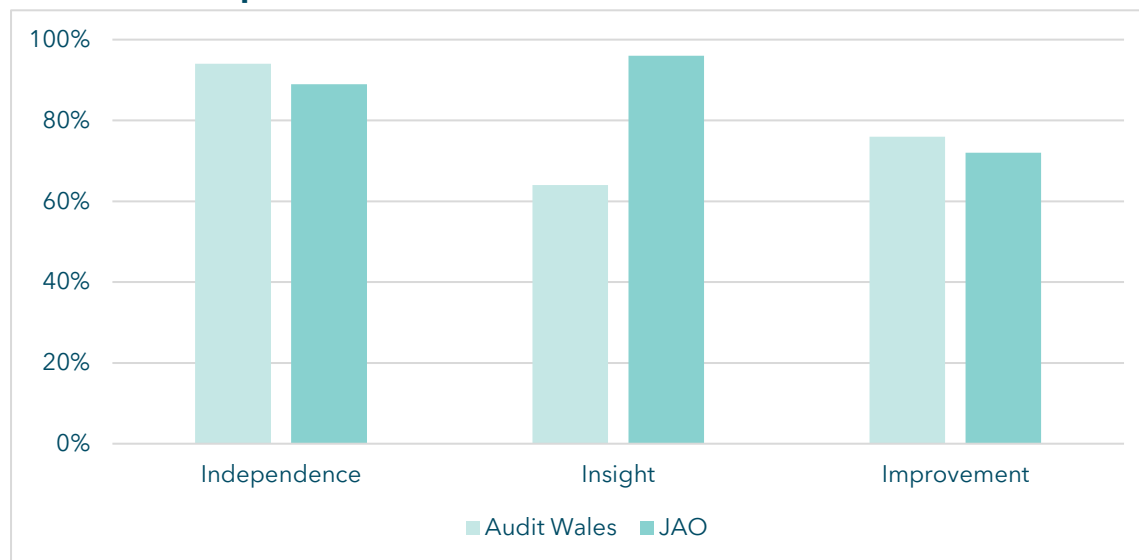
Audit Wales publishes information on stakeholder feedback. We have compared the feedback to the JAO with feedback to Audit Wales where similar questions have been asked. We identified three similar questions on which feedback has been obtained and this data is shown in Exhibit 16:

- Independence – Audit Wales feedback on ‘Proportion of stakeholders that consider us to be an independent and authoritative communicator on the governance and stewardship of public money and assets’ is compared with the proportion of respondents to the JAO survey who strongly agreed or agreed that ‘The C&AG is impartial and independent in the way she undertakes her work’
- Insight – the Audit Wales statement ‘Proportion of stakeholders who said that through our work, they gained useful insight that they would not have acquired otherwise’ has been compared with the overall proportion of JAO survey respondents who strongly agreed or agreed with the statement ‘The C&AG provides insight and promotes best practice’; and

Quality monitoring results

- Improvement – the Audit Wales statement ‘Proportion of stakeholders who believe our work has led to improvements in the provision of public services’ is compared with the percentage of JAO survey respondents who strongly agreed or agreed that ‘The recommendations of the C&AG drive constructive and positive change’.

Exhibit 16: Comparison of stakeholder feedback to the JAO and Audit Wales



Source: JAO wider stakeholder survey and Audit Wales Audit Quality Report 2024

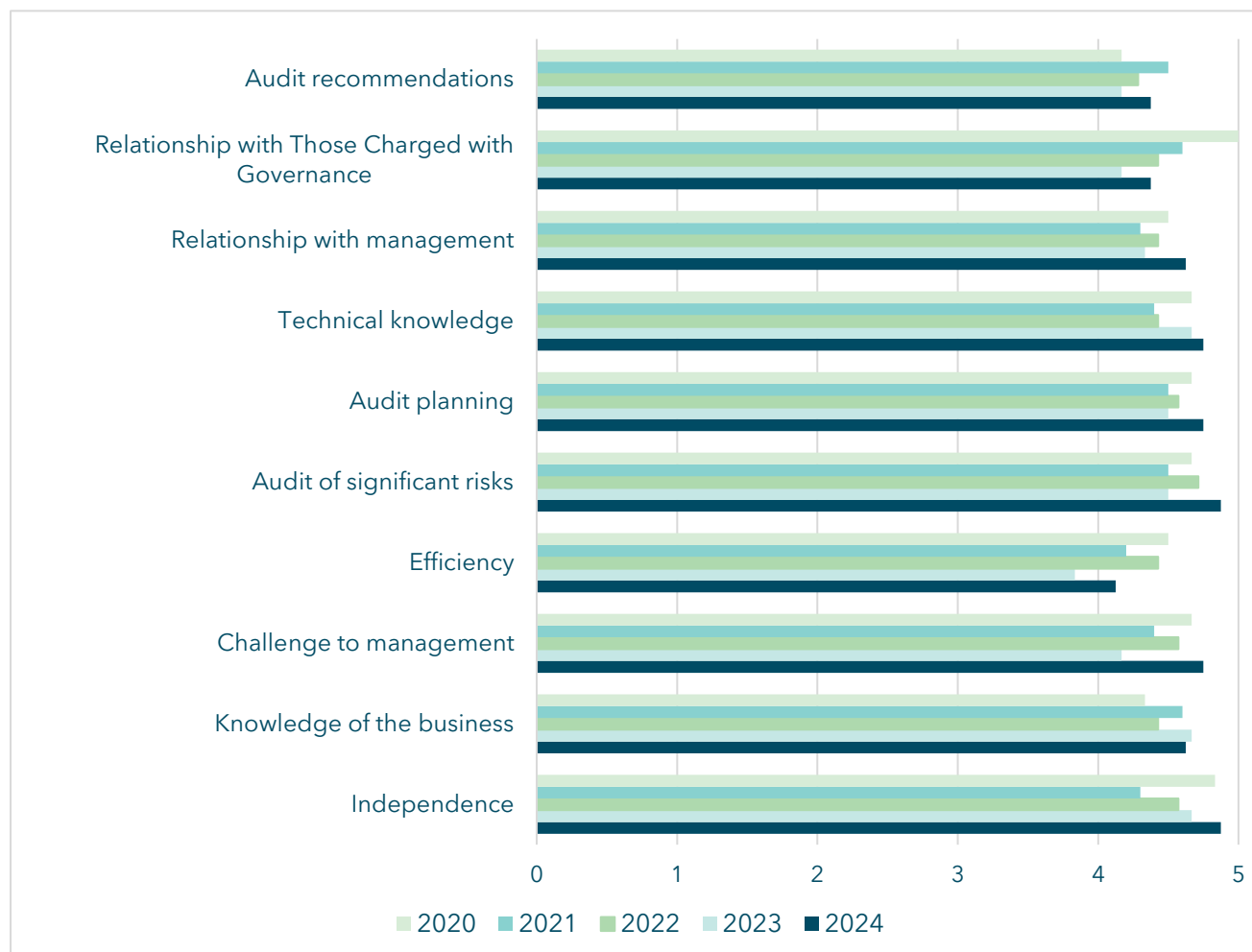
Feedback to Audit Wales is slightly stronger in terms of independence and improvement. However, data shows that JAO stakeholders agree more strongly that insight is provided and best practice promoted.

Feedback on financial statements auditors

For the past four years we have collected feedback from bodies where the C&AG appoints auditors on the performance of the financial statements auditors. Bodies have been asked to score the performance of their financial statements auditors on a scale of 1 to 5 where 5 is completely satisfied. The results are summarised in Exhibit 17.

Quality monitoring results

Exhibit 17: Feedback on financial statements auditors



Source: JAO survey of audited bodies

Comparisons for financial statements auditors are difficult to identify. We have though found that the National Audit Office Malta publishes data on feedback obtained on financial statements auditors. We have compared the feedback received on financial statements auditors appointed by the C&AG to the feedback published by the National Audit Office Malta where similar questions have been asked. Where percentages are shown we have used the percentage of respondents scoring 4 or 5 out of 5.

The statements compared, as set out in Exhibit 18, are:

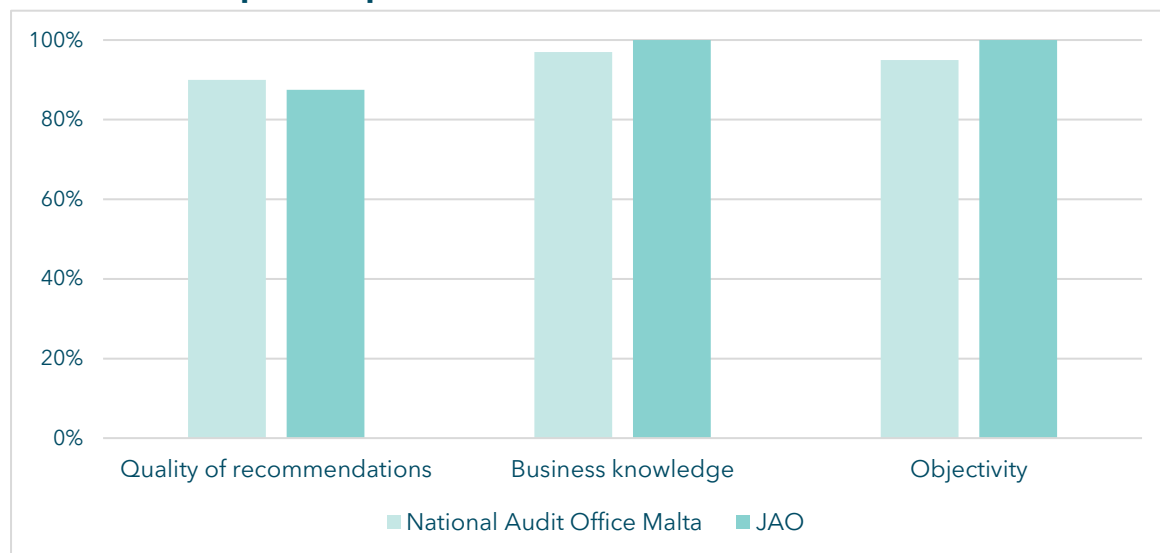
- Quality of recommendations - the National Audit Office Malta question 'To what extent were recommendations actionable for your organisation?' was compared with responses to the JAO survey statement 'Perceptive, practical and effective recommendations were made by the Auditors'
- Business knowledge - the National Audit Office Malta statement 'The Audit Team demonstrated good business knowledge' was compared with the JAO statement

Quality monitoring results

'The Auditors demonstrated their understanding of the business risks and the business'; and

- Objectivity - the National Audit Office Malta statement 'The Audit Team demonstrated objectivity' was compared with the JAO statement 'The Auditors have informed you, at least annually, of the steps they take to ensure their independence and objectivity'.

Exhibit 18: Comparative performance of financial statements auditors



Source: JAO survey of audited bodies and National Audit Office Malta Annual Report and Financial Statements 2023¹

Feedback on the quality audit recommendations made as part of the National Audit Office Malta audits of financial statements is slightly more positive than is the case from the survey of Jersey's audited bodies. However, Jersey scores slightly better in terms of business knowledge and integrity.

Other measures of performance audit quality

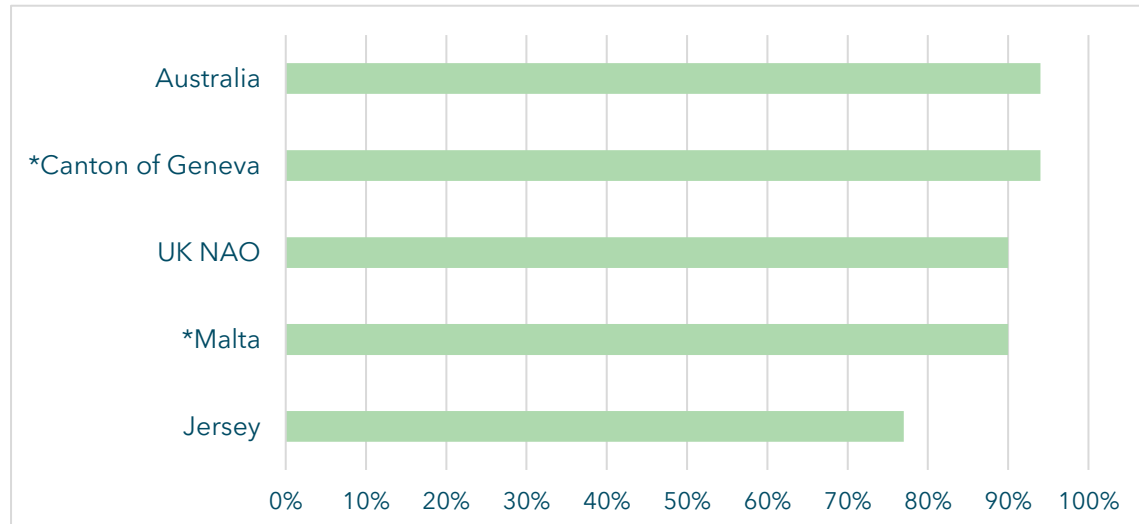
Another indicator of the quality of performance audit is the percentage of recommendations accepted for action. Exhibit 19 compares the percentage of

¹ National Audit Office, Malta reports: *In 2023, 56 responses were received following 28 audits. Survey results demonstrated an overall positive performance, in line with that of previous years.*

Quality monitoring results

recommendations made by the JAO that are accepted for action with other audit offices that publish this information.

Exhibit 19: Percentage of recommendations accepted for action



**Most recently published data is from 2022/23*

Source: Audit Office websites for each jurisdiction

The JAO has, for the first time, the lowest percentage of fully accepted recommendations, when compared with other jurisdictions. This reflects the Government of Jersey's revised approach to prioritisation of resources and decisions to not accept some recommendations but to carry the associated risks. I understand that the Government intends to keep such recommendations under review and that some action may be taken in the future on the recommendations that have not been agreed for action in 2024.

Conclusion

The JAO has compared the stakeholder feedback it has received to that collected by other audit offices. The analysed results have been fed back to the auditors the C&AG appoints and to the affiliates who undertake work on behalf of the JAO.

The C&AG is committed to improving the performance of the JAO, in particular in areas where we have not scored as highly as other audit offices have achieved.



JERSEY AUDIT OFFICE

LYNN PAMMENT CBE
Comptroller and Auditor General

Jersey Audit Office, De Carteret House, 7 Castle Street, St Helier, Jersey JE2 3BT

T: +44 1534 716800 E: enquiries@jerseyauditoffice.je W: www.jerseyauditoffice.je