

**Office of the Comptroller and
Auditor General
Annual Report and Accounts
2021**

R.58/2022

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Introduction by the Chair of the Board of Governance



I am delighted to present the 2021 Annual Report of the Office of the Comptroller and Auditor General (C&AG). In these challenging times for Jersey, the role of the Jersey Audit Office (JAO) in holding the States to account without fear or favour is more important than ever.

The Annual Report sets out the many achievements of the JAO and the arrangements in place to ensure that it is accountable. I would like to draw your attention to:

- the sheer volume of reports published by the JAO in 2021, especially considering the resources at its disposal
- the continued constructive relationship with the States; and
- the JAO's drive for improvement, both in the delivery of public services and for its own operations.

As Chair of the Board of Governance, I also recognise the need for the Board to make continuous improvements in its own arrangements. We continue to implement the recommendations of the UK National Audit Office report into the Board's effectiveness, published in April 2020.

Finally, my thanks to Lynn, Stephen Warren, her Deputy, and other members of the team for another successful year. I have no doubt that this will continue into 2022.

Grace Nesbitt OBE

Chair of the Board of Governance

25 April 2022



Section 1: Performance Report

The Comptroller and Auditor General (C&AG) has chosen to discharge her responsibilities through the Jersey Audit Office (JAO).

The Performance Report provides an overview of the work of the C&AG and the JAO in 2021. It comprises:

- the **overview**, which includes a summary of the work of the C&AG and the JAO in 2021, a statement by the C&AG, highlights of 2021 and a description of the JAO including its purpose and key risks; and
- the **performance analysis** which provides a detailed view of the JAO's performance. This sets out information on performance against priorities, financial performance, costs compared to other audit offices, website and communications, environmental impact, other non-financial information, risks, climate related risks and opportunities, corporate social responsibility and the JAO Strategy 2022-25.





Overview

Section 1: Performance Report



Statement by the Comptroller and Auditor General

Whilst 2020 was unprecedented, the COVID-19 pandemic continued to present challenges for all of us throughout 2021. The JAO maintained its focus on the effectiveness of internal control and of good governance and made good progress in all four of its priorities:

-  high performing audit organisation
-  supporting effective scrutiny and accountability
-  making a difference; and
-  building a better organisation.

Highlights of the year included:

- publishing a record number of reports, including six on the Government of Jersey's response to the COVID-19 pandemic and a thinkpiece on public audit
- supporting the Public Accounts Committee (PAC) by attending all 22 PAC meetings and 20 PAC sub-group meetings; and
- holding a workshop on annual reporting supported by publication of my second Good Practice Guide on Annual Reporting.

Inevitably however, the constraints of the pandemic and the practicalities of so many people working from home have meant that we have not achieved all we set out to do:

- we were unable to hold as many face to face meetings or events as planned. In particular, we were unable to hold an outreach event to engage younger people in the work of the JAO and plan to do so in 2022; and
- we have further work to do to refresh our policies and procedures.

The JAO Strategy 2022-25 was launched in January 2022. Our priorities remain the same as we look to develop the effectiveness of the JAO in this period. We will continue 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.

Lynn Pamment

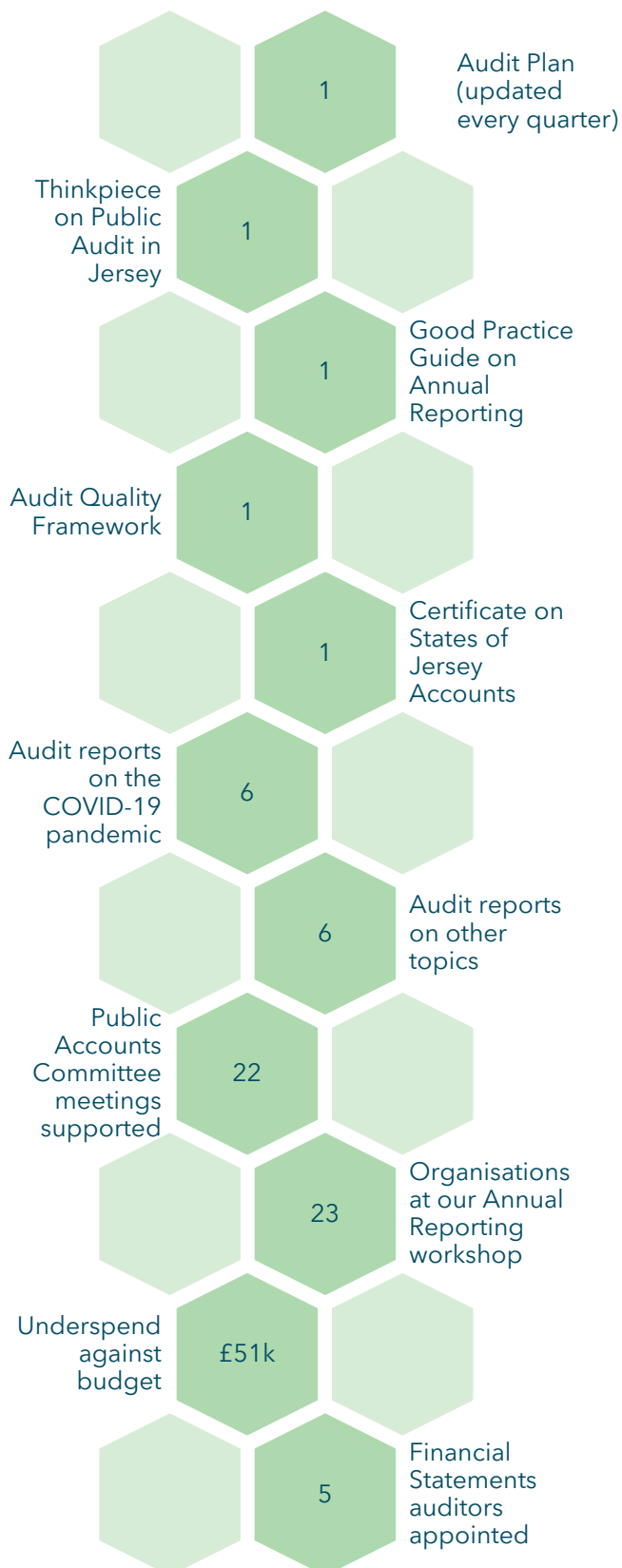
Comptroller and Auditor General

25 April 2022

Overview

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2021 – the year in numbers



Overview

Section 1: Performance Report



One Thinkpiece, One Good Practice Guide and Twelve Audit Reports issued in 2021

- Thinkpiece issued on Public Audit in Jersey
- Good Practice Guide issued on Annual Reporting
- Six reports issued on the Government response to the COVID-19 pandemic
 - Management of the Healthcare Response
 - Overall management of Public Finances
 - Procurement and Supply Chain Management
 - Government support to businesses during the COVID-19 pandemic - Co-Funded Payroll Scheme
 - Government support to businesses during the COVID-19 pandemic - Other Schemes
 - The COVID-19 Related Emergency Support Scheme
- Six reports issued on other topics
 - Anti-Corruption Arrangements
 - Annual Reporting
 - ICT Cloud Implementation - Integrated Technology Solution
 - States Employment Board - Follow up: Employment of the former Chief Executive
 - Governance Arrangements for Health and Social Care - Follow up
 - Tracking C&AG Recommendations



Five financial statements auditors appointed

- Public Employees' Pension Fund
- Jersey Teachers' Superannuation Fund
- Jersey Financial Services Commission
- Jersey Competition and Regulatory Authority (appointment extension)
- Jersey Advisory and Conciliation Service (appointment extension)

Overview

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About the C&AG and the JAO

The role of the C&AG

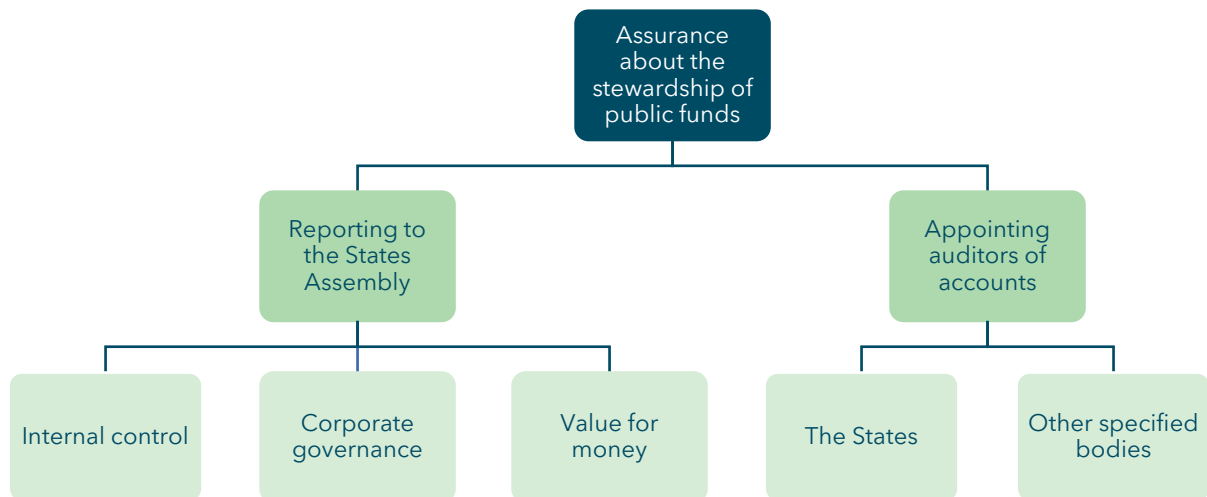
The C&AG is appointed by the States Assembly and is independent of Government. Her responsibilities are to:

- 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.

She may not be directed in how she discharges her responsibilities. Her role is to evaluate the implementation of policy, but she does not question policy decisions. The C&AG's responsibilities are summarised in Exhibit 1.



Exhibit 1: Responsibilities of the Comptroller and Auditor General



Overview

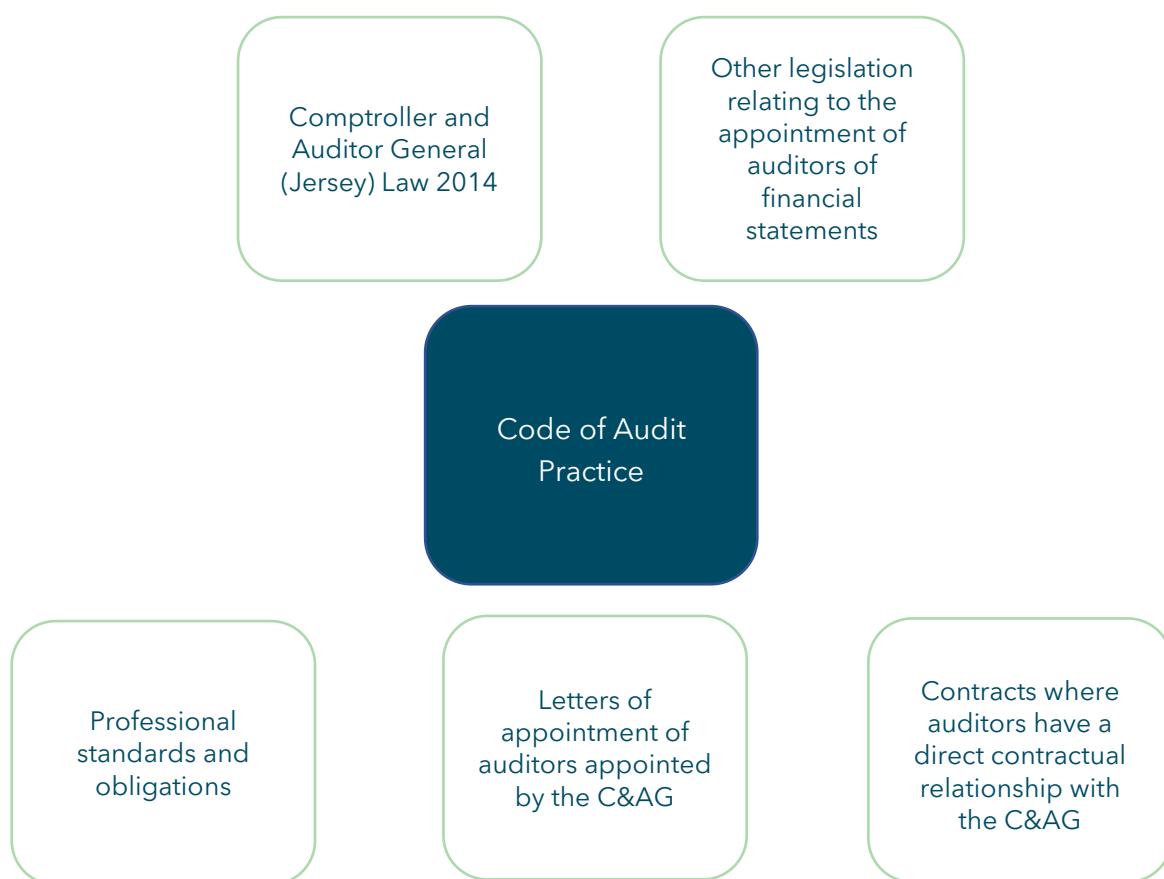
Section 1: Performance Report

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 in Jersey, as set out in Exhibit 2.



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



The JAO

The C&AG has chosen to discharge her responsibilities through the JAO which she leads. The vision, purpose and values of the JAO are set out in Exhibit 3.

Overview

Section 1: Performance Report



Exhibit 3: Vision, purpose and values of the JAO

| | |
|--------------------|---|
| Our vision | To be a trusted and innovative audit organisation that champions good governance and the wise use of public money in Jersey. |
| Our purpose | 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. |
| Our values | <p><i>Independence and objectivity</i></p> <p>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.</p> <p><i>Fairness and justice</i></p> <p>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.</p> <p><i>Integrity</i></p> <p>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.</p> <p><i>Credibility</i></p> <p>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.</p> |

Ambitions of the JAO

The C&AG has established four ambitions of the JAO, as set out in Exhibit 4.

Overview

Section 1: Performance Report



Exhibit 4: Ambitions

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

The JAO's performance against each of these ambitions is set out in the Performance Analysis below (see page 13).

JAO resources

In addition to audit firms that are appointed to audit the accounts of the States and certain other specified bodies, the C&AG is supported by the Deputy C&AG and maintains a pool of affiliates with appropriate skills and experience to undertake work on her behalf. The JAO uses serviced office accommodation in St Helier.

Issues and risks that could affect the JAO achieving its priorities

The C&AG maintains a risk register based round six themes. The risk register captures and assesses those risks with the potential to have a significant adverse impact on the operation of the JAO and sets out mitigating actions. After mitigating actions have been considered, the JAO's risks remain stable in three of the six themes and have improved in three:

- risk themes that are stable:
 - the impact of the COVID-19 pandemic on the JAO
 - finance; and
 - reputation
- risk themes that are improving:
 - quality
 - economy, efficiency and effectiveness; and
 - governance.

Further information on risks is set out in Exhibit 16.

Going Concern

The JAO continues to be a going concern.

Overview

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Despite cost pressures from the retendering of the audit of financial statements of the States of Jersey in 2020 and the implementation of the audit quality framework, the JAO operated within its budget allocation for 2021. Looking forward:

- medium-term contracts provide the JAO with price predictability
- the States of Jersey have a statutory duty to provide sufficient resources to enable the C&AG to discharge her responsibilities; and
- the JAO maintained an ongoing dialogue with the Chair of the Public Accounts Committee, the Treasurer of the States and other stakeholders prior to submission of the Government Plan 2022-2025.

As noted above, and set out in further detail on page 29, risks with a financial impact are considered within a single theme in the risk register.

Performance summary

During 2021 the JAO:

- delivered its priorities for the year
- met its final budget allocation; and
- performed favourably when compared with other audit offices.

More information on the JAO's performance is set out in the Performance Analysis below.

Performance Analysis

Section 1: Performance Report

Performance Analysis

I have assessed the performance of the JAO in 2021 by:

- reviewing progress against its priorities (pages 13 to 21)
- reviewing its financial performance (pages 22 to 23)
- comparing costs and outputs with audit offices from other jurisdictions (pages 23 to 25)
- reviewing website and communications activities (pages 25 to 27)
- reviewing environmental impact (page 27)
- reviewing other non-financial information (page 27)
- reviewing key risks (pages 28 to 32)
- considering climate-related risks and opportunities (page 32)
- reviewing the corporate social responsibility strategy (page 33); and
- considering the JAO Strategy 2022-25 (pages 33 to 35).

How the JAO has performed against its priorities

The 2020 Annual Report included priorities for the JAO for 2021. Exhibit 5 sets out how the JAO performed against these priorities.

|  Exhibit 5: Performance against priorities for 2021 | |
|---|---|
| What we planned to do | What we did |
|  High performing audit organisation | |
| <ul style="list-style-type: none">• Implement the updated audit quality framework | <ul style="list-style-type: none">• Quality framework implemented with the support of the Institute of Chartered Accountants in England and Wales |

Performance Analysis

Section 1: Performance Report



Exhibit 5: Performance against priorities for 2021

What we planned to do

- Improve our project management
- Measure and action stakeholder feedback
- Enhance links to other audit organisations to share best practice and enhance benchmarking

What we did

- Continued enhancement through use of technology. Further work is planned in this area in 2022
- Stakeholder surveys carried out in February 2021 and repeated in February 2022
- Secured membership of the European Organization of Regional Audit Institutions (EURORAI). This has provided us with access to a wealth of best practice and benchmarking data that we will explore further in 2022



Supporting effective scrutiny and accountability

- | | |
|---|--|
| <ul style="list-style-type: none"> • Work closely with the PAC to improve effectiveness • Hold stakeholder events to share best practice and experiences • Hold an outreach event to engage younger people in the work of the JAO and of the PAC | <ul style="list-style-type: none"> • 22 PAC meetings and 20 sub-group meetings supported • Annual Reporting workshop held December 2021 • Outreach event deferred until 2022 due to the COVID-19 pandemic |
|---|--|



Making a difference

- | | |
|--|--|
| <ul style="list-style-type: none"> • Continued investment in communication mechanisms • Share best practice more proactively • Develop and implement a corporate social responsibility strategy | <ul style="list-style-type: none"> • Increased use of social media including Twitter and LinkedIn • Published second Good Practice Guide on Annual Reporting supported by Annual Reporting workshop • Corporate Social Responsibility Policy included in JAO Strategy 2022-25 |
|--|--|



Performance Analysis

Section 1: Performance Report

|  Exhibit 5: Performance against priorities for 2021 | |
|--|---|
| What we planned to do | What we did |
|  Building a better organisation | |
| <ul style="list-style-type: none"> Support the new Board of Governance to perform its role more effectively Refresh policies and procedures including the service level agreement with the States Embed technology more effectively in the ways we work | <ul style="list-style-type: none"> New Board supported including induction programme for new Independent Member Refresh of policies and procedures in progress and to be completed 2022 Office 365 embedded into the way we work. Use of other software enhanced including voting technology |

Performance against Key Performance Indicators (KPIs)

Exhibit 6 sets out the KPIs established at the beginning of 2021 and performance during 2021. Comparative information from previous years is not available.

|  Exhibit 6: Performance against KPIs for 2021 | |
|--|---|
| Key Performance Indicators (KPIs) | How we performed |
|  High performing audit organisation | |
| <ul style="list-style-type: none"> Annual audits delivered to a high quality and to agreed timescales Number of high-quality reports delivered | <ul style="list-style-type: none"> High level of stakeholder satisfaction on quality of audits delivered. Two financial statements audits independently assessed with no more than limited improvements identified Continued positive stakeholder feedback received on reports issued in 2021 |

Performance Analysis

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Exhibit 6: Performance against KPIs for 2021

Key Performance Indicators (KPIs)

How we performed

- | | |
|---|--|
| <ul style="list-style-type: none"> • Reports published to schedule • Benchmarking against other audit offices | <ul style="list-style-type: none"> • 12 reports published in 2021 as well as a Good Practice Guide and a Thinkpiece • Positive results shown in benchmarking against other audit offices |
|---|--|



Supporting effective scrutiny and accountability

- | | |
|---|---|
| <ul style="list-style-type: none"> • Number of PAC meetings supported by our work • Percentage of stakeholders rating our stakeholder event as good or excellent • Correspondence responses issued to schedule • Percentage of stakeholders perceiving us to deliver against our objectives | <ul style="list-style-type: none"> • 22 PAC meetings supported as well as 20 sub-group meetings (up from 20 PAC meetings in 2020) • Stakeholder feedback has improved in most areas (see analysis below) • All correspondence responded to on a timely basis • Stakeholder survey issued to States Members, PAC lay members and Risk and Audit Committee members and show improvements in most areas (results shown below based on how we adhere to our values) |
|---|---|



Making a difference

- | | |
|---|---|
| <ul style="list-style-type: none"> • JAO website visits • Report downloads from website | <ul style="list-style-type: none"> • The number of website users increased by 73% in 2021 compared with 2020 (see graphs below) • The number of pdfs downloaded increased by 136% in 2021 compared with 2020 (see graphs below) |
|---|---|

Performance Analysis

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Exhibit 6: Performance against KPIs for 2021

Key Performance Indicators (KPIs)

How we performed

- | | |
|---|---|
| <ul style="list-style-type: none"> Percentage of recommendations fully accepted for implementation Percentage of recommendations subsequently implemented | <ul style="list-style-type: none"> 99% of recommendations accepted for action (132 out of 133 recommendations made) compared to 100% in 2020 Number of 'open' recommendations reported on the Government of Jersey's C&AG recommendations tracker decreased year on year from 258 at the end of 2020 to 229 at the end of 2021. 133 new recommendations were made in C&AG reports in 2021 |
|---|---|



Building a better organisation

- | | |
|--|--|
| <ul style="list-style-type: none"> Number of projects supported by effective use of Office 365 Performance against budget Percentage reduction in carbon footprint Number of community activities undertaken | <ul style="list-style-type: none"> All projects in 2021 supported by Office 365 £50,800 underspend against revised budget Monitoring of carbon footprint postponed during the COVID-19 pandemic None, due to the COVID-19 pandemic |
|--|--|

Stakeholder feedback

In February 2022, the C&AG sought feedback from senior officers within the Government of Jersey on her performance and the performance of the JAO in 2021. This repeated a feedback exercise undertaken in February 2021 on performance in 2020. Officers were requested to score performance across eight criteria on a scale of 1 (strongly disagree) to 5 (strongly agree). The results of this feedback are summarised in Exhibit 7.

Performance Analysis

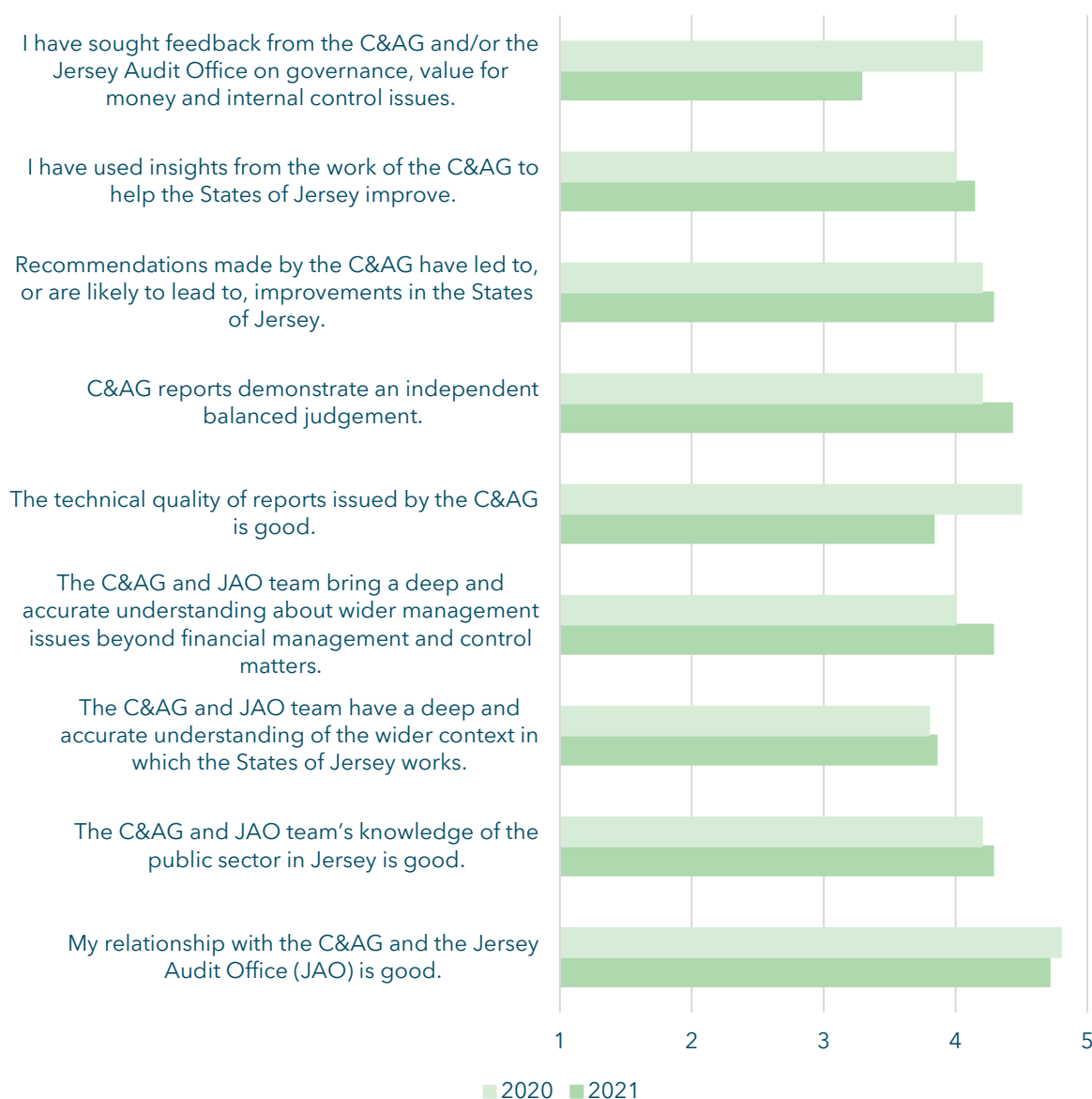
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The feedback shows improvement in most areas. There is however specific work planned for 2022 that will:

- seek to understand and take action to improve the scores in respect of officers seeking feedback from the C&AG; and
- review the process for discussing draft reports with officers and receiving comments from officers on reports prior to issue, to improve feedback on the technical quality of reports.



Exhibit 7: Feedback from Government of Jersey officers



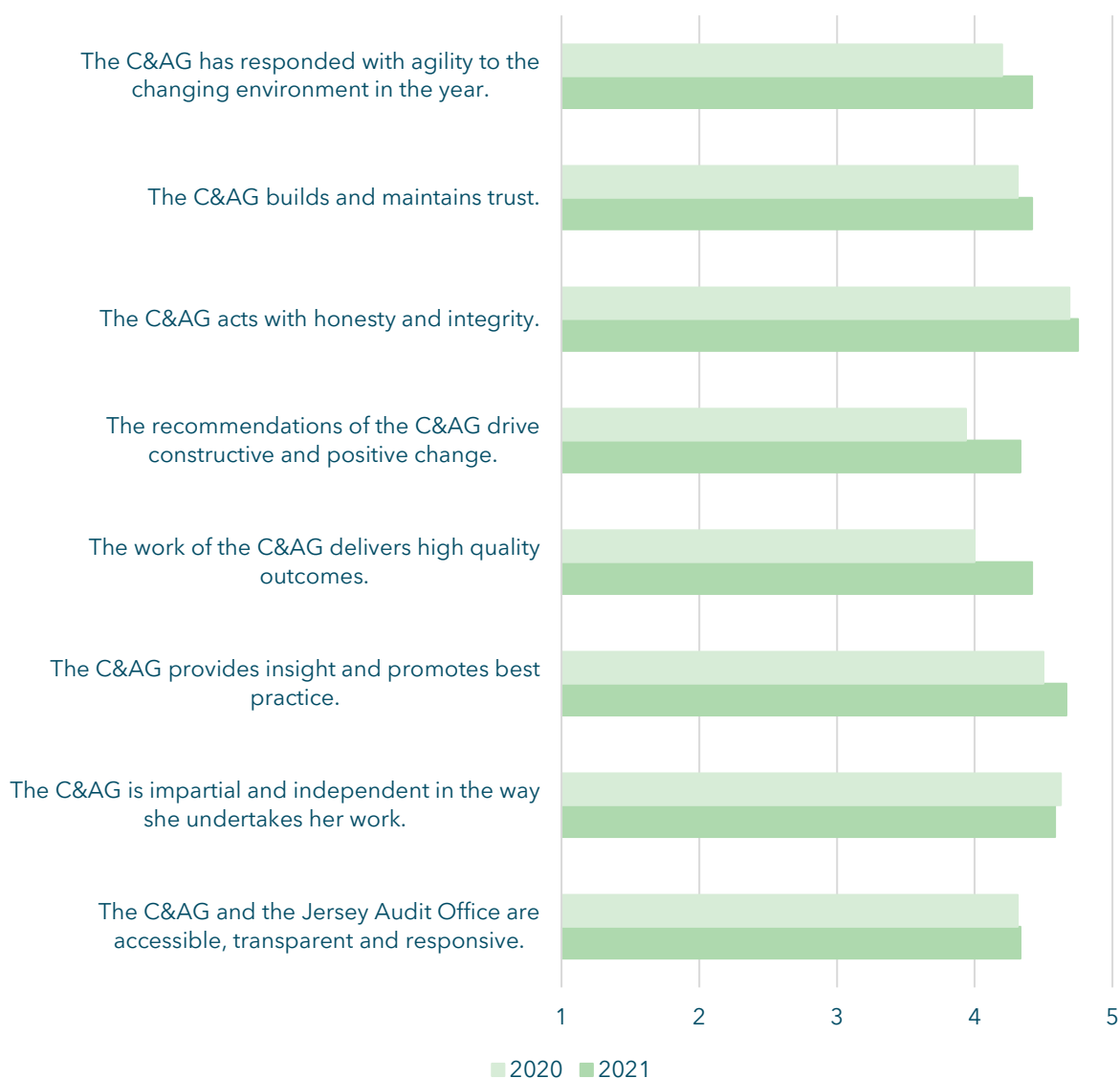
Performance Analysis

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In each of 2020 and 2021 the C&AG also sought feedback from States Members, lay members of the PAC and members of the Government of Jersey Risk and Audit Committee on the extent to which the C&AG demonstrates the values of the JAO. Stakeholders were requested to provide an assessment against each of eight statements (with strongly disagree scoring 1 and strongly agree scoring 5). The results of this feedback are summarised in Exhibit 8.



Exhibit 8: Feedback from stakeholders




During 2022, the C&AG will look to build on the feedback received in the work that she undertakes. She will also consider the ways in which the JAO can be even more accessible, transparent and responsive.

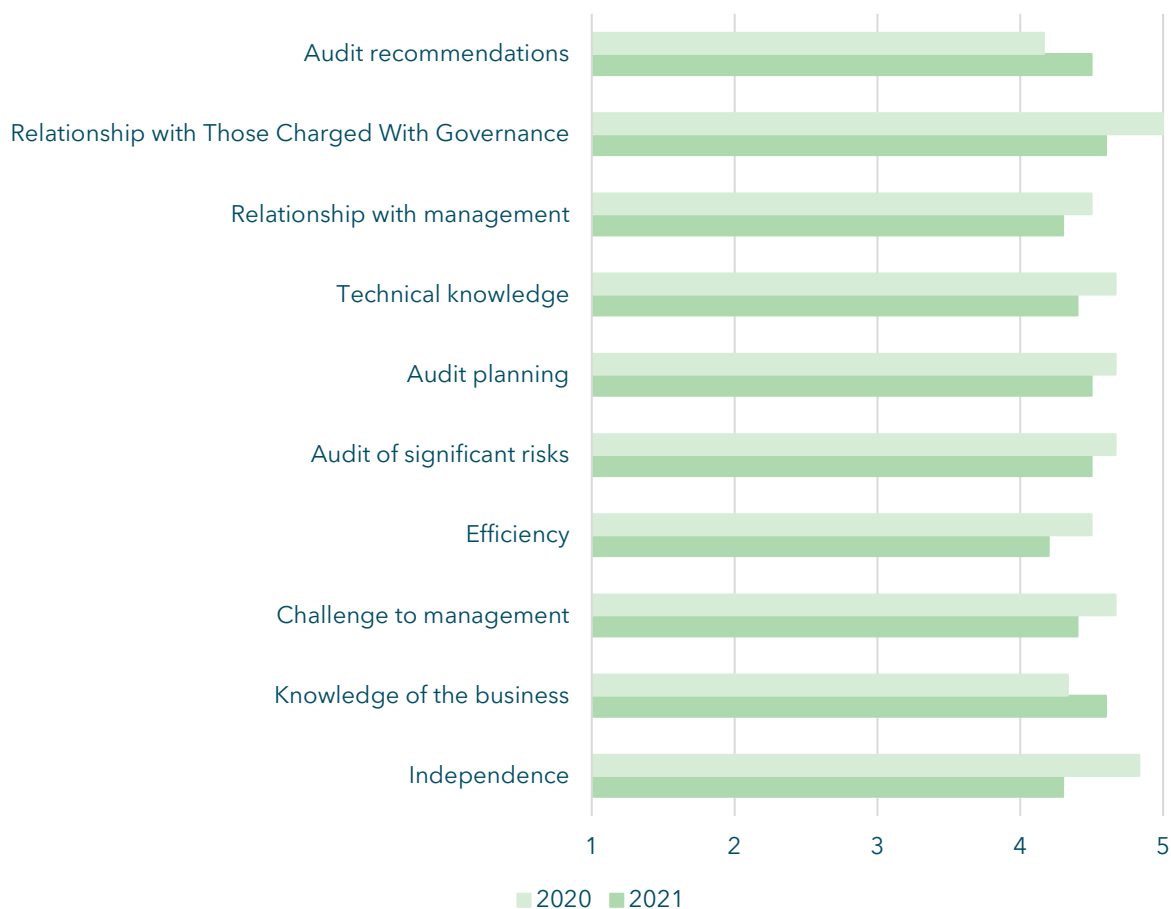
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Auditors appointed by the Comptroller and Auditor General

The C&AG appoints firms of accountants to audit the accounts of the States and certain other specified bodies. Annually, the C&AG seeks, obtains and evaluates feedback from the bodies to which she appoints auditors on the auditors' performance and engagement. For 2021, audited bodies were requested to score auditors across ten criteria on a scale of 1 to 5 (with 5 being strong performance). Auditors received high scores from all respondents (Exhibit 9).

 **Exhibit 9: Performance of appointed auditors**



In accordance with contractual terms, the C&AG reviewed and, where appropriate, approved requests to carry out non-audit services made by the audit firms that she had appointed. She only did so where she was satisfied that performing such work would not give rise to an actual or perceived threat to the independence of the audit firm or to the C&AG.

Performance Analysis

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Mazars LLP issued their audit opinion on the States' financial statements for 2020 on 14 May 2021. In doing so they issued a Qualified Opinion on Regularity relating to the exception identified in respect of the severance of the former Chief Executive's employment contract.

As a consequence, the C&AG attached a note under Article 12(3) of the Comptroller and Auditor General (Jersey) Law 2014 to her Report to the States Assembly on the States' 2020 financial statements.

During 2021, the C&AG made the following audit appointments following competitive procurement processes undertaken with the oversight of the C&AG:

- Public Employees' Pension Fund - Nexia Smith & Williamson
- Jersey Teachers' Superannuation Fund - Nexia Smith & Williamson; and
- Jersey Financial Services Commission - Grant Thornton Limited

Following review, the C&AG also extended the following audit appointments during 2021:

- Jersey Competition and Regulatory Authority - Alex Picot; and
- Jersey Advisory and Conciliation Service - RSM Channel Islands (Audit) Limited.

The Institute of Chartered Accountants in England and Wales (ICAEW) was engaged during 2021 to undertake file reviews of the quality of two audit engagements. The ICAEW grades file reviews on a four-point scale:

1. Good
2. Limited Improvements Required
3. Improvements Required
4. Significant Improvements Required

The ICAEW graded the two audits selected for review as follows:

- Audit One: Good. In this case it identified many elements of good practice; and
- Audit Two: Limited Improvements Required. In this case a single significant issue relating to the application of one auditing standard was identified. The ICAEW was satisfied with the firm's response and its proposed corrective action.

Performance Analysis

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Financial performance

Resources for the C&AG were allocated through the Medium-Term Financial Plan up to and including 2019 and through the Government Plan from 2020 onwards.

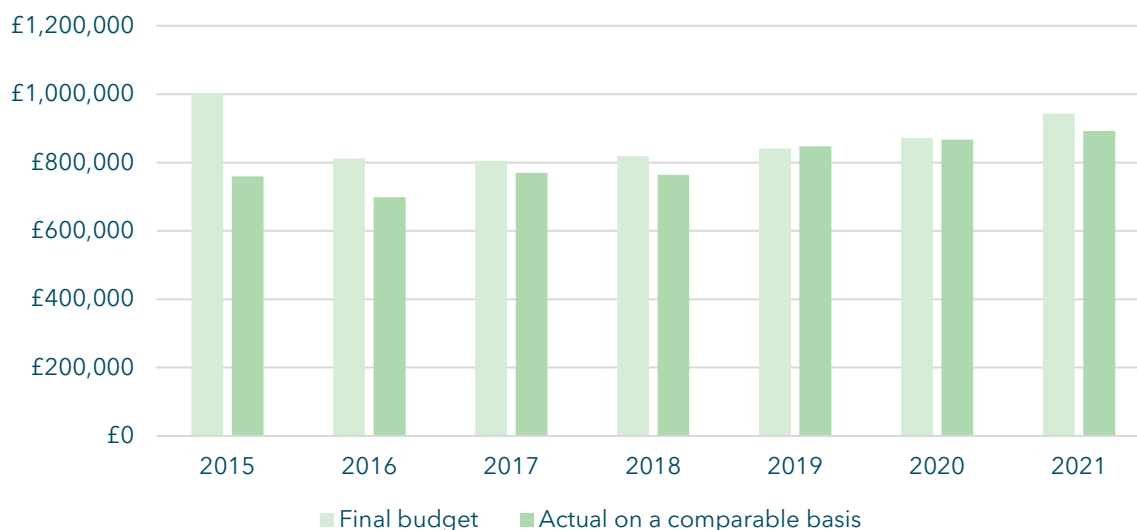
Over the last seven years the JAO's expenditure has increased by £132,800 (see Exhibit 10) which, after allowing for inflation, represents a 1.1% increase in real terms. The main cost pressure during this period has been in respect of the audit of the accounts of the States of Jersey and other entities. This reflects:

- increased costs within the audit market as a whole; and
- greater focus by the C&AG on assessing the quality of work carried out by appointed auditors.

The C&AG mitigates the impact of audit fee pressures by subjecting all audit appointments to competitive tendering.



Exhibit 10: Financial Performance 2015 to 2021



Source: JAO Audited Annual Accounts 2015 to 2021

For 2021, the C&AG delivered an underspend of £50,800 representing a saving of 5.4% compared to the allocated budget of £943,000. This saving was achieved through lower than expected costs in a number of areas including:

- the audit of the accounts of the States of Jersey; and
- travel and accommodation because of the impact of the COVID-19 pandemic.

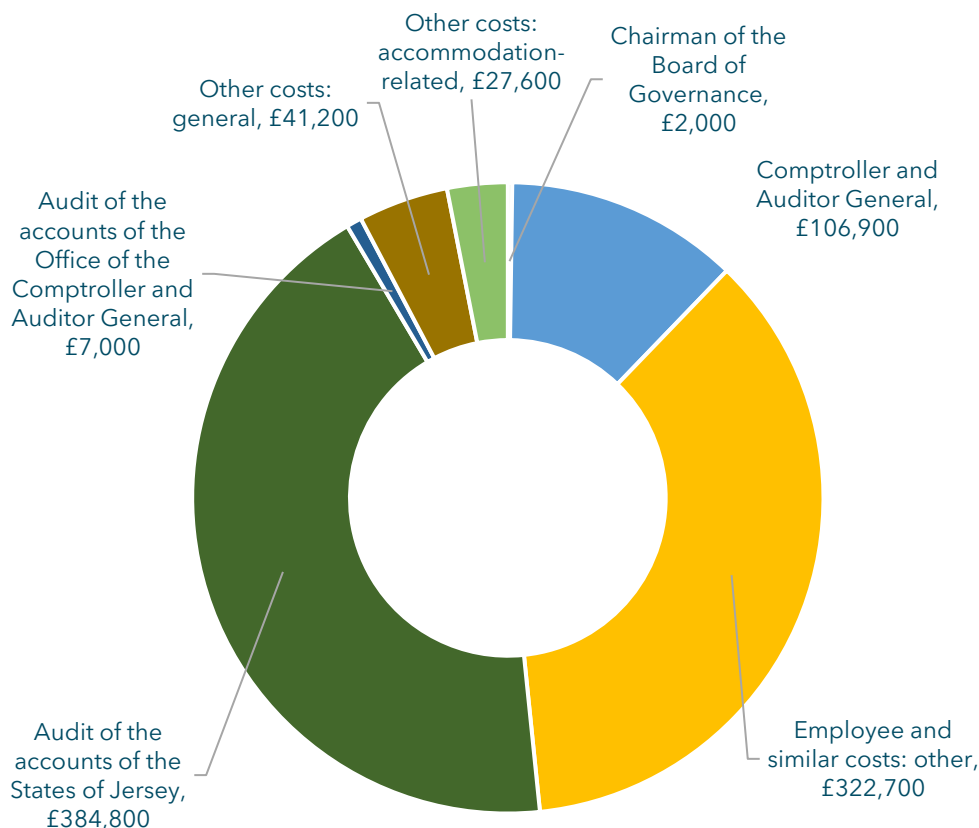
Performance Analysis

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A detailed breakdown of the C&AG's costs in 2021 is set out in Exhibit 11. Further information on the financial performance is provided in the Annual Accounts.



Exhibit 11: Analysis of costs incurred by the C&AG in 2021



Source: JAO Audited Annual Accounts 2021

Comparing performance with other audit offices

In each of our annual reports from 2017, the C&AG has compared the performance of the JAO with seven other audit offices. The group comprises audit offices from British Overseas Territories, Canadian provinces, Australian states and territories and an independent country, with populations ranging from 64,000 to 540,000.

There are limitations in making comparisons because of differences in the responsibilities of the audit offices, their business models, prevailing costs in the economy, budgetary arrangements and applicable accounting frameworks. However, the results from our

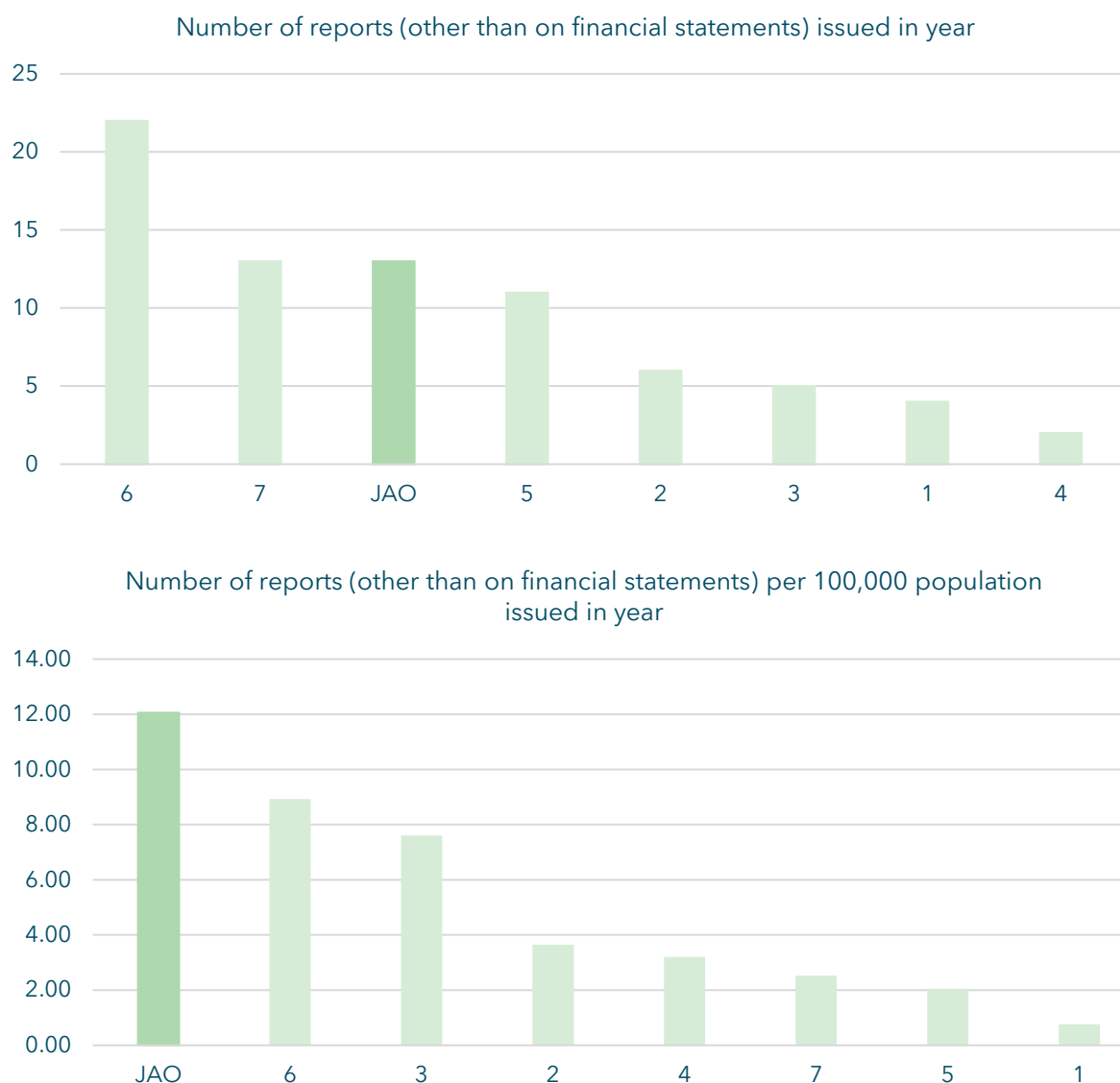
Performance Analysis

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2021 analyses show the same as in previous years: the JAO provides a significant volume of reports to the States Assembly, particularly when compared to relative populations (Exhibit 12).



Exhibit 12: Number of reports issued in 2021 compared to other audit offices (group of seven)



Source: JAO analysis

During 2021, the JAO secured membership of EURORAI. This has provided us with further benchmarking data on the cost of audit offices compared to government expenditure. The combined analysis of JAO costs to the original group of seven and

Performance Analysis

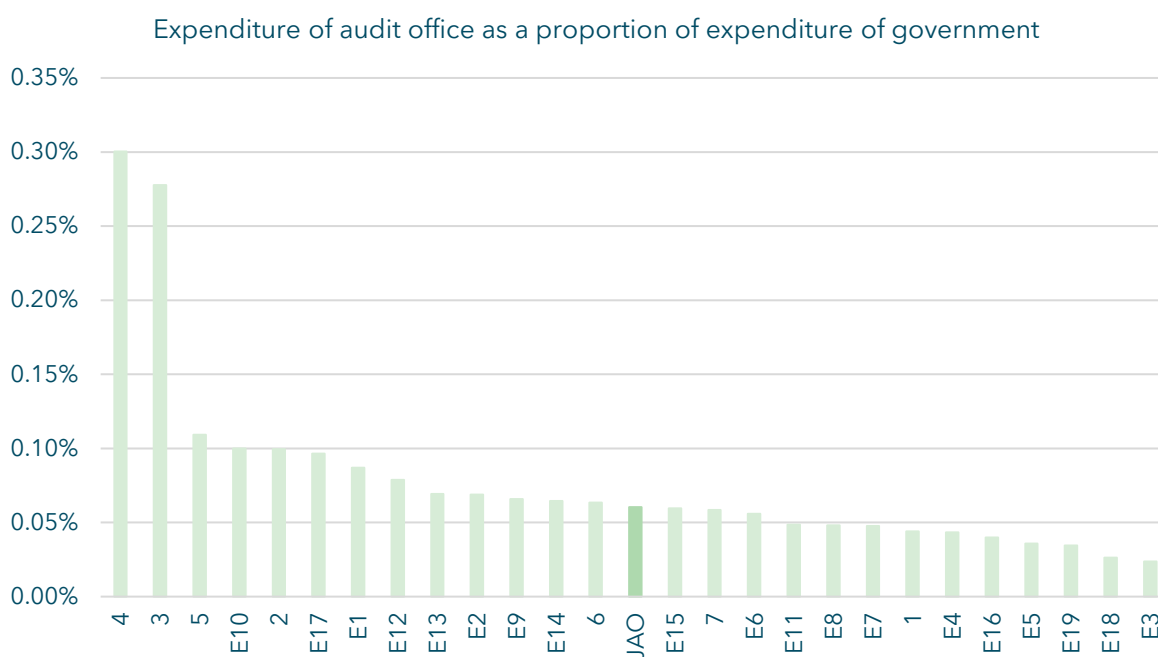
Section 1: Performance Report

EURORAI members with fewer than 50 staff shows that the JAO's costs are in the middle of the range (Exhibit 13).

We are working with EURORAI in 2022 to develop further benchmarking information.



Exhibit 13: Cost of the JAO in 2021 compared to other audit offices (group of seven and EURORAI offices with fewer than 50 staff)



Source: JAO analysis

Website and communications

During 2021, the C&AG enhanced her communications through:

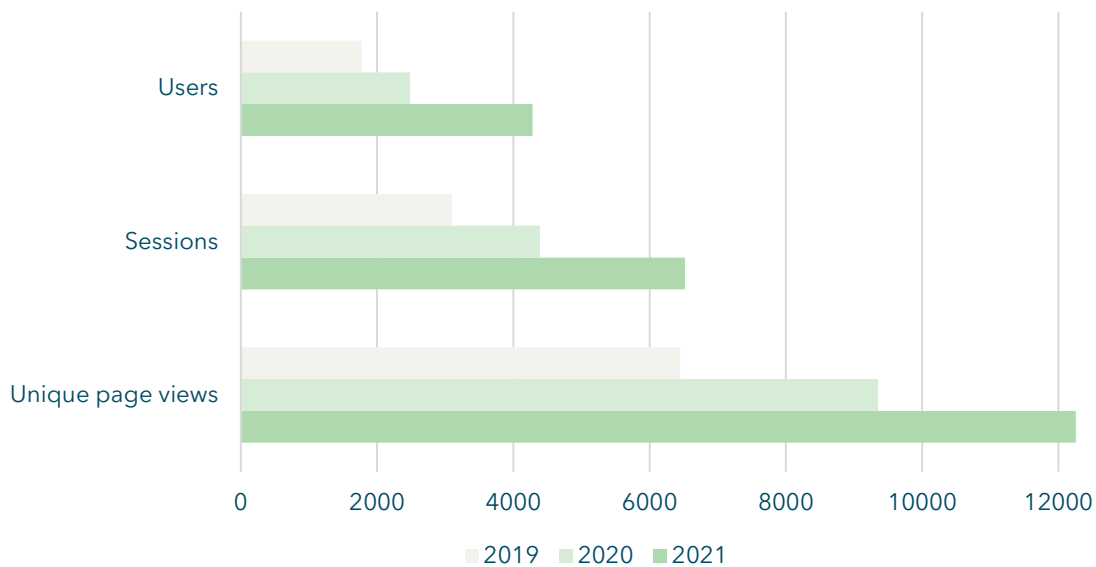
- further enhancing the content on the JAO website; and
- introducing animated content to the LinkedIn and Twitter accounts.

Performance Analysis

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The number of visits to the website has increased year on year as shown in Exhibit 14.

Exhibit 14: Website statistics



Source: JAO analysis

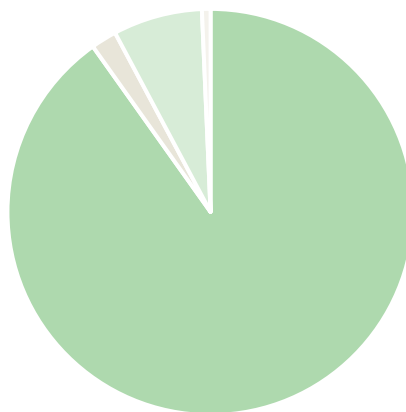
When reports are issued by the C&AG they are sent individually to all States Members as well as to the lay members of the PAC, senior Government officers, the Board of Governance and the press. They are also submitted to the States Assembly and are published on the States Assembly website as well as the JAO website. Since July 2020, the C&AG has monitored the downloads of reports from the JAO website. During 2021, 3,662 pdf documents were downloaded from the website, mostly reports or project specifications, up from 1,554 in 2020 (Exhibit 15).

Performance Analysis

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Exhibit 15: Downloads from the website 2021



- Reports and specifications
- Board of Governance information
- C&AG accounts and expenditure information
- Other

Source: JAO analysis

Environmental impact

The major environmental impact of the JAO is the use of air travel to and from Jersey. The JAO's investment in technology enabled the C&AG, the Deputy C&AG and affiliates to work from home during the COVID-19 pandemic. This has reduced significantly the JAO's carbon footprint and contributes to the United Nations Sustainability Goal 13 on Climate Action.

The pandemic has accelerated learning about different ways of working. However, the C&AG also recognises the importance of face to face interactions and meetings where it is safe for members of the JAO, States Members and employees and Islanders as a whole. Compared with 2020, members of the JAO increased the number of visits to States' offices during 2021 and the C&AG expects this trend to continue into 2022.

Other non-financial information

The JAO seeks to be socially responsible. It supports the Universal Declaration of Human Rights set out by the United Nations, diversity and the fight against corruption and bribery. The C&AG had planned to implement a corporate social responsibility strategy during 2021. This has been deferred to 2022.

Performance Analysis

Section 1: Performance Report

Key risks

The C&AG operates a risk register that captures those risks with the potential to have a significant adverse impact on the operation of the JAO. The risk register is organised around key themes as summarised in Exhibit 16. Each risk theme relates to the four JAO priorities of building a better organisation, supporting effective scrutiny and accountability, high performing audit organisation and making a difference.



Exhibit 16: Key Risks

Key areas and actions in year

Risk theme: COVID-19

Individual risk ratings within theme: **GREEN** and **AMBER**

Overall direction of travel: STABLE

COVID-19 remains a significant threat to the Island. We continue to maintain robust arrangements to ensure that we can deliver our responsibilities safely and minimise the impact of the pandemic. We hold face to face meetings where needed to deliver our responsibilities and always follow government advice. COVID-19 risks remain stable.

Key risks:

- disruption to the JAO leadership and workforce
- disruption to the delivery of the C&AG function
- reduced resilience in auditors appointed by the C&AG; and
- deterioration in governance and accountability of the JAO

Mitigating actions during 2021 included:

- following government advice to protect against the spread of COVID-19
- putting in place arrangements to enable the Deputy C&AG to deputise for the C&AG and to switch work between affiliates
- using technology to enable the JAO to work from home
- ongoing engagement with politicians through continued attendance at the PAC
- continued liaison with auditors appointed by the C&AG and with the Treasurer of the States; and
- appointment of a new Chair and independent members to the Board of Governance.

Performance Analysis

Section 1: Performance Report



Exhibit 16: Key Risks

Key areas and actions in year

Risk theme: Finance

Individual risk ratings within theme: **AMBER**

Overall direction of travel: STABLE \longleftrightarrow

Finance risks remain stable. The budget for the JAO has been agreed via the Government Plan and is regularly monitored.

As noted in previous Annual Reports, the JAO relies on reports prepared by States Treasury and Exchequer because it does not have remote access to financial information relating to its expenditure.

Key risks:

- insufficient resources available to discharge responsibilities
- delays in making payments or processing financial information; and
- inadequate information to manage the JAO budget.

Mitigating actions during 2021 included

- statutory duty for the States to provide sufficient resources and budget agreed via Government Plan
- medium-term contracts in place to provide price stability
- service level agreement with States Treasury and Exchequer for financial processing and to provide budgetary information
- performance against service level agreement monitored; and
- budget monitored using reports prepared by the States Treasury and Exchequer.

Risk theme: Quality

Individual risk ratings within theme: **GREEN** and **AMBER**

Overall direction of travel: IMPROVED \uparrow

Last year we reported the potential for tensions between auditors appointed to audit the States' accounts and officers, arising from pressures to bring forward the date for the completion of the audit. This is no longer a priority for officers and the risk has been removed from the risk register. Other quality risks remain stable.

Key risks:

- the resilience of the JAO; and

Performance Analysis

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Exhibit 16: Key Risks

Key areas and actions in year

- the quality of audit work.

Mitigating actions during 2021 included:

- arrangements to enable the Deputy C&AG to deputise for the C&AG and to switch work between affiliates (see also COVID-19 risks)
- quality framework in place
- applying rigorous quality assurance to all work carried out directly by the JAO; and
- for auditors appointed by the C&AG:
 - considering quality as part of the appointment process
 - maintaining an oversight of audit contracts
 - engaging the ICAEW to review a sample of files; and
 - seeking and evaluating feedback on the performance of auditors.

Risk theme: Economy, efficiency and effectiveness

Individual risk ratings within theme: **GREEN**

Overall direction of travel: IMPROVED ↑

Economy, efficiency and effectiveness risks have improved following the successful procurement exercise for the audit of the financial statements of the Public Employees' Pension Fund and the Jersey Teachers' Superannuation Fund.

Key risk:

- inefficient or ineffective procurement arrangements.

Mitigating actions during 2021 included:

- holding a competitive tendering process for the appointment of auditors for the audit of the accounts of the Public Employees' Pension Fund and the Jersey Teachers' Superannuation Fund
- sharing business cases for significant procurement decisions with the Board of Governance; and
- using the States' corporate procurement solution for travel and accommodation.

Performance Analysis

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Exhibit 16: Key Risks

Key areas and actions in year

Risk theme: Governance Individual risk ratings within theme: **GREEN** and **AMBER**
Overall direction of travel: IMPROVED ↑

Last year we reported that our key governance risk was the potential disruption associated with the end of term of office of the Chairman and an independent member of the Board of Governance. A new Chair and independent member have been appointed and this is no longer a key risk. Other governance risks remain stable. Further work is required in 2022 to ensure that the JAO has effective policies in place in all key areas.

Key risks:

- key policies not in place or are ineffective
- loss of key documentation; and
- unauthorised disclosure of information.

Mitigating actions during 2021 included:

- development of policies based on statutory requirements and States' policies
- monitoring of statutory and regulatory developments to identify changes to policies or new policies required
- use of paper files minimised and retained securely
- use of Cloud storage for Office 365 and long-term contract for daily backups
- IT security policy in place; and
- annual review of security arrangements by IT support provider.

Risk theme: Reputation Individual risk ratings within theme: **GREEN**
Overall direction of travel: STABLE ↔

Our reputational risks remain stable. We continue to focus on ensuring that our work remains relevant and has impact, particularly in light of the COVID-19 pandemic. We are also aware of potential political and other changes within the States of Jersey and continue to reinforce our independence.

Performance Analysis

Section 1: Performance Report



Exhibit 16: Key Risks

Key areas and actions in year

Key risks:

- during a public emergency, the work of the JAO might not be seen as relevant
- audit work lacks impact
- unproductive relationship with officers or the PAC; and
- impact of potential changes within the States of Jersey.

Mitigating actions during 2021 included:

- consulting key officers and the PAC when developing the 2022 to 2025 JAO Strategy and Audit Plan
- ongoing liaison with the States Assembly, PAC, the Chief Executive of the States, the Treasurer of the States, other senior States officers and the Risk and Audit Committee
- sharing best practice in annual reporting through the publication of a Good Practice Guide and holding an Annual Reporting workshop
- seeking feedback from key stakeholders on the performance of the JAO; and
- continuing to reinforce the independence of the C&AG and the JAO.

Climate Related Risks

The C&AG is responsible for

- setting effective environmental targets
- analysing and reviewing climate-related risks and opportunities; and
- developing and implementing mitigation strategies.

The Board of Governance held a discussion on climate related risks and opportunities at its meeting on 9 March 2022.

During 2022, the C&AG will be undertaking further work to:

- identify, assess and manage climate-related risks and opportunities for the JAO over the short-, medium- and long-term

Performance Analysis

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- adopt a strategy in light of those risks and opportunities
- assess the resilience of the JAO's strategy, taking into account different scenarios
- reflect climate-related risks in the JAO's risk management processes
- adopt appropriate metrics to assess climate-related risks and opportunities for the JAO and associated targets; and
- disclose greenhouse gas emissions and related risks.

Corporate Social Responsibility

The JAO Corporate Social Responsibility Strategy considers how the JAO can contribute to better community, environmental and economic wellbeing outcomes for the Island. It is not the role of the JAO to contribute to all of the outcome statements, outcome indicators and outcome measures within the States of Jersey Performance Framework. A principle of the JAO Corporate Social Responsibility Strategy however is that the JAO should contribute to each of the three overarching wellbeing themes identified in the Jersey Performance Framework:

- 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.

An analysis has been undertaken of the Jersey Performance Framework in developing this Strategy to identify the outcomes that it is relevant for the JAO to contribute towards. Specific activities are planned in 2022 to contribute to the identified outcomes. These will be assessed in the 2022 Annual Report.

JAO Strategy 2022 to 2025



On 7 January 2022, the C&AG published the Jersey Audit Office Strategy 2022-25. The JAO's ambitions, planned actions and key performance indicators (KPIs) are set out in Exhibit 17.

Performance Analysis

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Exhibit 17: JAO ambitions, planned actions and KPIs 2022 to 2025



| Ambition | Planned actions | KPIs |
|---|---|--|
|  High performing audit organisation | <ul style="list-style-type: none"> • Implement an audit quality framework • Improve our project management • 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 delivered to a high quality and to agreed timescales • Number of high quality reports delivered • Reports published to schedule • Action plans in place to address stakeholder feedback • Benchmarking against other audit offices |
|  Supporting effective scrutiny and accountability | <ul style="list-style-type: none"> • Work closely with the PAC to improve effectiveness • Hold stakeholder events to share best practice and experiences • Hold outreach event to engage Islanders in the work of the JAO | <ul style="list-style-type: none"> • Number of PAC meetings supported by our work • % of stakeholders rating our stakeholder events as good or excellent • % of stakeholders perceiving us to deliver against our objectives |

Performance Analysis

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Exhibit 17: JAO ambitions, planned actions and KPIs 2022 to 2025

| Ambition | Planned actions | KPIs |
|---|--|--|
|  Making a difference | <ul style="list-style-type: none"> Continued investment in communication mechanisms Share best practice more proactively Implement a Corporate Social Responsibility Strategy | <ul style="list-style-type: none"> Website visits Social media engagement Report downloads from website % of recommendations fully accepted for implementation % of recommendations subsequently implemented within agreed timescales Implementation of Corporate Social Responsibility Strategy |
|  Building a better organisation | <ul style="list-style-type: none"> Support the Board of Governance to perform its role more effectively Refresh policies and procedures including the service level agreement with the States Embed technology more effectively in the ways we work | <ul style="list-style-type: none"> Performance against budget Refreshed suite of policies and procedures in place Number of projects supported by effective use of Office 365 |

The Performance Report has been signed on 25 April 2022.

Lynn Pamment

Comptroller and Auditor General



Section 2: Accountability Report

The Accountability Report provides key accountability information to the States Assembly. It comprises:

- the **Corporate Governance Report** which describes the JAO's governance structures and how they support the achievement of its objectives. It contains the C&AG's Report, the Statement of Responsibilities of the C&AG and the Governance Statement
- the **Remuneration and Staff Report** which provides information about the remuneration paid to the C&AG, the Deputy C&AG, the Chair of the Board of Governance and independent contractors working for the JAO; and
- the **Accountability Statement and Audit Report** which brings together two further reports that form a key part of the C&AG's and JAO's accountability. These are the Board of Governance report on the C&AG's expenses and the JAO's independent auditor's report on the annual accounts.

Corporate Governance Report

Section 2: Accountability Report

Comptroller and Auditor General's Report

I was appointed as C&AG on 1 January 2020 and personally direct the activities of the JAO with the support of the Deputy C&AG.

During 2021, the Board of Governance of the Office of the Comptroller and Auditor General comprised a chair, two independent members and the C&AG (ex officio).

The terms of office for the Chairman and one of the two independent members had been due to complete in September 2020. However, because of the potential impact of COVID-19 on the recruitment process for new Board members, the terms of office were extended by the Comptroller and Auditor General (Board of Governance) (Amendment) (Jersey) Order 2020 for six months to 13 March 2021.

From 1 January 2021 to 13 March 2021, therefore, the Board of Governance was unchanged from 2020 and comprised:

- Peter Price (Chairman)
- Professor Russel Griggs OBE (Independent Member)
- Grace Nesbitt OBE (Independent Member)
- Lynn Pamment (C&AG, ex officio).

A recruitment process was undertaken in accordance with Guidelines for the recruitment of States' appointees produced by the Jersey Appointments Commission under Article 24 of the Employment of States of Jersey Employees (Jersey) Law 2005. This was a competitive process supported by a specialist recruitment search firm. On 3 March 2021, the States Assembly appointed Grace Nesbitt OBE as Chair and Professor Russel Griggs OBE and Robert Tinlin MBE as members of the Board of Governance of the Office of the Comptroller and Auditor General, for a period of four years with effect from 14 March 2021.

From 14 March for the remainder of 2021, therefore, the Board of Governance comprised:

- Grace Nesbitt OBE (Chair)
- Professor Russel Griggs OBE (Independent Member)
- Mr Robert Tinlin MBE (Independent Member)
- Lynn Pamment (C&AG, ex officio).

Corporate Governance Report

Section 2: Accountability Report

All members of the Board of Governance have to complete a declaration of interests. No Board members declared significant company directorships or other interests that might have conflicted with their responsibilities. No member of the Board had any other related-party interests.

At its Board meeting on 30 June 2020 the Board of Governance designated Russel Griggs as the Senior Independent Director.

There were no personal data related incidents during the year reported to the Office of the Information Commissioner.

Statement of Responsibilities of the Comptroller and Auditor General

Under the Comptroller and Auditor General (Jersey) Law 2014, the C&AG is required to prepare annual accounts. The accounts are prepared on an accruals basis.

I confirm that, as far as I am aware, there is no relevant audit information of which the external auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the external auditors are aware of that information.

In preparing these accounts, I have adopted International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board and, in particular, I have:

- observed the relevant accounting and disclosure requirements and applied suitable accounting policies on a consistent basis
- made judgements and estimates on a reasonable basis; and
- prepared the accounts on a going concern basis.

I confirm that this Annual Report and Accounts as a whole is fair, balanced and understandable.

Corporate Governance Report

Section 2: Accountability Report

Governance statement

My responsibilities

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.

How the C&AG discharges her responsibilities

Given the small size of the JAO, the C&AG performs her functions without a formal management team. In her absence she delegates her responsibilities to the Deputy C&AG.

The C&AG's responsibilities include the management of contracts with external audit suppliers. When Lynn Pamment was appointed as C&AG, these included contracts between the C&AG, the Treasurer of the States and PricewaterhouseCoopers LLP (PwC) for the external audits of the Public Employees' Pension Scheme and the Jersey Teachers' Superannuation Fund. Because of Lynn's former role as a partner of PwC, all functions in respect of the management of these contracts were delegated to the Deputy C&AG. This delegation remained in place until 20 May 2021, the date on which PwC gave their final audit opinions on both sets of accounts. PwC have been replaced by Nexia Smith & Williamson.

The C&AG secures an effective system of governance and a sound system of internal control including by:

- preparing, communicating and implementing appropriate policies and procedures, in areas such as complaints and data security
- to the extent appropriate to the circumstances of the JAO, using the corporate financial and other systems of the States of Jersey. For financial systems, a service level agreement is in place. Using such systems means that the JAO does not maintain its own bank account with the attendant risks
- monitoring expenditure against budget
- seeking professional advice from the States where necessary and appropriate, including from the Law Officers' Department and the States' corporate procurement team
- maintaining a contracts register and a gifts and hospitality register; and

Corporate Governance Report

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- reviewing the performance of the appointed auditors.

Risk management

The C&AG with support of her Deputy operates a risk register that captures those risks with the potential to have a significant adverse effect on the operation of the JAO (see Exhibit 16). This risk register sets out the likelihood and impact of risks occurring, mitigating arrangements in place and further mitigations planned. It is organised around key themes and is reviewed at each meeting of the Board of Governance.

Personal data related incidents

There were no protected personal data related incidents reportable to the Office of the Information Commissioner in 2021 for my Office. Neither were there any other personal data related incidents.

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.

The Order provides for the membership of the Board to comprise two or three 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 year terms. However, as a result of the impact of COVID-19 on recruitment processes, the terms of office of the Chairman and one independent member were extended by six months to 13 March 2021. The membership of the Board during 2021 is detailed in Exhibit 18.

Corporate Governance Report

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Exhibit 18: Membership of the Board of Governance during 2021



Peter Price

Chairman
(14 September 2016 to 13
March 2021)

Peter has had an extensive career in law, politics, and wider public service, including 15 years as a member of the European Parliament, where he served as Chair of the Budgetary Control Committee. In September 2020, he became a Board Member of the Food Standards Agency and Chair of its Welsh Advisory Committee.

Previous appointments include as a non-executive Board Member of the Welsh Audit Office and Chair of its HR and Remuneration Committee, a non-executive Director of Welsh Ambulance Services NHS Trust and a Governor of Thames Valley University. He also served for 12 years as an Employment Judge.



Grace Nesbitt OBE

Independent Member
(6 December 2018 to 13 March
2021)
Chair (14 March 2021 to date)

Grace was a senior human resources professional in the Northern Ireland Civil Service. Before she retired she was responsible for Public Service and Civil Service Pensions with 100 staff and a budget of £300 million.

Grace is also an independent member of a public sector audit committee and a director of a social enterprise company which provides training and work opportunities for disadvantaged adults.

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Exhibit 18: Membership of the Board of Governance during 2021



Professor Russel Griggs OBE

Independent Member
(14 September 2016 to date)

Russel is an experienced business professional and has worked in a number of large private businesses as well as in large organisations and projects in the public sector.

He has held a wide range of executive and non-executive roles in private, public and charitable institutions, including the Lending Standards Board, Scottish Mines Restoration Trust, Marie Curie Cancer Trust and the Audit Committee of the Department of Employment and Learning in Northern Ireland. He was previously a Board member of Audit Scotland and Chair of its Remuneration Committee. Russel is currently Chair of South of Scotland Enterprise.



Robert Tinlin MBE

Independent Member
(14 March 2021 to date)

Rob has had a successful career in local government, serving in both Scottish and English councils. He is a Chartered Town Planner but much of his career has been in corporate governance. He held the post of Chief Executive for both South Northamptonshire Council and Southend-on-Sea Borough Council.

Rob is a non-executive director with the Crown Office & Procurator Fiscal Service, on its Executive Board, Business Improvement Committee and Chairing its Audit & Risk Committee. He has served on a range of public organisations including as a board member of NHS Digital and as a member of its remuneration, management and audit & risk committees.

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Exhibit 18: Membership of the Board of Governance during 2021



Lynn Pamment

Comptroller and Auditor
General and ex officio member
of the Board
(1 January 2020 to date)

Prior to her appointment as C&AG, Lynn was a lead partner in PwC UK's Government and Public Sector Assurance practice where she gained over 30 years' experience of working in an assurance and advisory capacity with public and private sector organisations in the UK and beyond. She was also PwC's Cardiff Office Senior Partner responsible for PwC's practice of over 250 professional staff in Wales.

Lynn is a first class honours graduate from Cardiff University. She is a prize winning member of the Institute of Chartered Accountants in England and Wales (ICAEW) and is also a member of the Chartered Institute of Public Finance and Accountancy (CIPFA).

Lynn is a UK member of the International Public Sector Accounting Standards Board and is the Chair of the Financial Reporting Advisory Board to UK HM Treasury.

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 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.

Corporate Governance Report

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How the Board of Governance discharged its responsibilities

The Board met three times in the course of 2021. All members of the Board attended all meetings. During 2021, the Board:

- reviewed the risk register prepared for the JAO
- monitored the financial performance of the JAO, including the expenses incurred by the C&AG
- reviewed the gifts and hospitality register maintained for the JAO
- received and reviewed the report from the external auditors appointed by the Chairman of the PAC on the 2020 accounts; and
- approved an assurance statement on the C&AG's 2020 expenses. For 2021, the Board has prepared an assurance statement for the C&AG's 2021 expenses and this is included within this Accountability Report.

The Board did not report any matter to the Chief Minister and Chairman of the PAC.

The Board has continued to implement its action plan to improve its own effectiveness. The action plan is based on a review commissioned by the Board and carried out by the UK National Audit Office.

The National Audit Office issued its final report in April 2020. In the concluding remarks it noted that 'the Board has made a good job of establishing itself, fulfilling its baseline functions at low cost, and it continues to evolve.' The National Audit Office set out areas where it felt that 'the Board could build on its trajectory of continuous improvement'. These included:

- diversity, roles and succession planning
- strategic ambition and performance indicators
- refining the remit of the Board; and
- evaluation of the Board and individual members.

The Board has a statutory duty, when consulted by the Chair of the PAC, to provide advice on the appointment of the external auditor of the accounts of the Office of the Comptroller and Auditor General. In January 2021, following a competitive procurement process, the Chair of the PAC consulted the Board on a proposal to re-appoint Grant

Corporate Governance Report

Section 2: Accountability Report

Thornton Limited as external auditor of the Office for the years ending 31 December 2021 to 2026. The Board advised that it supported this proposal.

Compliance with the principles set out in the Public Finances Manual

The Public Finances Manual sets out high level principles for the financial management of the States of Jersey. Exhibit 19 describes how the principles for Accountable Officers of Non-Ministerial Departments apply to the C&AG and the work of the JAO.



Exhibit 19: Principles for Accountable Officers of Non-Ministerial Departments

Principle set out in the Public Finances Manual

Accountability lies far beyond what is included in the Law. The Accountable Officers are personally responsible for managing their area of responsibility efficiently and effectively, and for reporting to the States Assembly accurately and transparently. Initiatives and activities should be assessed through the 'Accountable Officer lens' to assess whether they meet the four essential standards of:

- propriety
- regularity
- value for money
- feasibility.

How these principles apply to the C&AG and the JAO

The C&AG supports the principle of accountability and the four essential standards.

Section 2 of the Annual Report (*Accountability Report*) sets out how the C&AG has demonstrated accountability of her Office.

The C&AG applies the four essential standards in discharging her responsibilities. She has also set principles and values for the JAO which are consistent with the standards (see Exhibit 3).

As noted on page 43, the Board of Governance is responsible for keeping under review whether resources provided to the C&AG by the States Assembly have been and are being used properly, efficiently and effectively.

Corporate Governance Report

Section 2: Accountability Report



Exhibit 19: Principles for Accountable Officers of Non-Ministerial Departments

Principle set out in the Public Finances Manual

How these principles apply to the C&AG and the JAO

They should be able to describe how they contribute to strategic outcomes and departmental objectives over time and how they will measure progress made and/or service performance in alignment with the Jersey Standard for Performance Management and Business Planning.

Section 1 of the Annual Report (*Performance Report*) sets out:

- the purpose of the JAO
- a performance analysis including an assessment of performance against priorities and KPIs; and
- priorities and KPIs for 2022.

The functions of an Accountable Officer may be delegated to another person(s), however, personal accountability for those functions cannot be delegated. All delegations must be documented and recorded appropriately.

The C&AG has chosen to discharge her responsibilities through the JAO which she leads. The role of the JAO is set out in more detail in *About the C&AG and the JAO* (see page 8)

The C&AG has formally documented the following delegation of functions to the Deputy C&AG:

all functions in the C&AG's absence; and until 20 May 2021, all functions in respect of the oversight of the contract with PwC for the audit of the Public Employees' Pension Scheme and the Jersey Teachers' Superannuation Fund. This delegation was removed on 20 May 2021, the date on which PwC gave their final opinions for both set of accounts.

Corporate Governance Report

Section 2: Accountability Report



Exhibit 19: Principles for Accountable Officers of Non-Ministerial Departments

Principle set out in the Public Finances Manual

How these principles apply to the C&AG and the JAO

Accountable Officers must ensure that there are procedures in place to ensure proper control and assurance frameworks exist. Internal and external audit findings assess and test internal controls and performance. These audit findings should be used in conjunction with other measures to continually improve internal controls and performance.

The C&AG has put in place appropriate procedures. These are summarised in the C&AG's corporate governance report (pages 37 to 48).

The financial statements for the JAO are audited by Grant Thornton Limited. (See independent auditor's report on pages 52 to 55.) There were no recommendations from the external auditor arising from the audit of the 2021 financial statements.

In addition, Accountable Officers should apply the overarching test of: 'Could this course of action be satisfactorily defended in public?' The Nolan Principles are of particular importance to the proper performance of the role.

The C&AG fully supports and applies the Nolan Principles. These are reflected in the JAO's vision, purpose and values (see Exhibit 3) and the work carried out by the JAO.

Accountable Officers should work together for the common good of the Government of Jersey.

The C&AG is appointed by the States Assembly and is independent of Government.

As reflected in the vision, purpose and values of the JAO (Exhibit 3) auditors should be independent and be seen to be independent of those they audit. They should not undertake any work that might impair their independence or might reasonably be perceived to do so.

Insofar as it is consistent with the C&AG's and JAO's independence, the C&AG adopts a positive and constructive approach. This is reflected in the JAO's principles.

Corporate Governance Report

Section 2: Accountability Report

Quality of data used

Both the Board of Governance and the C&AG rely on financial information drawn from the States of Jersey's financial systems that are subject to review and scrutiny by the Deputy C&AG and an affiliate working for the C&AG. Both the Board of Governance and I are satisfied that such financial information is acceptable for the purposes for which it is used.

Review of effectiveness

I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by my own work, the work of those working for me, the work of the Board of Governance and information received from the States. Based on that review I am satisfied with the arrangements in place for governance, risk and internal control.

Significant internal control weaknesses

I am able to report that there were no significant weaknesses in the JAO's system of internal controls in 2021 that affected the achievement of the JAO's key policies, aims and objectives.

The Corporate Governance Report has been signed on 25 April 2022.



Lynn Pamment

Comptroller and Auditor General

Remuneration and Staff Report

Section 2: Accountability Report

During 2021, the JAO relied on the services of fourteen independent contractors, including the C&AG and the Deputy C&AG. The fees paid are summarised in Exhibit 20.


|  Exhibit 20: Fees paid to independent contractors | | |
|---|-----------------------|-----------------------|
| Independent contractor | Fees paid 2021 | Fees paid 2020 |
| | £ | £ |
| Comptroller and Auditor General | 106,900 | 105,850 |
| Deputy Comptroller and Auditor General | 82,100 | 88,200 |
| Other independent contractors | 240,600 | 221,700 |
| Total | 429,600 | 415,750 |

The remuneration of independent contractors comprises only fees; they do not receive any bonuses, non-cash benefits or pension benefits.

The C&AG is remunerated at a daily rate under the terms of a contract entered into on behalf of the Chief Minister and the Chair of the PAC.

Remuneration for the Deputy C&AG is subject to statutory oversight by the Board of Governance.

The remuneration of the Chair of the Board of Governance is determined by the States Assembly and set out in Exhibit 21.

|  Exhibit 21: Remuneration of the Chair of the Board of Governance | | |
|---|-----------------------|-----------------------|
| Chair | Fees paid 2021 | Fees paid 2020 |
| | £ | £ |
| Peter Price (to 13 March 2021) | 417 | 2,000 |
| Grace Nesbitt OBE (from 14 March 2021) | 1,583 | |
| Total | 2,000 | 2,000 |

Corporate Governance Report

Section 2: Accountability Report

Board of Governance independent members are not remunerated.

The JAO has no employees.

No payments in compensation for loss of office were made in the year.

No payments were made to any office holder who was not in post during the year.

The Remuneration and Staff Report has been signed on 25 April 2022.



Lynn Pamment

Comptroller and Auditor General

Accountability Statement and Audit Report

Section 2: Accountability Report

Report of the Board of Governance of the Office of the Comptroller and Auditor General to the States Assembly on the expenses of the Comptroller and Auditor General

Article 5(7) of the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015 provides that the Board may prepare an assurance report upon the annual expenses of the Comptroller and Auditor General.

Scope of our work

We have through the course of 2021 and in preparing this statement:

- obtained an understanding of the controls and processes in place over the expenses incurred by and on behalf of the Comptroller and Auditor General for travel and subsistence
- received an analysis of the expenses incurred by and on behalf of the Comptroller and Auditor General for travel and subsistence for the year ended 31 December 2021
- assessed the reasonableness of those expenses in light of the role of the Comptroller and Auditor General
- sought explanations for any unusual items; and
- evaluated the reasonableness of such explanations.

Statement

No matters have arisen from our work that we wish to draw to the attention of the States Assembly.

Grace Nesbitt OBE

Chair

For and on behalf of the Board of Governance of the Office of the Comptroller and Auditor General

25 April 2022

Accountability Statement and Audit Report

Section 2: Accountability Report

Independent Auditor's Report to the Comptroller and Auditor General

Opinion

We have audited the financial statements of the Office of the Comptroller and Auditor General (the 'Office of the C&AG') for the year ended 31 December 2021 which comprise the Statement of comprehensive net expenditure, Statement of financial position, Statement of comparison of budget and actual amounts and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Public Sector Accounting Standards (IPSAS).

In our opinion, the financial statements:

- give a true and fair view of the state of the Office of the C&AG's affairs as at 31 December 2021 and of its total comprehensive net expenditure for the year then ended;
- are in accordance with International Public Sector Accounting Standards; and
- are in accordance with the requirements of the Comptroller and Auditor General (Jersey) Law 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Office of the C&AG in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Accountability Statement and Audit Report

Section 2: Accountability Report

Other information

The Comptroller and Auditor General is responsible for the other information. The other information comprises the information included in the 'Annual Report and Accounts', other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Comptroller and Auditor General for the financial statements

As explained more fully in the Corporate Governance Report set out in Section 2 of the Annual Report and Accounts, the Comptroller and Auditor General is responsible for the preparation of the financial statements which give a true and fair view in accordance with the Comptroller and Auditor General (Jersey) Law 2014, and for such internal control as the Comptroller and Auditor General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Comptroller and Auditor General is responsible for assessing the Office of the C&AG's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud

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or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the C&AG's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the C&AG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office of the C&AG to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with

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them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Use of our report

This report is made solely to the Comptroller and Auditor General, in accordance with Article 19 of the Comptroller and Auditor General (Jersey) Law 2014. Our audit work has been undertaken so that we might state to the Comptroller and Auditor General those matters we are required to state to her in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Comptroller and Auditor General for our audit work, for this report, or for the opinions we have formed.



Grant Thornton Limited

Chartered Accountants

St Helier, Jersey

25 April 2022



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Office of the Comptroller and Auditor General:

Annual Accounts for the year ended 31 December 2021

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Statement of comprehensive net expenditure

For the year ended 31 December 2021

| | Notes | 2021 | 2020 |
|---|-------|----------------|----------------|
| Expenses | | £ | £ |
| Employee and similar costs: Chairman of the Board of Governance | | 2,000 | 2,000 |
| Employee and similar costs: Comptroller and Auditor General | | 106,900 | 105,850 |
| Employee and similar costs: other | 4 | 322,700 | 309,900 |
| Other costs: audit of the accounts of the States of Jersey | 5 | 384,800 | 373,200 |
| Other costs: audit of the accounts of the Office of the Comptroller and Auditor General | | 7,000 | 4,350 |
| Other costs: recruitment to Board of Governance | | 0 | 11,500 |
| Other costs: general | 6 | 41,200 | 32,500 |
| Other costs: accommodation-related | 7 | 27,600 | 27,700 |
| Total comprehensive net expenditure | | 892,200 | 867,000 |

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Statement of financial position

| | Notes | 31 December 2021 | 31 December 2020 |
|--|-------|------------------------|------------------------|
| | | £ | £ |
| Assets | | | |
| Current assets | | | |
| Trade receivables from exchange transactions | 8 | 5,500 | 4,000 |
| Receivables from non-exchange transactions: States of Jersey Consolidated Fund | | 523,400 | 455,400 |
| Total assets | | 528,900 | 459,400 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables from exchange transactions | 9 | 528,900 | 459,400 |
| Total current liabilities | | 528,900 | 459,400 |
| Total liabilities | | 528,900 | 459,400 |
| Net assets | | 0 | 0 |

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Statement of comparison of budget and actual amounts

For the year ended 31 December 2021

| | Note | 2021 | 2020 |
|--------------------------------|------|---------|---------|
| Net revenue expenditure | | £ | £ |
| Original budget | 17 | 870,000 | 857,000 |
| Adjustments | 17 | 73,000 | 15,176 |
| Final budget | 17 | 943,000 | 872,176 |
| Actual on comparable basis | | 892,200 | 867,000 |
| Performance difference | | 50,800 | 5,176 |

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Notes to the financial statements

1 General Information

These financial statements were authorised for issue by the Comptroller and Auditor General on 25 April 2022.

The Comptroller and Auditor General is a corporation sole established by the States of Jersey under the Comptroller and Auditor General (Jersey) Law 2014. The financial activities of the Office of the Comptroller and Auditor General are included within the financial statements of the States of Jersey presented to the States Assembly by the Minister for Treasury and Resources (R.39/2022).

The Office of the Comptroller and Auditor General's principal activity is serving as a supreme audit institution for Jersey and is located in Jersey.

The financial statements cover the individual entity as no other entities have been identified for inclusion within the financial statements in accordance with applicable accounting standards.

2 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in pounds sterling which is the functional and reporting currency of the Office of the Comptroller and Auditor General and all values are rounded to the nearest one hundred pounds.

The financial statements are prepared on the basis of historical cost unless otherwise stated. The financial statements are prepared on an accruals basis.

3 Summary of significant accounting policies

a) Reporting financial performance

The expenses of the Office of the Comptroller and Auditor General are directly met by the States of Jersey and no cash or equivalent is advanced to the Office of the Comptroller and Auditor General. Therefore:

- these financial statements include a Statement of Comprehensive Net Expenditure as the Office of the Comptroller and Auditor General receives no income

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- the Statement of Financial Position includes Receivables from non-exchange transactions representing the amounts payable by the States of Jersey's Social Security Funds to meet the liabilities of the proportion of the costs of the audit of the financial statements of the States falling on the Social Security Funds
- the Statement of Financial Position includes Receivables from non-exchange transactions representing the amounts payable by the States of Jersey's Consolidated Fund to meet the liabilities of the Comptroller and Auditor General; and
- no Cash Flow Statement is prepared as there are no cash flows specifically attributable to the Office of the Comptroller and Auditor General.

b) Recognition of expenditure

Expenditure in respect of fees for the audit of the annual financial statements of the States of Jersey and the Office of the Comptroller and Auditor General are recognised in the period to which the financial statements relate. Expenditure is stated net of the amount falling on the Social Security Funds in respect of the audit of the States of Jersey as full responsibility for the portion of the cost of the audit of the Social Security Funds rests with the Social Security Funds and the Comptroller and Auditor General is acting as an agent in respect of this amount.

Expenditure in respect of fees for other work undertaken for the Office of Comptroller and Auditor General is recognised in the period in which the service is provided.

Expenditure is reported net of Goods and Services Tax.

c) Property, plant and equipment

The Office of the Comptroller and Auditor General's policy is to recognise property, plant and equipment in the financial statements at cost less accumulated depreciation where the cost of an individual item or group of items exceeds £10,000. No such items were held at 31 December 2021 (or 31 December 2020).

d) Leases

Operating leases are leases that do not transfer substantially all the risks and benefits of ownership of the leased item to the Office of the Comptroller and Auditor General. Operating lease payments are recognised as an operating expense on a straight-line basis over the lease term.

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e) Provisions

Provisions are recognised when the Office of the Comptroller and Auditor General has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Office of the Comptroller and Auditor General does not recognise contingent liabilities but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The Office of the Comptroller and Auditor General does not recognise contingent assets but discloses in the notes to the financial statements details of any possible assets whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Office of the Comptroller and Auditor General.

f) Related parties

The Office of the Comptroller and Auditor General regards a related party as a person or entity with the ability to exercise significant influence over the Comptroller and Auditor General.

g) Changes in accounting policies and estimates

The Office of the Comptroller and Auditor General recognises the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

There are no changes in accounting policy compared with the financial statements for the year ended 31 December 2020.

The Office of the Comptroller and Auditor General recognises the effects of changes in accounting estimates prospectively by including them in net expenditure.

h) Classification of expenses

The Office of the Comptroller and Auditor General adopts an expenditure classification that is relevant to the circumstances of the Office.

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i) Budget information

The annual budget for the expenditure of the Office of the Comptroller and Auditor General is prepared on the basis of 'near cash' expenditure as defined in the Jersey Financial Reporting Manual (which is based on UK-adopted International Financial Reporting Standards). The budget classification used is that adopted by the States of Jersey.

j) Significant judgements and sources of estimation uncertainty

The preparation of the financial statements of the Office of the Comptroller and Auditor General in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of any contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, the Office of the Comptroller and Auditor General has made judgements which have an effect on the amounts recognised in the financial statements. The most significant judgements relate to:

- the accounting policy for the recognition of expenditure on fees for the audit of the States of Jersey disclosed in Note 3 b) above; and
- the accounting policy for audit fees in respect of the States of Jersey Social Security Funds disclosed in Note 3 b) above.

The Office of the Comptroller and Auditor General has not identified any assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

k) New IPSAS

The Office of the Comptroller and Auditor General has determined that:

- IPSAS 41 Financial Instruments
- IPSAS 42 Social Benefits

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- Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41)
- Collective and Individual Services (Amendments to IPSAS 19); and
- Improvements to IPSAS, 2019

for which first time adoption is required for financial periods beginning on or after 1 January 2023 but early adoption is permitted, will have no impact on the reporting financial position or performance of the Office.

First time adoption of IPSAS 43 Leases is required for financial periods beginning on or after 1 January 2025 but early adoption is permitted. The Office of the Comptroller and Auditor General is yet to determine whether it will adopt IPSAS 43 early. The Office of the Comptroller and Auditor General anticipates that the implementation of IPSAS 43 will increase assets through the recognition of a right of use asset for assets held under operating leases and increase liabilities through the recognition of a lease liability for those assets.

4 Employee and similar costs: other

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Deputy Comptroller and Auditor General | 82,100 | 88,200 |
| Affiliates | 159,100 | 135,500 |
| States employee, finance, communication & administrative support | 81,500 | 86,200 |
| | 322,700 | 309,900 |

5 Other costs: audit of States accounts

This expenditure is stated net of a charge to the States of Jersey's Social Security Funds of £74,000 (2020: £71,800).

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6 Other costs: general

| | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| Board Governance Review | 0 | 10,300 |
| Audit Quality Monitoring | 15,900 | 0 |
| ICT support | 10,900 | 15,500 |
| Computer licences | 100 | 0 |
| Communications | 1,800 | 1,800 |
| Travel and accommodation: Comptroller and Auditor General | 8,500 | 2,800 |
| Travel and accommodation: Deputy Comptroller and Auditor General | 600 | 900 |
| Travel and accommodation: other | 1,000 | 1,000 |
| Conferences and course fees | 2,200 | 0 |
| Administration | 200 | 200 |
| | 41,200 | 32,500 |

7 Other costs: accommodation-related

| | 2021 | 2020 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Premises and maintenance | 27,200 | 27,200 |
| Printing and stationery | 400 | 500 |
| | 27,600 | 27,700 |

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8 Trade receivables from exchange transactions

| | 2021 | 2020 |
|-------------|--------------|--------------|
| | £ | £ |
| Prepayments | 5,500 | 4,000 |
| | 5,500 | 4,000 |

9 Trade payables from exchange transactions

| | 2021 | 2020 |
|----------------|----------------|----------------|
| | £ | £ |
| Trade payables | 25,800 | 3,700 |
| Accruals | 503,100 | 455,700 |
| | 528,900 | 459,400 |

10 Financial instruments - financial risk management

The fair value of receivables from exchange transactions is equal to their carrying value due to the short-term maturities of these instruments.

As the Office of the Comptroller and Auditor General has no assets arising from exchange transactions, the Office of the Comptroller and Auditor General is not exposed to any credit risk.

As the States of Jersey meet the liabilities of the Office of the Comptroller and Auditor General, the Office of the Comptroller and Auditor General is not exposed to any liquidity risk.

As the Office of the Comptroller and Auditor General does not enter into any contracts for supply of goods or services not denominated in sterling, the Office of the Comptroller and Auditor General is not exposed to any currency risk.

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As the Office of the Comptroller and Auditor General does not have any interest-bearing assets or liabilities, the Office of the Comptroller and Auditor General is not exposed to any market risk.

11 Related party disclosures

Terms and conditions of transactions with related parties

Lynn Pamment, who was Comptroller and Auditor General during 2021 and 2020 was engaged on a self-employed basis. Stephen Warren is engaged as Deputy Comptroller and Auditor General on a self-employed basis. Purchases from Lynn Pamment and Stephen Warren were made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured, interest-free and settled in cash. There have been no guarantees provided or received from any related party payable.

Key management personnel

The key management personnel, as defined by IPSAS 20 Related Party Disclosures, comprised Lynn Pamment, as Comptroller and Auditor General, a corporation sole established by Article 2 of the Comptroller and Auditor General (Jersey) Law 2014 and Stephen Warren, Deputy Comptroller and Auditor General, who was empowered under Article 16 of the Comptroller and Auditor General (Jersey) Law 2014 to discharge the functions of Comptroller and Auditor General in Lynn Pamment's absence. Lynn Pamment and Stephen Warren were engaged on a self-employed basis and total expenditure on their engagement is reported in the Statement of Comprehensive Net Expenditure.

States of Jersey

Article 9 of the Comptroller and Auditor General (Jersey) Law 2014 places a duty on the States to ensure that the Comptroller and Auditor General is provided with sufficient resources to perform her functions.

The duty to ensure that sufficient resources are provided is discharged by the States meeting the costs of the Office of the Comptroller and Auditor General.

States of Jersey Social Security Funds

The Social Security Fund, Social Security (Reserve) Fund, Health Insurance Fund and Long-Term Care Fund established by the States of Jersey meet the portion of the cost of the audit of the States' accounts relating to those Funds.

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12 Operating lease payments

The Comptroller and Auditor General entered into a new operating lease agreement for office accommodation and associated equipment on 21 December 2021. Future minimum lease payments under the new agreement amount to £113,100 (2020: £52,800 restated), £26,600 (2020: £29,100 restated) of which is payable within one year, with the remaining £86,500 (2020: £23,600 restated) being payable between 2 to 5 years inclusive.

Lease payments recognised as an expense during the period amounted to £29,100 (2020: £29,200).

13 Contingent liabilities

At the end of the financial year the Office of the Comptroller and Auditor General had no contingent liabilities (31 December 2020: nil).

14 Segment information

For management purposes the Office of the Comptroller and Auditor General is treated as comprising only two business units - one covering the governance of the Office of the Comptroller and Auditor General and one covering all other expenditure.

Expenditure attributable to the governance business unit comprises:

- the remuneration and expenses of the independent members of the Board of Governance established under the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015
- a proportion of the remuneration of the Comptroller and Auditor General reflecting the time spent preparing for and attending meetings of the Board
- a proportion of the remuneration of the Deputy Comptroller and Auditor General reflecting the time spent in his capacity as Secretary of the Board
- the fee for the audit of the accounts of the Office of the Comptroller and Auditor General; and
- other costs directly related to the work of the Board.

The Office of the Comptroller and Auditor General operates in only one geographic location and therefore no segments are monitored geographically.

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Reportable segments 2021

| | General operations | Governance | Total |
|---|--------------------|---------------|----------------|
| Segment expenses | £ | £ | £ |
| Employee and similar costs: Chairman of the Board of Governance | 0 | 2,000 | 2,000 |
| Employee and similar costs: Comptroller and Auditor General | 105,400 | 1,500 | 106,900 |
| Employee and similar costs: other | 316,800 | 5,900 | 322,700 |
| Other costs: audit of the accounts of the States of Jersey | 384,800 | 0 | 384,800 |
| Other costs: audit of the accounts of the Office of the Comptroller and Auditor General | 0 | 7,000 | 7,000 |
| Other costs: recruitment to Board of Governance | 0 | 0 | 0 |
| Other costs: general | 41,200 | 0 | 41,200 |
| Other costs: accommodation-related | 27,600 | 0 | 27,600 |
| Total comprehensive net expenditure | 875,800 | 16,400 | 892,200 |
| Other information | | | |
| Segment assets | 521,900 | 7,000 | 528,900 |
| Segment liabilities | 521,900 | 7,000 | 528,900 |

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Reportable segments 2020

| | General operations | Governance | Total |
|---|--------------------|---------------|----------------|
| Segment expenses | £ | £ | £ |
| Employee and similar costs: Chairman of the Board of Governance | 0 | 2,000 | 2,000 |
| Employee and similar costs: Comptroller and Auditor General | 100,500 | 5,350 | 105,850 |
| Employee and similar costs: other | 301,800 | 8,100 | 309,900 |
| Other costs: audit of the accounts of the States of Jersey | 373,200 | 0 | 373,200 |
| Other costs: audit of the accounts of the Office of the Comptroller and Auditor General | 0 | 4,350 | 4,350 |
| Other costs: recruitment to Board of Governance | 0 | 11,500 | 11,500 |
| Other costs: general | 22,300 | 10,200 | 32,500 |
| Other costs: accommodation-related | 27,600 | 100 | 27,700 |
| Total comprehensive net expenditure | 825,400 | 41,600 | 867,000 |
| Other information | | | |
| Segment assets | 454,750 | 4,350 | 459,100 |
| Segment liabilities | 454,750 | 4,350 | 459,100 |

15 Events after the reporting period

There are no material non-adjusting events after the reporting date.

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16 Reconciliation of performance against budget to Statement of Comprehensive Net Expenditure

There is potential for differences between the financial performance of the Office of the Comptroller and Auditor General reported in the Annex to the States of Jersey 2021 Annual Report and Accounts and that reported in these financial statements as a result of:

- use of a different definition of expenditure
- use of different accounting policies
- use of different estimation procedures
- use of a different unit of rounding; and
- adoption of financial statements on different dates.

Performance against budget for the year ended 31 December 2021 can be reconciled as follows:

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Near cash expenditure for the Office of the Comptroller and Auditor General reported on page 285 of the Annual Report and Accounts of the States of Jersey for the year ended 31 December 2021 (page 218 of the Annual Report and Accounts of the States of Jersey for the year ended 31 December 2020) | 883,000 | 872,000 |
| Plus / (minus): Other adjustments | 8,600 | (5,100) |
| Plus / (minus): Adjustment for different unit of rounding | 600 | 100 |
| Total comprehensive net expenditure | 892,200 | 867,000 |

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17 Differences between original budget, final budget and actual

'Original budget 2021' represents the sum for the year ended 31 December 2021 included in the Government Plan 2021- 2024 as Amended, approved by the States Assembly on 14 December 2020.

'Revised budget 2021' shows an in-year budget adjustment for the year ended 31 December 2021 approved by Ministerial Decision on 8 January 2021.

'Final budget 2021' shows the final budget reported in the financial statements of the States of Jersey presented to the States Assembly by the Minister for Treasury and Resources (R.39/2022) and reflecting Ministerial Decision MD-TR-2021-0002 made by the Minister for Treasury and Resources on 8 January 2021.

The budget is prepared on an accruals basis using the States of Jersey budget classification.

Budget and actuals cover the activities of the Office of the Comptroller and Auditor General.

The principal reason for the variance of actual performance against revised budget relates to adjustments to prepayments and accruals arising from timing differences between date of preparation of Office of the Comptroller and Auditor General Annual Report and Accounts in March 2022 and the closure of the Government of Jersey financial accounting ledgers in December 2021.



JERSEY AUDIT OFFICE

LYNN PAMMENT

Comptroller and Auditor General

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