

States Employment Board – Follow Up

08 September 2022

Contents

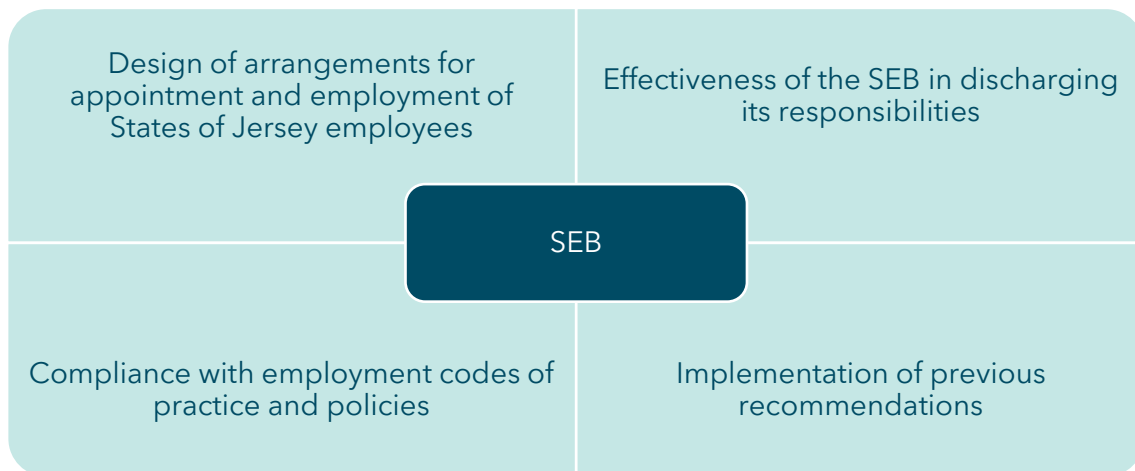
Summary	3
Introduction	3
Key Findings	4
Conclusions	6
Objectives and scope of the review	7
Detailed findings	9
Design of arrangements for appointment and employment of States of Jersey employees	9
Effectiveness of the SEB in discharging its responsibilities	18
Compliance with Employment Codes of Practice and supporting policies	33
Arrangements for monitoring implementation of previous recommendations on Human Resources management	36
Employment of the Chief Executive	41
Appendix One - Audit Approach	47
Appendix Two - Summary of Recommendations	50

Summary

Introduction

1. In 2019 the Comptroller and Auditor General (C&AG) undertook a review of the role and operation of the States Employment Board (SEB). The Employment of States of Jersey Employees (Jersey) Law 2005 established the SEB as the statutory employer of all States employees. The SEB has a pivotal strategic role, not least because staff costs make up over 30% of States expenditure. Effective oversight of human resources (HR) is a critical component of the operation of the States.
2. The 2019 C&AG review evaluated performance in four areas as shown in Exhibit 1.

Exhibit 1: Structure of the 2019 report



Source: *The Role and Operation of the States Employment Board, C&AG Report 2019*

3. The C&AG concluded that the arrangements for the SEB were not fit for purpose. She found three main areas of weakness:
 - the framework for the oversight of HR management relating to:
 - the establishment and functions of the SEB
 - the establishment and functions of the Jersey Appointments Commission (JAC); and
 - ambiguities and gaps in the arrangements
 - the arrangements to enable the SEB to discharge its functions, in particular:
 - the SEB had not adopted an overarching People Strategy

- the SEB had focussed its work on some operational aspects of its responsibilities to the exclusion of some key strategic areas
 - the SEB had not focussed sufficiently on securing improvements in key areas; and
 - the SEB was insufficiently transparent about its work; and
 - an insufficient focus by the SEB on monitoring of implementation, evidenced by:
 - the absence of mechanisms to monitor compliance with employment codes of practice and supporting HR policies; and
 - the absence of an active role in monitoring the implementation of C&AG recommendations, as well as those from other external sources, relevant to HR.
4. The Government accepted all 20 recommendations made and developed an action plan in response.
5. In addition to the 2019 C&AG review, both my predecessor and I have made several other recommendations in respect of both SEB and HR oversight and management, in the following reviews:
- *Utilisation of Compromise Agreements – Follow Up* (May 2016)
 - *Use of Consultants* (October 2016)
 - *Financial Management and Internal Control* (September 2019); and
 - *States Employment Board – follow up: Employment of the former Chief Executive* (May 2021).
6. This review follows up on the status of the action taken to implement the recommendations made in the 2019 C&AG Report as well as other relevant recommendations made in the C&AG reports referred to above.

Key Findings

7. The key findings from my review are as follows:
- considerable progress has been made during 2021 and 2022 in implementing many of the recommendations made in the 2019 C&AG Report. In addition, most of the recommendations made in the other relevant C&AG reviews listed in paragraph 5 have been implemented

- however, the most significant recommendation in the 2019 C&AG Report relating to the need to fundamentally review the framework for the oversight of human resources of the States, involving both the SEB and the JAC, has not been implemented. The new Council of Ministers (CoM) and the new SEB should prioritise this review as recommended both by the C&AG and the Democratic Accountability and Governance Sub-Committee of the Privileges and Procedures Committee in its report in February 2022
- legislation to ensure the independence of the JAC in line with the C&AG recommendation is still in draft form. The new SEB should prioritise its review of this draft legislation and bring forward a proposition to the States
- a People Strategy was published in November 2021 and sets out the high-level objectives and a clear strategy for developing the public service. It is accompanied by a detailed action plan for 2022. The 'Be Heard' staff survey planned for 2023 should help to test the impact of the changes
- significant work has been put into organisational development, as well as into developing the Government of Jersey workforce through initiatives including the Team Jersey, World Class Manager, Capable Manager Espresso programme, Apprenticeship and Intern schemes
- effective workforce planning is still in its infancy and workforce plans are being developed. Currently separate records are held in Treasury and Exchequer (T&E) and People and Corporate Services (P&CS) on the funded establishment. The Integrated Technology Solution (ITS) currently being implemented should provide an opportunity to streamline records and ensure appropriate reconciliations are in place between key systems
- good progress has been made over the last year in respect of health and safety with regular reports presented to the SEB together with a risk register. However, there is more to be done. Compliance with health and safety requirements and the resources applied to the function are inconsistent across departments. One Ministerial department does not have any qualified resource to deliver the action necessary
- work has been on-going to update all the Employee Codes of Practice during 2022, along with a full suite of accompanying HR policies. A new People Policy Framework has also been developed
- a new HR dashboard is in place and is reported to the SEB. There are however significant concerns over the accuracy of data which is still being cleansed. Information on diversity and on compliance with HR policies is not yet included on the dashboard

- despite efforts to promote the performance management system 'My Conversation, My Goals', compliance is very inconsistent and poor in some departments; and
- the draft minutes for the SEB meetings have not always been presented to the SEB on time and there have been delays by the SEB in agreeing the content of the minutes for accuracy. At some SEB meetings, several sets of minutes, relating sometimes to as many as five previous meetings, were agreed. There is no decisions log nor an action log relating to decisions from each SEB meeting.

Conclusions

8. The publication of a People Strategy in November 2021 was an important milestone in setting out the high-level objectives and a clear strategy for developing the public service. The People Strategy now needs to be delivered in a systematic and prioritised manner ensuring that regular checks are made on its impact.
9. There is still work to be done to review and address the weaknesses in oversight of the management of the workforce, reported by the C&AG in 2019 and the Democratic Accountability and Governance Sub-Committee in 2022. Weaknesses remain relating to the establishment and functions of the SEB and the JAC. In addition, there are ambiguities and gaps in the current arrangements.

Objectives and scope of the review

10. The review has evaluated:
 - the arrangements established to manage, monitor and report on implementation of agreed recommendations
 - the progress made in implementing agreed recommendations
 - the extent to which the changes made have been evaluated to ensure they address the improvement areas identified in the 2019 Report; and
 - the adequacy of plans for the implementation of any outstanding recommendations.

11. The review has considered:
 - the key functions, powers and duties, membership, scope and reporting lines of the SEB and the JAC
 - the effectiveness of the SEB in discharging its functions in respect of:
 - overall approach
 - work management
 - economy, efficiency, probity and effectiveness
 - employment codes of practice and supporting policies
 - health, safety and wellbeing
 - senior staff remuneration; and
 - transparency; and
 - the effectiveness of arrangements for securing compliance with employment codes of practice and supporting policies.

12. This follow up review also assessed the progress made in implementing recommendations relating to HR oversight and management and to the SEB, from the following previous C&AG reports:
 - *Utilisation of Compromise Agreements - Follow Up* (May 2016)
 - *Use of Consultants* (October 2016)

- *Financial Management and Internal Control* (September 2019); and
- *States Employment Board - follow up: Employment of the former Chief Executive* (May 2021).

Detailed findings

Design of arrangements for appointment and employment of States of Jersey employees

13. In 2019 the C&AG found that there were several statutory provisions that may detract from the effectiveness of the SEB. The C&AG also noted concerns that, in many areas, the functions, powers and duties of the SEB do not promote good management of States employees. In respect of the JAC, the C&AG found that the statutory framework compromises the independence of the JAC. She also identified areas where the powers and duties of the JAC could be developed. Finally, the C&AG highlighted a number of gaps and ambiguities in respect of arrangements, including regarding the oversight of interim staff, oversight of the employment practices of States owned companies and arm's length organisations and independent oversight of termination of employment.
14. The C&AG made two significant recommendations in respect of the design of arrangements for the appointment and employment of States of Jersey employees. There has however been limited progress made in implementing these recommendations, as shown in Exhibit 2.

Exhibit 2: Summary of progress in design of arrangements

Recommendation	Current Position	Evaluation
<p>R1 In light of the findings of my review, fundamentally review the framework for the oversight of human resources of the States, including, in respect of both SEB and the JAC:</p> <ul style="list-style-type: none"> • scope • functions • membership; and • operation. 	<p>CoM commissioned a review of legislation, planned to be completed by 2020. Whilst the first phase of this review has been completed, the recommended legislative changes have not been proposed to the States Assembly. The remaining phase of the review is yet to be completed.</p> <p>Factors including the COVID-19 pandemic have contributed to a delay in the completion of this work.</p>	<p>Not implemented</p> <p>The draft legislation that was prepared for the previous SEB has not been proposed to the States Assembly. In addition, the remaining phase of the review has not been completed. Fundamental weaknesses identified in previous C&AG reports remain.</p>

Recommendation	Current Position	Evaluation
<p>R2 Pending any legislative changes, adopt working practices for SEB and the JAC that, in so far as possible, address the weaknesses in the framework identified in my report.</p>	<p>Working practices for the SEB and the JAC have been developed since 2019. They have not however developed to address the specific weaknesses noted in the 2019 Report.</p>	<p>Partially implemented</p> <p>The SEB has made progress on the way in which it discharges some of the functions conferred upon it.</p> <p>The JAC has enhanced its influence and has built a strong reputation.</p> <p>There are however further developments in working practices that should be adopted to address weaknesses in the overall framework.</p>

Source: Jersey Audit Office analysis

The legislative framework

15. The Employment of States of Jersey Employees (Jersey) Law 2005 is one of the core pieces of legislation underpinning the public sector but it has never been subject to a full review.
16. The Employment of States of Jersey Employees (Jersey) Law 2005 establishes:
 - the meaning of a States employee
 - the role of the Chief Executive Officer and makes limited provision for the Chief Executive Officer’s functions, including leading Directors General in administration and general management of the public service plus implementation of corporate and strategic policies
 - the SEB as the legal employer, providing for its membership and functions
 - the JAC, providing for its membership and functions including oversight of recruitment and audits of recruitment practice; and
 - parameters relating to political eligibility of SEB employees.
17. In March 2019, CoM commissioned a review of the Employment of States of Jersey Employees (Jersey) Law 2005 which was due to be completed in three phases and concluded in 2020. However in July 2020, the Chief Minister set out the intention to progress legislative reform in two phases:

- Phase One: Amendments to the Employment of States of Jersey Employees (Jersey) Law 2005 to:
 - establish the JAC as an independent public services commission
 - clarify the functions of the JAC as an independent public services commission including oversight of employment
 - clarify oversight of performance management and the disciplinary process relating to office holders including the Chief Executive
 - clarify oversight of compliance with standards in public life; and
 - clarify the functions of the Chief Executive, including in relationship to stewardship of the public sector with delegation down to Directors General; and
 - Phase Two: Amendments to the Employment of States of Jersey Employees (Jersey) Law 2005 to clarify how the SEB, or an equivalent body, should be constituted and what its essential functions should be. This includes consideration of:
 - the requirement to focus on and monitor impact of an overarching people strategy, as opposed to operational matters
 - the requirement to secure improvements in key areas such as staff development and health and safety; and
 - whether to retain the SEB as the employer, or as the body which provides strategic oversight and challenge.
18. Work progressed on Phase One to the point of draft legislation. This draft legislation was not however proposed to the States Assembly prior to the election. It will therefore be the responsibility of the new SEB to consider how to take this forward.
19. The draft legislation goes some way to addressing the weaknesses set out in the 2019 C&AG Report. Under the draft legislation the JAC, as established under the Employment of States of Jersey Employees (Jersey) Law 2005, will be replaced by a new body corporate which will be known as the Jersey Public Appointments Commission. Under the draft legislation this body is planned have formal status over the wider Jersey public sector including arm's length organisations, but it is not planned to include the judicial bodies of Jersey. In other jurisdictions, a Judicial Appointments Commission performs this role.

20. In February 2022, the Democratic Accountability and Governance Sub-Committee (DAG) of the Privileges and Procedures Committee (PPC) published a report (R.23/2022) that included comments in respect of the SEB. The DAG report included the following key findings in respect of the SEB:

'16. Many Members of the States consider that the role of the States Employment Board is unclear.

17. The governance arrangements for the States Employment Board are lacking, despite recent recommendations from the Comptroller and Auditor General to address various deficiencies.

18. Record keeping within the Executive sometimes lacks rigour, causing a lack of transparency and accountability.'

21. The DAG report contained the following commentary on how the findings it identified should be addressed:

'The budgetary arrangements for the SEB need to be addressed. As the Board does not currently have its own budget, any issues are picked up by Ministerial government in terms of liabilities and risk.

The legislative arrangements around the SEB need to be more refined. The recommendations made by the C&AG need to be implemented as a matter of priority.

The SEB should set their policy and their strategy at the beginning of their term. The Head of the Public Service and officers should then demonstrate how they are complying with and meeting the requirements set by the Board.

Joint working between the SEB and the Unions requires some attention, particularly as there appears to be issues with the level of engagement between the two parties. Consideration should be given as to whether a consultative committee should be established which would constitute members of the SEB and representatives from each Union.

In considering the role of the SEB, the Government should consider how it would best fit into the creation of a new Cabinet Office in order to oversee the enabling/supporting functions such as Communications, HR and IT, which are functions currently in the Chief Operating Office and Office of the Chief Executive.

Consideration should be given as to whether the SEB should be established as a committee of the States of Jersey and whether it should include a mixture of executive and non-executive members as is the case presently. In this new scenario, the Head of the Public Service would be answerable and accountable to

the Committee and it would not be appropriate to appoint the Chief Minister (or any executive member) as the chair.

The Chief Executive has a number of different roles including the CEO/Head of the public service, advisor to the Council of Ministers and executive support to the SEB (although the Group Director of People and Corporate Services has since taken an active part in providing the executive support function to SEB). Consideration should be given to the role of the Chief Executive and whether there are too many powers invested in only one individual. If a Cabinet Office is established, the Head of the Cabinet Office could be responsible for providing advice to the Council of Ministers, and the Chief Executive to account to them for delivery of policy initiatives.

The appointment of the CEO should go through SEB and the Jersey Appointments Commission should play a regulatory role only.

The SEB should implement more formal rules around record keeping within the civil service.'

22. The SEB in its Annual Report for 2021 noted that recommendations one and two of the 2019 C&AG Report had not been implemented and would require action by the new SEB and the States Assembly. The SEB did not however respond formally to the DAG 2022 report.
23. In the absence of any new legislation, some progress has been made in how the SEB and the JAC function and interact in practice. However, the respective roles and responsibilities of the SEB, the Principal Accountable Officer and CoM remain blurred.
24. The SEB must be assured that officers providing advice are able to do so independently. Currently, Law Officers and the Treasurer have protection, but the principal adviser, the Group Director for People and Corporate Services, does not. Those providing advice to the SEB, in the interest of the SEB, should have a duty to the SEB primarily.

SEB functions

25. Until the whole of the review commissioned by CoM is completed and changes implemented, SEB remains the employer of States employees in Jersey and the functions of the SEB remain the same as they were at the time of the 2019 C&AG Report. These functions are summarised as:
 - ensuring that the public service conducts itself with economy, efficiency, probity and effectiveness
 - being accountable for the health, safety and wellbeing of States employees

- issuing Codes of Practice (strategic policy documents) with which Accountable Officers (including those for Ministerial and Non-Ministerial Departments) have a duty to comply
- approving the engagement of senior employees, interims and contractors under the requirements of P.59/2011
- oversight of the JAC including recommending appointments to the Commission; and
- preparing an Annual Report to the States Assembly.

SEB membership

26. The constituted membership of the SEB has not changed since the 2019 C&AG Report. By statute the SEB comprises only members of the States Assembly. The election cycle means that there is a risk that many of the five members will cease to serve on the SEB at the same time, threatening important elements of knowledge and continuity in the activities of the SEB. This risk materialised in 2018 when, following the election, the entire membership of the SEB changed. The same issue has arisen in 2022 following the election.
27. Making provision for independent lay members with relevant skills and experience to serve on executive boards is not unusual. Doing so in the context of the SEB might strengthen its capacity and also reduce the impact of substantial changes in membership at the same time.
28. The SEB is able to appoint up to two independent advisors but has only appointed one advisor who has been in post since 2015. A new role profile has now been developed, clearly setting out the qualities and experience needed to fulfil the role. The new SEB will need to consider its requirements for independent advisors and commence the process of recruitment.

SEB operations and practices

29. The SEB agendas and papers are now clearly divided into a strategic part and an operational part, to enable members to focus on the strategic elements. Annual Reports are produced and laid before the States Assembly.
30. Progress has also been made in the reporting of health and safety matters. The SEB now receives quarterly reports on the situation across the Government of Jersey. An operational health and safety dashboard is also reported as part of the report to SEB covering all the main Government of Jersey health and safety risks and monthly accident reporting. However, more needs to be done in respect of health and safety training and compliance as well as on reporting in respect of the Non-Ministerial departments. There also remains a conflict in terms of

accountability. Ultimately the responsibility for progressing compliance and best practice in the area of health and safety lies with the Chief Executive and Accountable Officers, but accountability lies with the SEB.

31. The function of the SEB that is perhaps the most difficult to evidence any progress on is ensuring that the public service conducts itself with economy, efficiency, probity and effectiveness. The SEB minutes and deliberations do not make it clear how this function is specifically discharged. There is no evidence that this function is specifically reviewed, although many of the agenda papers will contribute to that function.
32. The SEB has close links with the JAC and, in particular, the Chair. The JAC Chair attends the SEB periodically to brief members. The SEB continues to make recommendations for appointments to the JAC.
33. As noted by DAG, the SEB still does not have its own budget. Liabilities and risk that the SEB is responsible for are covered by budgets held by one or more Government department.
34. In summary, I remain concerned that, as currently set out, the functions, powers and duties of the SEB hinder its ability to promote good management of States employees. In particular:
 - the SEB is given a task that it is not realistically in a position to perform. Ensuring 'that the public service conducts itself with economy, efficiency, probity and effectiveness' goes substantially beyond HR oversight. In any event, the responsibility substantially overlaps with the statutory duties of the Chief Executive as Principal Accountable Officer to secure economic administration and efficient and effective use of resources. In practice there is no evidence of the SEB identifying how to discharge this function or reporting on how it has done so
 - there is a duty to issue Employment Codes of Practice in specified areas and a discretion in other areas. However, this duty does not require the SEB to issue a comprehensive set of Codes of Practice that reflects evolving best practice
 - the duty on the SEB ends at the point of issuing Employment Codes of Practice. There is no duty to monitor or learn from their implementation
 - the SEB's role in relation to senior staff remuneration focusses on individual appointments rather than on development of overall principles for the remuneration of senior staff and their consistent application
 - there are no specific requirements relating to the content of the SEB Annual Report. It is therefore possible for an Annual Report to be prepared that does

not focus on demonstrating how the SEB has discharged its responsibilities;
and

- the legislation does not address the mechanism for meeting the costs of the SEB nor impose a duty to ensure that adequate resources are available for the SEB to discharge its responsibilities.

JAC functions and operations

35. The JAC has built a strong reputation in terms of its role in recruitment. It has developed excellent good practice guides which have been adopted, voluntarily in some cases. The JAC has also been invited to participate in a number of recruitment panels in situations where the organisation is not required to include the JAC.
36. The legal framework still does not guarantee the independence of the JAC in the discharge of its functions, despite the C&AG 2019 recommendations. In addition, much of its extended work and adoption of its policies have been achieved through influence.
37. The JAC has produced an Annual Report for 2021 which outlines how it has worked with bodies throughout the year. There are many positives noted in the Annual Report with the JAC's guidance and work becoming embedded in processes and arrangements within the States of Jersey. However, there is still progress to be made in a number of areas. The JAC has made several recommendations, including:
 - the recommendation in 2021 for flexibility in the appointment of at least one additional commissioner to support the JAC when workload fluctuates. This remains a recommendation for 2022
 - that the JAC guidelines should be consistently applied across arm's length organisations and States funded bodies
 - that greater review is required of interim roles to ensure that duration is minimised
 - a requirement for panellists to attend appropriate interview selection training following the comments made in the Diversity and Inclusion section of the Annual Report
 - that the JAC should be involved as soon as a new job statement is being formulated; and
 - that more work collectively is needed to focus on how to attract a greater diversity of candidates to roles.

Recommendations

- R1** Publish a timescale for the completion of the review commissioned by CoM in 2019. Finalise all phases of the review and bring forward both an action plan and draft legislation to address the weaknesses in the SEB arrangements identified in the 2019 C&AG Report.
- R2** Having implemented R1 in this report, undertake a formal review to determine whether:
- a specific revenue head of expenditure should be allocated to the SEB
 - a specific revenue head of expenditure should be allocated to the JAC; and
 - statutory protection should be provided to any specific officer, for example the Director of People and Corporate Services.
- R3** Ensure effective arrangements are in place to monitor compliance with mandatory health and safety training requirements including providing regular reports to the SEB on the extent of compliance.
- R4** Publish a formal Executive Response to the six recommendations made by the JAC in its 2021 Annual Report.

Current work planned that should be prioritised

- P1** Determine the requirement for independent advisors to the SEB and commence the process of recruitment.

Effectiveness of the SEB in discharging its responsibilities

38. In 2019, the C&AG considered seven aspects when evaluating the effectiveness of the SEB in discharging its responsibilities, as shown in Exhibit 3.

Exhibit 3: C&AG consideration of effectiveness of the SEB

Overall approach					
Work management	Economy, efficiency, probity and effectiveness	Employment Codes of Practice and supporting Policies	Health, safety and wellbeing	Senior staff remuneration	Transparency

Source: *The Role and Operation of the States Employment Board, C&AG Report 2019*

Overall approach

39. The C&AG made one recommendation in respect of the overall approach. The progress made against this recommendation is shown in Exhibit 4.

Exhibit 4: Summary of progress in effective discharge of SEB responsibilities

Recommendation	Current Position	Evaluation
R3 Develop an overarching People Strategy that includes the States' future workforce requirements; the assumptions, values, beliefs and aspirations which guide SEB as an employer; how SEB plans to discharge its statutory duties; linkages to key strategic HR policies; and the respective roles of SEB, the Principal Accounting Officer and the Council of Ministers.	The People Strategy was published in November 2021 and sets out the high-level objectives and a strategy for developing the public service.	Implemented The Strategy sets out an ambitious timeline for 2022 including workforce planning and consolidating many of the developmental activities.

Source: *Jersey Audit Office analysis*

40. The People Strategy was issued in November 2021 following a presentation to the SEB. The People Strategy sets out the high-level objectives and a clear strategy for developing the public service. It covers a wide range of areas including its purpose, accompanied by strategic priorities and values. The development of the public service is planned to be achieved through investing in skills, opportunities for growth and progression, collective culture and preparing for the future.
41. The People Strategy also sets out commitments, target performance measures and the more detailed plan for 2022. The 2022 Plan is ambitious and is a real step forward in bringing together the key deliverables for the effective management of the public service workforce and to provide the workforce for the future.
42. While good progress is being made on many of the development activities, the timetable for the workforce planning is tight and some departments are falling behind the target dates. Workforce planning with a full understanding of the establishment and gap analysis is crucial for future strategies and priority will need to be given to ensuring that this is delivered.
43. The SEB oversees the People Strategy and receives reports on aspects of the workplan. The detailed plan and progress against targets are however not yet being reported to the SEB.

Work management

44. The C&AG made five recommendations in respect of work management by the SEB. Progress against these recommendations is summarised in Exhibit 5.

Exhibit 5: Summary of progress by the SEB in work management

Recommendation	Current Position	Evaluation
R4 Refocus the balance of SEB’s work to ensure that sufficient attention is given to all its statutory responsibilities.	In the last two years, detailed work has been on-going to re-focus on the SEB responsibilities. The agendas and associated papers are now clearly split into a strategic section or substantive items, an organisational change section and standing items section.	Partially implemented While there have been significant improvements in the way the papers are structured and the associated discussions, the papers are still around 200 pages per meeting and present a challenge for SEB members to read and absorb. There are further opportunities to reduce the size of the agenda pack and to use executive summaries where possible.

Recommendation	Current Position	Evaluation
<p>R5 Ensure that SEB receives and considers a statement of the benefits of each proposed significant organisation change initiative.</p>	<p>New Target Operating Models require clear rationale and business case before work commences, to identify benefits of change initiatives. Departments are also required to complete a start and end consultation report.</p>	<p>Implemented</p> <p>Proposed significant changes are brought to the SEB.</p>
<p>R6 Actively involve SEB in the risk management process, including by review of the HR risks included in the corporate risk register, the adequacy of mitigation of those risks and the categorisation of those risks.</p>	<p>The risk register is generally presented to the SEB on a quarterly basis, but due to the elections has not been presented yet in 2022.</p>	<p>Partially implemented</p> <p>There are opportunities for the SEB to engage more actively in challenging the escalation of risks and the resources required to deliver mitigating actions.</p>
<p>R7 Consider the development of sub-committees of SEB to allow it to discharge its functions more effectively.</p>	<p>No standing sub-committees of the SEB have been established as they were not deemed necessary.</p> <p>Ad hoc sub-committees are established for matters that require consultation outside of the main SEB meeting, such as for hearings.</p>	<p>Area for future consideration</p> <p>Consideration should be given by the new SEB as to whether the workload currently required from the SEB is desirable and effective. Sub-committees could be one way of spreading the workload either on a permanent or ad hoc basis.</p>
<p>R8 Develop and implement a training programme for SEB members, including induction training.</p>	<p>An induction and training programme has now been developed for the new SEB.</p> <p>This outlines the role of the SEB, responsibilities of members of SEB and how it discharges its functions.</p>	<p>Implemented</p> <p>Development of this training package was delayed but it is now in place.</p>

Source: Jersey Audit Office analysis

45. Significant work has been undertaken with the SEB to give greater attention to the discharge of its strategic functions. The agenda is clearly set out in different sections to enhance that clarity for members.

46. New Target Operating Models require clear rationale and a business case before work commences, to identify benefits of change initiatives. Departments are also required to complete a start and end consultation report.
47. The information presented and made available to the SEB has improved over the last two years. A corporate workforce risk register has been developed and is part of the 'business-as-usual' papers for the SEB to review. A Health and Safety report is presented quarterly as part of the regular updates to the SEB and a People dashboard is also presented monthly. The data collection and accuracy of the data are still on-going issues and are part of the project plan for ITS. Priority needs to be given to cleansing the data and compliance with any feeder systems.
48. Key risks are included on the register and each has a detailed and comprehensive narrative. In some areas it is clear that the resources required for the recorded mitigating actions are not in place. It can therefore be difficult to assess how effective the proposed mitigating action is in some instances.
49. The workforce risk register is reviewed by both the Executive Leadership Team (ELT) and the SEB. However, there are no corresponding departmental risk registers on workforce issues and the process for escalation to the corporate workforce risk register is not clear. As a result, it is hard to see how the risks flow both from departments and back to departments and where responsibility and actions are held.
50. Training and access to expertise and advice remain critical areas for the SEB in terms of ensuring that politicians are able to participate fully in the SEB discussions, are well briefed and have a full understanding of the consequences of decisions. Training has been limited since the previous C&AG Report but a package is now prepared for the new SEB which should be undertaken swiftly.
51. Members of the SEB rely on officers for briefing and expertise and the SEB has the ability to have up to two independent advisors. The SEB is also supported by the Law Officers' Department for legal issues and the Treasurer for financial matters.
52. Under the current arrangements, the Chief Executive does not have a full oversight of the SEB agendas and papers that are relevant to the Government of Jersey. Officer support to the SEB is led by the Director of P&CS. The agendas and papers relevant to the Government of Jersey are not discussed at ELT prior to the SEB meeting or indeed afterwards. This could lead to items relevant to the Government of Jersey going to the SEB that have not necessarily been agreed by ELT and, at worst, could conflict with any strategic decisions made by the senior team as a whole.

Economy, efficiency, probity and effectiveness

53. The C&AG made one recommendation in 2019 in respect of economy, efficiency, probity and effectiveness. Summary of progress made in implementing this recommendation is shown in Exhibit 6.

Exhibit 6: Summary of progress in efficiency, probity and effectiveness

Recommendation	Current Position	Evaluation
R9 Introduce a structured approach to oversight by SEB of the adoption and implementation of establishment controls and staff training and development.	<p>There is currently a Workforce Expenditure Approval Request (WEAR) process in place which requires sign off from a Finance Business Partner, Accountable Officer and by a Resourcing Panel.</p> <p>The SEB reviews all P.59/2011 requests for roles of £100,000 and above as part of its monthly meetings. In addition, a summary P.59/2011 report is developed on a half yearly basis which is presented to the SEB.</p> <p>In addition, a People Dashboard is presented to SEB on a quarterly basis to provide regular updates on key people metrics such as the number of employees and absence data. The Treasurer of the States now attends SEB for any financial items such as discussions on pay negotiations and compromise agreements.</p> <p>Work is on-going on workforce planning as part of the People Strategy and it is expected that by the end of 2022 work to develop a fully funded establishment will be completed.</p>	<p>Partially implemented</p> <p>The SEB will not be able to provide an effective oversight role until the departmental and corporate workforce plans and establishment 'gap analysis' are complete.</p>

Source: Jersey Audit Office analysis

54. The SEB now has a better understanding and system in place to monitor workforce controls using the Workforce Expenditure Approval Request (WEAR) process. This process requires sign off from a Finance Business Partner, Accountable Officer and a Resourcing Panel. However, T&E has one system to measure the establishment and P&CS has a separate system and these are not currently reconciled. The ITS programme may address this when it is implemented.
55. The action plan supporting the People Strategy has an ambitious target for departments to complete workforce plans by the end of 2022. ELT and the SEB do not currently have the data on which to develop an overall workforce plan and this ambitious target needs to be prioritised within departments.
56. By the end of 2022 it is also anticipated that a full 'gap analysis' will have been completed for each department showing the current establishment, future

establishment requirements and the gap. This will need to take into account the changes needed for the workforce, in terms of different types of jobs, digitalisation and other requirements, to ensure sustainability of the future workforce.

- 57. Until workforce plans and the 'gap analysis' are complete, while there is control over replacement and new senior posts through the SEB, the data remains incomplete and is not accurate enough to support key decisions.
- 58. In 2016, the C&AG reported on the *Utilisation of Compromise Agreements: Follow Up*. The report made recommendations that included two that related to reporting to the SEB. As shown in Exhibit 7, both of these recommendations have been implemented.

Exhibit 7: Summary of progress in recommendations from 2016 relating to reporting to the SEB

Recommendation	Current Position	Evaluation
R4 Routinely report all compromise agreements to the States Employment Board.	The SEB deals with all compromise agreements for staff at Tier One and Two. The Scheme of Delegation allows the Director of P&CS to agree permission to enter into discussions below those tiers.	Implemented
R7 Ensure that reports to and minutes of the States Employment Board include a clear rationale for exit terms proposed and agreed.	This has now been completed.	Implemented

Source: Jersey Audit Office analysis

Employment Codes of Practice and Supporting Policies

- 59. The C&AG made six recommendations in respect of Employment Codes of Practice and supporting policies. A summary of progress made against these recommendations is contained in Exhibit 8.

Exhibit 8: Progress on Employment Codes of Practice and supporting policies

Recommendation	Current Position	Evaluation
<p>R10 Establish a clear framework for the development, approval, communication, review and revision of Employment Codes of Practice and supporting HR policies and guidance.</p>	<p>A new People Policy Framework has been developed.</p> <p>The timetable for delivery of the People Policy Framework was the beginning of July 2022. However, this has slipped and it is now anticipated that the suite of documents will be ready for ELT in September 2022 and the SEB in October 2022.</p> <p>The Employment Codes of Practice had not been updated since 2008 - 2010 and were out of date. All Codes of Practice have however now been reviewed as part of the new People Policy Framework. The first Code, on Standards in public service, has been issued with a further five planned to follow in the autumn of 2022.</p> <p>A full programme of work to review and update the associated policies that support the Codes of Practice is also in place.</p>	<p>Partially implemented</p> <p>Work to complete the updates to the Employment Codes of Practice and supporting policies should be prioritised as planned.</p>
<p>R11 Prioritise completion of the work to rationalise and map existing Employment Codes of Practice to supporting HR policies and guidance, ensuring that ambiguities are addressed.</p>	<p>In order to assist in delivering compliance with the Codes of Practice information and material is being developed within the People Policy Framework. This includes policies, procedures, guidance, toolkits and training.</p>	<p>Partially implemented</p> <p>Work to complete the implementation of the new Employment Codes of Practice and supporting policies and procedures should be prioritised as planned.</p>
<p>R12 Establish arrangements for effective corporate oversight of the need for and the content of supplementary departmental HR policies and guidance.</p>	<p>All employee policies and guidance content are the responsibility of the Director of P&CS through the SEB Scheme of Delegation. There is a clear programme of work being undertaken by P&CS to review the content of all people policy documents and accompanying guidance and toolkits for departments.</p>	<p>Partially implemented</p> <p>Work to deliver the People Policy Framework should be completed.</p>

Recommendation	Current Position	Evaluation
R13 Ensure that a clear role description for the 'People Hub' is in place.	There is a protocol in place for the People Hub, but it has not been updated for three years and is now out of date. The protocol does not reflect current practice.	Not implemented The protocol for the People Hub should be updated.
R14 Monitor action to improve the effectiveness of the operation of the 'People Hub' taking into account the findings of this review.	Dashboards are in place to monitor the effectiveness of the operation of the People Hub. The performance of the People Hub against the indicators identified shows that all but one target is being met. Steps are in place to measure and improve the area not being met and quality controls are in place to seek to ensure no customer impact.	Partially implemented The performance of the People Hub is being monitored, primarily focussed on customer feedback. However, monitoring does not reflect the full range of industry standard metrics. Action is required to ensure all targets are met.
R15 Ensure that the Whistleblowing Policy fully reflects and references supplementary departmental policies.	A new Whistleblowing Policy is being drafted and is currently at an advanced stage of consultation. Work to ensure that any departmental policies are referenced is being addressed as part of this consultation.	Partially implemented The new Whistleblowing Policy needs to be finalised and implemented.

Source: Jersey Audit Office analysis

60. The Employment Codes of Practice are issued by the SEB and apply to all employees of the States of Jersey who are employed under the provisions of the Employment of States of Jersey Employees (Jersey) Law 2005 and Regulations made under it and to officers of the States of Jersey Police Force, who are engaged under the provisions of the States of Jersey Police Force Law 2012. Accountable Officers are responsible for ensuring compliance with the Codes in their departments.
61. There are six main Employment Codes of Practice:
- Standards in public service
 - Employee rights at work
 - Engagement
 - Performance and accountability

- Reward and benefits; and
 - Talent management.
62. Work has been on-going to update all the Codes of Practice during 2022, along with a full suite of accompanying HR policies. A new People Policy Framework has been developed and is now in place. In order to assist in delivering compliance with the Codes of Practice, information and material is being developed within the People Policy Framework including policies, procedures, guidance, toolkits and training.
63. All employee policies and guidance content are the responsibility of the Director of P&CS through the SEB Scheme of Delegation. There is an ongoing policy review being undertaken by P&CS to review the content of all People Policy Framework documents.
64. The SEB has recently issued the first in the suite of updated Employment Codes of Practice - Standards in public service. The other Codes are being drafted and are planned to go to the ELT in September 2022 and to the SEB in October 2022.
65. Whilst Accountable Officers are required to produce a policy statement setting out how they and their delegates comply with the directions set in the relevant Code, this has not been possible for many years as the Codes are out of date. When the work to complete the updates to Codes of Practice and policies is complete Accountable Offices should be required to make a clear statement of compliance in their Annual Governance Statements.
66. A revised Whistleblowing Policy is being drafted and is currently at an advanced stage of consultation. I have reviewed the contents of the draft Whistleblowing Policy and have no observations to make on it.

Health, safety and wellbeing

67. In 2019 the C&AG made one recommendation in respect of the health, safety and wellbeing of employees. Progress against this recommendation is summarised in Exhibit 9.

Exhibit 9: Summary of progress with health, safety and wellbeing

Recommendation	Current Position	Evaluation
<p>R16 Fundamentally review corporate arrangements for health, safety and wellbeing in light of the findings of this review and the independent review that reported in October 2018.</p>	<p>A new operating model for health and safety has been put in place with revised governance and operational framework.</p> <p>The SEB has remained concerned about the liabilities arising from health and safety duties across a complex organisation with significant public facing services but has not made any decisions that would improve the situation.</p> <p>A lot of progress has been made to create a health and safety function; however, there are not sufficient resources to take remedial action across the estate as the estate remains fragmented across departments. Sometimes lines of responsibility between departments are unclear.</p>	<p>Partially implemented</p> <p>Significant progress has been made on the recommendation relating to the SEB’s role in terms of discharging its responsibility for health and safety.</p> <p>However, there are huge inconsistencies in the resources and application of policies across Government departments. This is a situation that is difficult to address while departments have responsibility for delivery but the SEB is accountable. More needs to be done to ensure consistent application of resources, policies and procedures.</p> <p>Additionally, work needs to be undertaken to assess the resources required to deliver minimum standards across the estate and to demonstrate what mitigating actions are being put in place in the meantime to minimise exposure to risk.</p>

Source: Jersey Audit Office analysis

68. Health, safety and wellbeing of employees remain key responsibilities for the SEB with the SEB ultimately accountable for any breaches on health and safety. A new operating model for health and safety has been put in place with revised governance and operational framework. A Health and Safety Board was established in 2020 which is Chaired by the Chief Operating Officer and has representation from departments across the Government. Training has been rolled out for all line managers and reporting now takes place on a regular basis. Quarterly updates are presented to the SEB to demonstrate progress and to

highlight the on-going risks. However, further work needs to be done in terms of assessing the risk appetite in this key area to prioritise and progress actions.

69. Whilst there is a small central health and safety team, Accountable Officers are able to decide on the resources they deem appropriate to commit to health and safety within their departments. This results in an inconsistent approach and significant risks exist in departments where limited resources have been applied to the function, for example Justice and Home Affairs and Children, Young People, Education and Skills.
70. Significant work has been done to promote the wellbeing of employees, particularly throughout the COVID-19 pandemic. An occupational health contract is in place but needs some improvements in order for it to function effectively. Sickness absence levels are currently running at over 8 days per employee per annum (4.5% of available working days lost). The management of attendance is inconsistent with current procedures being operated in different ways across departments.
71. Initiatives to motivate and give staff a sense of wellbeing include:
- Team Jersey
 - World Class Manager programme
 - Capable Manager Espresso programme
 - a mentoring programme
 - shadowing opportunities; and
 - the actions taken in response to the 'Be Heard' staff survey.
72. The next 'Be Heard' staff survey in May 2023 will start to gauge the outcome and impact from these initiatives, along with further work through individual performance appraisal and corresponding development programmes.

Senior staff remuneration

73. The C&AG made one recommendation in respect of senior staff remuneration. Progress against this recommendation is summarised in Exhibit 10.

Exhibit 10: Summary of progress on senior staff remuneration

Recommendation	Current Position	Evaluation
R17 Ensure that the information requirement set out in the proforma for senior pay proposals is consistently available to SEB.	The SEB review all 'P.59' requests for roles of £100,000 and above. In addition, a P.59/2011 report is produced on a half yearly basis and is presented to the SEB.	Implemented There are however opportunities to streamline the Scheme of Delegation for the 'P.59' process.

Source: Jersey Audit Office analysis

74. All appointments whether new, replacement or interim, including consultants, with remuneration of over £100,000, are subject to scrutiny by the SEB through what is known as a 'P.59' form. While there is a certain amount of rigour in this process, the volume and the involvement of the SEB in operational decisions takes up a disproportionate amount of time at meetings. I also note that, whilst the rigour associated with the process for approval of P.59 forms has been significantly improved, to date these have always been approved by the SEB.
75. The Chief Executive and the ELT have limited involvement in the P.59 process for the Government of Jersey proposals (other than individual Directors General proposing P.59s for their areas to the SEB for approval). In order to facilitate managing the Chief Executive's accountabilities for delivering the functions of Government as the Principal Accountable Officer (PAO), there should be more effective engagement of the PAO and ELT in the P.59 process for Government of Jersey proposals. This could be achieved by reviewing and amending the Scheme of Delegation.

Transparency

76. In her 2019 Report the C&AG made one recommendation in respect of transparency. Progress against this recommendation is summarised in Exhibit 11.

Exhibit 11: Summary of progress on transparency

Recommendation	Current Position	Evaluation
<p>R18 Enhance the transparency of SEB's activities, including:</p> <ul style="list-style-type: none"> • through an enhanced Annual Report • by placing more information in the public domain about the matters that SEB has considered; and • proactively disclosing the key terms and conditions for senior staff appointments. 	<p>The Annual Report produced by the SEB has improved over the last couple of years and now sets out the main activities of the Board for the year.</p> <p>There are still opportunities to place more information about the work of the SEB in the public domain.</p>	<p>Partially implemented</p> <p>The SEB should consider whether some issues could be placed in open session or summarised in communications for wider audiences.</p>

Source: Jersey Audit Office analysis

77. The Annual Report produced by the SEB has improved over the last couple of years and now sets out the main activities of the Board for the year. This is a welcome step in making the work of the SEB more accessible and transparent. As the process matures, the Annual Report would benefit from a clearer narrative on:
- whether the SEB has delivered the plan it sets itself at the beginning of the year; and
 - 'what needs to be done' going forward and the key issues to be addressed in the following year.
78. The Annual Report narrative should also be reconciled to the targets set out in the Government Plan.
79. Outside of the Annual Report, limited formal feedback from the SEB is given to staff, the States Assembly or to the public during the year.
80. Whilst there has been some improvement in transparency through the Annual Report, in contrast there are never any items in the 'Part A' (public) section of the agenda and all the items of business are included in the closed 'Part B' of the agenda. This leads to a lack of visibility in the papers and the minutes which needs addressing.
81. The agendas and papers for the SEB are not available to the majority of staff in the States. The agendas and papers that are relevant to the Government of Jersey are not discussed at ELT prior to the meeting or indeed afterwards. This could lead to

items going to the SEB that are relevant to the Government of Jersey that have not necessarily been agreed by ELT, and at worst, could conflict with any strategic decisions made by the senior team as a whole.

Recommendations

- R5** Produce a consolidated report on progress against the People Strategy for consideration by the SEB on a regular basis.
- R6** Ensure that establishment data held by Treasury and Exchequer and by People and Corporate Services is reconciled on a regular basis.
- R7** Update the protocol for the operation of the People Hub and monitor performance against the agreed protocol.
- R8** Fully document decisions made and actions agreed by the SEB to mitigate the risks on the corporate workforce register and follow up at subsequent SEB meetings.
- R9** Enhance the reporting of health and safety mitigating actions to SEB to include:
- an assessment of the resources required to deliver minimum standards across the estate; and
 - demonstration of the mitigating actions being put in place in the meantime to minimise exposure to risk.
- R10** Review the Scheme of Delegation in respect of P.59 forms.
- R11** Consider how to make the SEB more transparent and visible to staff, the States Assembly and the public by:
- reviewing the 'Part A' and 'Part B' meeting content to consider whether any more could go into a public agenda
 - considering the flow of documentation both to the SEB and from the SEB and ensure that the senior team is fully sighted of both the agenda and the decisions made
 - publishing a summary for staff, the States Assembly and the public on the business and key issues discussed at each SEB; and
 - improving further the content of the SEB Annual Report to include a clear narrative as to whether the SEB has met its plan for the year and what actions are required in the following year.

Current work planned that should be prioritised

- P2** Give priority to ensuring that workforce planning is delivered consistently and accurately across departments by the end of 2022.
- P3** Ensure that, as part of the migration to ITS, the people data is fully cleansed and that data is accurate, is recorded on a timely basis and is monitored, including sickness absence data and return to work data.
- P4** Work to complete the updates to the Employment Codes of Practice and supporting policies as planned. This should include completion and implementation of the revised Whistleblowing Policy.

Areas for consideration

- A1** Review how the SEB agenda papers could be reduced in size to a manageable workload by using executive summaries and tighter reporting, acknowledging that, in certain instances, full documentation may be necessary.
- A2** Consider whether sub-committees, either on a permanent basis or ad-hoc, could assist in spreading the workload of SEB.

Compliance with Employment Codes of Practice and supporting policies

82. In 2019, the C&AG made one recommendation in respect of compliance with Employment Codes of Practice and supporting policies. Progress against this recommendation is summarised in Exhibit 12.

Exhibit 12: Summary of progress in compliance with Employment Codes of Practice and supporting policies

Recommendation	Current Position	Evaluation
<p>R19 Give priority to finalising and implementing arrangements for monitoring compliance with the requirements of Employment Codes of Practice and supporting HR policies and guidance and routinely reporting the results of monitoring, including relevant KPIs, to SEB.</p>	<p>A significant amount of work is in progress to develop new Codes of Practice and the suite of policies that support them.</p> <p>Compliance has not been monitored by the SEB on a routine basis. The dashboard that is reported to the SEB does not contain any performance measures that reflect compliance with the requirements.</p> <p>Accountable Officers are required to ensure compliant application of Codes and policies in their departments.</p>	<p>Not implemented</p> <p>The development of new Codes and policies is progressing.</p> <p>Arrangements for demonstrating compliance with the new Codes and policies should be enhanced.</p>

Source: Jersey Audit Office analysis

83. In 2016, the C&AG reported on the *Utilisation of Compromise Agreements: Follow Up*. The report made recommendations that included one that related to Codes of Conduct within the States of Jersey. Exhibit 13 summarises progress made against this recommendation.

Exhibit 13: Summary of progress in recommendations from 2016 relating to Codes of Conduct

Recommendation	Current Position	Evaluation
R2 Take steps to embed the Code of Conduct for Ministers, including through arrangements for formal mediation between officers and Ministers	Supplementary guidance has been developed to complement the Code of Conduct and Practice for Ministers and Assistant Ministers.	Implemented

Source: Jersey Audit Office analysis

84. In 2019, the C&AG reported on *Financial Management and Internal Control*. The report made recommendations that included one that related to compliance with corporate standards in areas other than finance. Exhibit 14 summarises progress made against this recommendation.

Exhibit 14: Summary of progress in recommendation from 2019 relating to compliance with corporate standards

Recommendation	Current Position	Evaluation
R15 Develop and implement an overarching framework for establishing, communicating and monitoring compliance with corporate standards in areas other than finance.	<p>A process has been developed for submitting requests for exemptions and reporting breaches of HR policies. The Annual Governance Statement questionnaire for Accountable Officers includes non-financial policies and standards.</p> <p>However, Accountable Officers are not reporting on non-compliance with appraisal requirements in their Annual Governance Statements.</p>	<p>Partially implemented</p> <p>Accountable Officers should be required to report non-compliance with appraisal system requirements in their Annual Governance Statements.</p>

Source: Jersey Audit Office analysis

Recommendation

- R12** Review the content of the Annual Governance Statements required from Accountable Officers to ensure that compliance with all aspects of Employment Codes of Practice and supporting policies is confirmed. This should include a requirement to report on compliance with the appraisal system.

Arrangements for monitoring implementation of previous recommendations on HR management

85. In 2019, the C&AG made one recommendation in respect of arrangements for monitoring implementation of previous recommendations on HR management. Progress against this recommendation is summarised in Exhibit 15.

Exhibit 15: Summary of progress in arrangements for monitoring the implementation of previous recommendations on HR management

Recommendation	Current Position	Evaluation
R20 Routinely report external recommendations relating to HR management, agreed actions and progress on their implementation to SEB.	There is a tracker for the Chief Operating Officer's department which monitors progress against all recommendations. The tracker has also been provided to the SEB.	Implemented

Source: Jersey Audit Office analysis

86. In 2016, the C&AG reported on the *Utilisation of Compromise Agreements: Follow Up*. The report made recommendations that included a number that related to HR management within the States of Jersey. Exhibit 16 summarises progress made against these HR management recommendations.

Exhibit 16: Summary of progress in recommendations from 2016 relating to HR management

Recommendation	Current Position	Evaluation
R3 Adopt a clear timetable for the roll-out of revised performance management arrangements across the States.	The roll out of the Performance Management system, 'My Conversation, My Goals' has been completed. Guidance and instructions on how to complete and when are also available.	Implemented

Recommendation	Current Position	Evaluation
<p>R6 Ensure that the documentation standards for cases leading to compromise agreements include communications with employees or their representative, legal advice, checking of calculations and a clear rationale for the proposed terms of an agreement.</p>	<p>There is a compromise agreement policy now in place.</p>	<p>Implemented</p>
<p>R8 Review the scope of matters explicitly covered in the contracts for Corporate Management Board (CMB) members against best practice.</p>	<p>CMB has been replaced by ELT. All ELT and individual contracts are in the process of being reviewed. These are planned to be consulted on in October 2022 and agreement and implementation is expected by the end of 2022.</p>	<p>Not implemented</p>
<p>R9 Introduce a formal input from Ministers into performance management for all CMB members</p>	<p>This recommendation has not been implemented. Work is planned for Quarter Four of 2022 in respect of this recommendation.</p>	<p>Not implemented</p>
<p>R10 Strengthen performance management through: inclusion of corporate targets for all Chief Officers, linked to strategic objectives, the Corporate Plan (when available) and the Public Sector Reform Programme; cascade of corporate targets to other staff as appropriate; and adoption of a standardised approach to evaluation and documentation of performance of Chief Officers</p>	<p>Significant work has been undertaken on the performance management system to embed a culture of measuring performance and in developing staff.</p> <p>A standardised approach to evaluation and documentation of performance of Directors General has not however yet been implemented.</p> <p>There is an opportunity to review and refine the corporate objectives and associated targets and cascade those through the organisation when the new Government Plan is approved in December 2022.</p>	<p>Partially implemented</p>

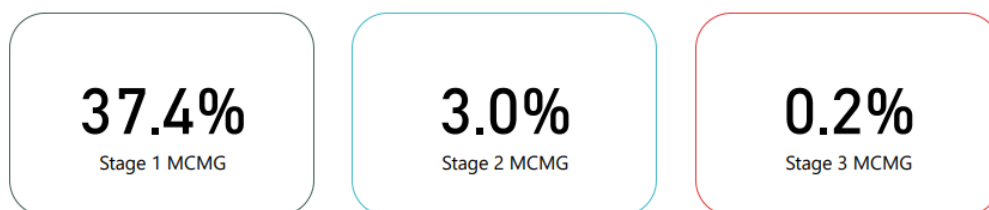
Source: Jersey Audit Office analysis

87. Significant work has been undertaken on the performance management system to embed a culture of measuring performance and in developing staff. All departments have business plans linked to the Government Plan and the targets and objectives are expected to be cascaded down to all staff. How this has worked in practice is however inconsistent. The performance management system and cascading of objectives have been implemented far better in some departments than others.
88. In 2019, the C&AG made a recommendation in respect of staff appraisals in the report *Financial Management and Internal Control*. This recommendation was to monitor the completion of staff appraisals and take prompt corrective action where necessary. Exhibit 17 shows compliance with the 'My Conversation, My Goals' appraisal system requirements at the time of my fieldwork.

Exhibit 17: Compliance with the appraisal system

My Conversations, My Goals

June 2022



My Conversations, My Goals Uptake			
Department	Stage 1 - Setting Goals and Objectives	Stage 2 - Mid Year Review	Stage 3 - End of Year Review
☐ Chief Operating Office	51.4%	4.1%	0.0%
☐ Children, Young People, Edu & Skills	35.9%	2.6%	0.0%
☐ Customer and Local Services	76.0%	8.6%	0.9%
☐ Department for the Economy	86.8%	5.3%	0.0%
☐ External Relations	100.0%	25.0%	16.7%
☐ Health and Community Services	18.3%	1.6%	0.2%
☐ Infrastructure, Housing and Environment	34.8%	2.5%	0.0%
☐ Justice and Home Affairs	69.4%	3.7%	0.2%
☐ Non-executives and Legislature	6.5%	1.1%	0.0%
☐ Office of the Chief Executive	66.2%	5.9%	0.0%
☐ Strategic Policy, Planning and Performance	59.4%	4.0%	1.0%
☐ Treasury and Exchequer	77.5%	6.6%	0.0%
Total	37.4%	3.0%	0.2%

Source: Government of Jersey

89. The figures in Exhibit 17 illustrate that more than half of the workforce has not got formal objectives in place and is not getting proper feedback on performance. The deadline for Stage 2 (mid-year review) was 30 June and Exhibit 17 shows a poor performance. In addition, the system is not yet linked to development or to professional requirements for individual professional groups. Accountable

Officers need to have accountability for delivery of performance management and the SEB needs to regularly review progress.

90. In 2016, the C&AG reported on the *Use of Consultants*. The report made recommendations that included a number that related to HR management within the States of Jersey. Exhibit 18 summarises progress made against these HR management recommendations.

Exhibit 18: Summary of progress in recommendations from 2016 relating to HR management

Recommendation	Current Position	Evaluation
R1 Implement a corporate framework for recording current skills within the States' workforce and those skills identified as needed as the organisation changes.	<p>A Strategic Workforce Planning Toolkit has been developed that provides detailed guidance on how to capture and record current skill/experience levels as well as identifying gaps in the current workforce, both in the immediate as well as longer term timeframes.</p> <p>Awareness and training sessions have been delivered to all Senior Leadership teams across the organisation. Work will continue to be supported through the People and Culture plans developed by all departments with the assistance of Team Jersey.</p> <p>This information is intended to be better stored and utilised through the implementation of ITS Release Two at the end of 2022.</p>	<p>Partially implemented</p> <p>Completion of workforce plans by the end of 2022 is ambitious. Regular updates on progress will be necessary.</p> <p>Work has commenced with professional staff groups to look at future roles and the skills needed.</p>
R2 Use the corporate skills framework to drive training, recruitment and skills transfer.	<p>In addition to the Strategic Workforce Planning Toolkit a focussed piece of work has been undertaken to establish how Government can best attract, develop and grow internal talent with particular focus on areas with known skills gaps. This has led to the creation of an "Apprenticeships First" strategy where all roles up to Civil Service Grade 6 and equivalent should be considered for the Government wide Apprenticeship scheme. This was launched in Spring 2022.</p> <p>Work is ongoing towards the creation of a new "Employee Value Proposition" which is intended to be available in 2022 to attract more individuals to a career in the Government of Jersey.</p>	<p>Partially implemented</p>

Source: Jersey Audit Office analysis

91. The P.59/2019 report (Consultants: Reporting on their use by the Government of Jersey) presented to the States Assembly on 20 December 2021 (covering January to June 2021), showed that the cost of consultants in the six month period was £47 million (an increase of £7 million, 17.5% on the previous six month period). Departments still do not maintain a departmental record of procurement information and it is not clear as to whether consultants were procured through a tender or quotes selection process. The ITS system is planned to collate and verify this type of information and is due to be implemented in 2023.
92. Significant work is on-going to attract, retain and improve the wish to work in both Jersey and in the public service. This should help to reduce the reliance on short term, inevitably more expensive resource. Specific programmes, including Team Jersey, the World Class Manager programme, the Capable Manager Espresso programme, other leadership programmes, apprenticeship and intern schemes, should contribute to a better developed, more motivated workforce. All these schemes are however bedding in and are not yet fully adopted. It is therefore difficult to evaluate results at this stage.
93. A repeat of the 'Be Heard' staff survey planned for 2023 should give a good barometer of the value of these programmes and gauge feedback from both managers and staff.

Recommendations

- R13** Introduce a standardised approach to evaluation and documentation of performance of Directors General, including formal input from Ministers.
- R14** Update the documentation requirements of appraisals to ensure that they encompass relevant professional standards where appropriate.
- R15** Put in place arrangements that ensure compliance with the requirements of the performance appraisal system. Provide regular reports to the SEB on compliance.

Current work planned that should be prioritised

- P5** Review the scope of matters explicitly covered in the contracts for ELT members against best practice.

Employment of the Chief Executive

94. In 2021, I made 11 recommendations in respect of arrangements for the employment of the former Chief Executive. The progress made in respect of these recommendations is shown in Exhibit 19.

Exhibit 19: Summary of progress in arrangements for the employment of the Chief Executive

Recommendation	Current Position	Evaluation
R1 Change the requirements of the Public Finances Manual to require consultation with the Treasurer and the relevant Accountable Officer prior to entering into an employment contract with non-standard clauses that could expose the States of Jersey to liabilities.	A new section on the States Employment Board within the Public Finances Manual has been developed. This section has not yet been published.	Implemented
R2 Develop a suitable disciplinary policy and supporting process specific to the post of Chief Executive.	A formal employment procedure has been developed and was approved in September 2021 by the SEB.	Implemented
R3 Document formally a policy in respect of the line management of the Chief Executive as an employee including any specific delegations of responsibilities from the SEB.	The Scheme of Delegation has been specifically updated to formally document a policy in respect of the line management of the Chief Executive. The management of the Chief Executive is delegated to the Chief Minister.	Implemented

Recommendation	Current Position	Evaluation
<p>R4 Update policies and procedures for dealing with perceived and actual conflicts of interest of senior employees including the Chief Executive.</p>	<p>The new Code of Practice for Standards in public service issued by the SEB in 2022 enhances the provisions within the Public Finances Manual to mandate declaration of any conflicts of interest. This system is now on-line. Additionally, all Accountable Officers need to refer to this in their Annual Governance Statements at the year end and make a further declaration.</p>	<p>Implemented</p>
<p>R5 Ensure that all decisions to enter into compromise agreements are supported by:</p> <ul style="list-style-type: none"> • a clear written rationale as to the decision taken, including alternatives considered and the proposed key terms of the agreement; and • clear calculations supporting any payments to be made, with a secondary check performed on such calculations. 	<p>A Standard Operating Procedure is in place which gives detailed guidance on compromise settlement agreements.</p>	<p>Implemented</p>
<p>R6 Undertake the proposed review of the original appointment process for the former Chief Executive as soon as practicable and implement the findings from the review in the recruitment and appointment process for the new permanent Chief Executive.</p>	<p>A review has been undertaken and has been reported to the SEB.</p>	<p>Implemented</p>

Recommendation	Current Position	Evaluation
<p>R7 Ensure that all SEB minutes are prepared promptly and are approved at the next meeting where possible.</p>	<p>I have observed several matters in respect of the SEB minutes, detailed below.</p>	<p>Partially implemented</p>
<p>R8 To enhance accountability, include in the Government Plan a short description of the scope of revenue income and expenditure budget lines.</p>	<p>This recommendation was not accepted for action by Government.</p>	<p>Not implemented</p>
<p>R9 To promote clarity of accountability for decisions and associated expenditure, undertake a fundamental review of the interaction between key constitutional pieces of legislation, in particular the Public Finances (Jersey) Law 2019 and the Employment of States of Jersey Employees (Jersey) Law 2005.</p>	<p>The Public Finances Manual has been updated recently, but the wider piece of work to fundamentally review the interaction has not commenced.</p>	<p>Not implemented</p>
<p>R10 Ensure that there is clear documentation of the nature and role of all advisors to the Government, including those who are unpaid.</p>	<p>The Executive Response to the report indicated that a wholesale review of all independent advisors would be carried out by September 2021 to ensure the nature and role of all advisors to the Government, including those who are unpaid, are documented.</p> <p>A review has been carried out in respect of the documentation of the role of the independent HR advisor to the SEB. However the wider review outlined in the Executive Response has not been undertaken.</p>	<p>Partially implemented</p>

Recommendation	Current Position	Evaluation
<p>R11 Ensure that the post of Chief Executive (and therefore the roles of Principal Accountable Officer and Head of Paid Service) is assigned clearly in writing during any future handover period between two chief executives.</p>	<p>The SEB agreed in principle that the post of Chief Executive should be assigned clearly in writing during any future handover period between two Chief Executives. This was the case in respect of the handover period between the previous Interim Chief Executive and the current Chief Executive.</p>	<p>Implemented</p>

Source: Jersey Audit Office analysis

95. Good progress has been made against the recommendations in the report on the employment of the former Chief Executive.
96. One of the key recommendations was to review and amend the Public Finances Manual. A new section on the SEB within the Public Finances Manual has been developed. This section has not yet been published.
97. The main changes are:
 - when the Treasurer must be consulted and when he should attend SEB
 - if any potential expenditure is likely to exceed a revenue head of expenditure in the Government Plan or non-standard clauses are being proposed for employment contracts then the Treasurer’s attendance at SEB is required; and
 - a requirement for Accountable Officers to ensure that all documentation relating to the filling, establishment or extension of any post(s) within their department where remuneration is expected to exceed £100,000 is properly completed and submitted to the SEB in line with any deadlines set, in advance of finalising any decision (the ‘P.59’ form process).
98. A formal employment procedure for the Chief Executive position has been developed and was approved in September 2021 by the SEB. This is a comprehensive procedure and includes the ability to arrange sub-committees of the SEB to handle any formal disciplinary process. Additionally, the Scheme of Delegation has been reviewed and specifically updated to formally document a policy in respect of the line management of the Chief Executive. The management of the Chief Executive is delegated to the Chief Minister.
99. Another of my recommendations related to compromise agreements and how those are processed from start to finish. A Standard Operating Procedure is now in place which gives detailed guidance on compromise settlement agreements.

100. A review of the original appointment process for the former Chief Executive was undertaken and a report including detailed findings and lessons for the future was presented to the SEB in September 2021. The SEB was asked to consider specific clauses and arrangements relating to:
- exit / termination arrangements
 - pensions security; and
 - residency status.
101. There were also nine key lessons learnt for the future.
102. With regard to the minutes of SEB meetings, problems have persisted. The States Greffe prepare the minutes from each SEB meeting. However, I note that the draft minutes have not always been presented to the SEB on time and I have observed delays by the SEB in agreeing the content of the minutes for accuracy.
103. Minutes are circulated with papers but not always the minutes relating to the previous meeting. At some SEB meetings, a number of minutes, relating sometimes to as many as five previous meetings, were agreed.
104. There also does not appear to be a decisions log nor an action log with the minutes detailing the decisions from the previous meeting and action taken or due to be taken with key dates for completion. I believe that this discipline would help the SEB to track whether it is delivering on its decisions and to monitor progress.
105. During the course of this follow up work, I have seen a draft Service Level Agreement (SLA) between the States Greffe and the Government regarding SEB minutes, which aims to address these deficiencies and put the service on a more formal footing.

Recommendations

- R16** Undertake a review to ensure the nature and role of all advisors to the Government, including those who are unpaid, are documented.
- R17** Ensure that the minutes from the previous SEB meeting are circulated with the papers and signed off at the next meeting.
- R18** Introduce a decisions and action log for all decisions from the minutes and ensure that this is placed on the agenda and progress formally monitored.

Current work planned that should be prioritised

- P6** Implement the planned system for storing key SEB documents and ensure that the relevant minutes are kept with the papers in an accessible form.
- P7** Finalise the Service Level Agreement in respect of minute taking.

Areas for consideration

- A3** Consider recording meetings to assist with the accuracy of minute taking.

Appendix One

Audit Approach

The review included the following key elements:

- review of relevant documentation provided by the Government of Jersey; and
- interviews with key officers within the States of Jersey.

The documentation review included:

- Accountable Officers Governance Assurance statements
- 'Be Heard' staff survey and results
- Breaches and exemptions report
- C&AG recommendations tracker extract
- Corporate induction framework
- Corporate risk register
- DAG report February 2022
- Departmental operational business plans
- Diversity, Equality and Inclusion Strategy
- Draft HR Policy Framework
- Draft legislation
- Employee Value Proposition Report
- Employment Codes of Practice
- Enterprise Risk Management system documentation
- Framework and system for 'My Conversation, My Goals'
- Health and safety risk registers
- Interim behaviours framework
- ITS objectives and plans for HR modules

- Operating Committee report - manager capability
- Our People Strategy
- Mentoring scheme documents
- P59 documentation
- People dashboard
- People hub operating procedure
- P&CS end of consultation report
- Procurement of consultants procedure
- Records management report
- Relevant documentation of people programmes including Team Jersey, World Class Manager, Capable Manager Espresso Programme
- Relevant Standard Operating procedures
- SEB agendas, minutes and papers 2020-2022
- SEB Annual Reports
- SEB draft legacy report
- SEB health and safety quarterly reports
- SEB independent advisor role report
- SEB induction and training report and materials
- SEB scheme of delegation
- Senior level compromise agreements
- Shadowing scheme documents
- Various HR policies
- Workforce Expenditure Approval Request template
- Workforce risk registers
- Workforce planning strategy and toolkits

The following officers and stakeholders were interviewed or provided written assistance as part of the review:

- Deputy Chair of the former SEB
- Chair of the JAC
- Advisor to the SEB
- Chief Executive
- Chief Operating Officer
- Chief of Staff
- Director General, Strategic Policy, Planning and Performance
- Group Director, People and Corporate Services
- Business Partner, Governance and Strategy, People and Corporate Services
- Head of Resources, People and Corporate Services
- Senior Legal Advisor, Law Officers' Department
- Associate Director and Head of Organisation Development, People and Corporate Services
- Workforce Planning and Intelligence Business Partner, People and Corporate Services
- Business Partner, People Services
- Head of Employee Relations, Reward and Experience
- Consultant, Governance and Strategy
- ITS Programme Director
- Head of Shared Service Centre ITS
- Head of Corporate Services
- Group Director of Customer Services

The fieldwork was carried out by affiliates working for the Comptroller and Auditor General.

Appendix Two

Summary of Recommendations

Recommendations

- R1** Publish a timescale for the completion of the review commissioned by CoM in 2019. Finalise all phases of the review and bring forward both an action plan and draft legislation to address the weaknesses in the SEB arrangements identified in the 2019 C&AG Report.
- R2** Having implemented R1 in this report, undertake a formal review to determine whether:
- a specific revenue head of expenditure should be allocated to the SEB
 - a specific revenue head of expenditure should be allocated to the JAC; and
 - statutory protection should be provided to any specific officer, for example the Director of People and Corporate Services.
- R3** Ensure effective arrangements are in place to monitor compliance with mandatory health and safety training requirements including providing regular reports to the SEB on the extent of compliance.
- R4** Publish a formal Executive Response to the six recommendations made by the JAC in its 2021 Annual Report.
- R5** Produce a consolidated report on progress against the People Strategy for consideration by the SEB on a regular basis.
- R6** Ensure that establishment data held by Treasury and Exchequer and by People and Corporate Services is reconciled on a regular basis.
- R7** Update the protocol for the operation of the People Hub and monitor performance against the agreed protocol.
- R8** Fully document decisions made and actions agreed by the SEB to mitigate the risks on the corporate workforce register and follow up at subsequent SEB meetings.
- R9** Enhance the reporting of health and safety mitigating actions to SEB to include:
- an assessment of the resources required to deliver minimum standards across the estate; and

- demonstration of the mitigating actions being put in place in the meantime to minimise exposure to risk.

R10 Review the Scheme of Delegation in respect of P.59 forms.

R11 Consider how to make the SEB more transparent and visible to staff, the States Assembly and the public by:

- reviewing the 'Part A' and 'Part B' meeting content to consider whether any more could go into a public agenda
- considering the flow of documentation both to the SEB and from the SEB and ensure that the senior team is fully sighted of both the agenda and the decisions made
- publishing a summary for staff, the States Assembly and the public on the business and key issues discussed at each SEB; and
- improving further the content of the SEB Annual Report to include a clear narrative as to whether the SEB has met its plan for the year and what actions are required in the following year.

R12 Review the content of the Annual Governance Statements required from Accountable Officers to ensure that compliance with all aspects of Employment Codes of Practice and supporting policies is confirmed. This should include a requirement to report on compliance with the appraisal system.

R13 Introduce a standardised approach to evaluation and documentation of performance of Directors General, including formal input from Ministers.

R14 Update the documentation requirements of appraisals to ensure that they encompass relevant professional standards where appropriate.

R15 Put in place arrangements that ensure compliance with the requirements of the performance appraisal system. Provide regular reports to the SEB on compliance.

R16 Undertake a review to ensure the nature and role of all advisors to the Government, including those who are unpaid, are documented.

R17 Ensure that the minutes from the previous SEB meeting are circulated with the papers and signed off at the next meeting.

R18 Introduce a decisions and action log for all decisions from the minutes and ensure that this is placed on the agenda and progress formally monitored.

Current work planned that should be prioritised

- P1** Determine the requirement for independent advisors to the SEB and commence the process of recruitment.
- P2** Give priority to ensuring that workforce planning is delivered consistently and accurately across departments by the end of 2022.
- P3** Ensure that, as part of the migration to ITS, the people data is fully cleansed and that data is accurate, is recorded on a timely basis and is monitored, including sickness absence data and return to work data.
- P4** Work to complete the updates to the Employment Codes of Practice and supporting policies as planned. This should include completion and implementation of the revised Whistleblowing Policy.
- P5** Review the scope of matters explicitly covered in the contracts for ELT members against best practice.
- P6** Implement the planned system for storing key SEB documents and ensure that the relevant minutes are kept with the papers in an accessible form.
- P7** Finalise the Service Level Agreement in respect of minute taking.

Areas for consideration

- A1** Review how the SEB agenda papers could be reduced in size to a manageable workload by using executive summaries and tighter reporting, acknowledging that, in certain instances, full documentation may be necessary.
- A2** Consider whether sub-committees, either on a permanent basis or ad-hoc, could assist in spreading the workload of SEB.
- A3** Consider recording meetings to assist with the accuracy of minute taking.



JERSEY AUDIT OFFICE

LYNN PAMMENT

Comptroller and Auditor General

Jersey Audit Office, de Carteret House, 7 Castle Street, St Helier, Jersey JE2 3BT
T: +44 1534 716800 E: enquiries@jerseyauditoffice.je W: www.jerseyauditoffice.je