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# STATES OF JERSEY



## ANNUAL REPORTING (R.171/2021): EXECUTIVE RESPONSE

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Presented to the States on 13th December 2021  
by the Public Accounts Committee

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STATES GREFFE

**FOREWORD**

In accordance with paragraphs 64-66 of the [Code of Practice](#) for engagement between ‘Scrutiny Panels and the Public Accounts Committee’ and ‘the Executive’, (as derived from the [Proceedings Code of Practice](#)) the Public Accounts Committee presents the Executive Response to the Comptroller and Auditor General’s Report entitled: Annual Reporting ([R.171/2021](#), presented to the States on 3<sup>rd</sup> November 2021).

The Committee is pleased to note that all of the C&AG’s recommendations have been accepted.

**Deputy I. Gardiner**  
Chair, Public Accounts Committee

**Chief Executive and Treasurer’s Response to C&AG Review: [Annual Reporting](#) (R.171/2021) - Executive Response to PAC by 10 December 2021 please. (If Recommendation 5 is accepted, please include a list of SOEs to whom you have sent R5 with an action plan as to how it will be implemented and monitored – thank you)**

Summary of response:

The Chief Executive and Treasurer welcome the report of the C&AG, and the accompanying Good Practice Guide. It is pleasing to note the C&AG’s recognition that there are some improvements, including within the States’ own Annual Report and Accounts.

The ability to implement recommendations quickly will obviously depend on the degree of influence that the States and Government have. Improvements to the States’ Annual Report and Accounts can be planned, resourced and delivered. For the States-owned Entities (where there is already a degree of good practice), there is ability to influence improvement. For other bodies within the definition of “States established and States controlled entities” the degree of influence varies, particularly where those bodies are regulatory in nature and/or less dependent on grant funding from the States/Government. The Arm’s Length Bodies Oversight Board is beginning a programme of work to look holistically at the relationship with these bodies. Improvements in annual reporting are already identified as a key component of the emerging framework.

Action Plan

<b>Recommendations (for States of Jersey)</b>	<b>Action</b>	<b>Target date</b>	<b>Responsible Officer</b>
R1 Set out a public ambition and timetable for the production of an annual sustainability report based on the Jersey Performance Framework and the TCFD recommended disclosures. This report should include the publication of targets alongside actual performance and comparative data with other jurisdictions where this is available.	<p>Accept. The States Assembly will debate the Carbon Neutral Roadmap (CNR) in April 2022. The CNR will include a policy commitment to decarbonise the operations of the Government of Jersey and will set out a programme of continued improvement in reporting requirements to be introduced during 2022. Action will be subject to approval of the CNR and associated policy package.</p> <p>Irrespective of that outcome, consideration is being given to if and how it would be possible to report broader (i.e. not just environmental) sustainability measures and performance against the Jersey Performance Framework. As the Performance Framework matures, the States of Jersey Annual Report and Accounts (AR&amp;A) will increasingly be used to provide summary</p>	Quarter 4 2022	Head of Group Reporting working with Strategic Policy, Planning and Performance

	performance narrative with links to more detailed performance information elsewhere.		
R2 Consider whether the sustainability report referred to in R1 should form part of the Annual Report or be a separate report.	Accept. See response to R1. The sustainability report for 2021 will follow the same format as 2020 on the basis that the CNR will set the requirements for continuous improvement to start to be implemented in 2021.	For Annual Report and Accounts 2022	Head of Group Reporting working with Strategic Policy, Planning and Performance
R3 Consider the degree of independent assurance that should be provided over the data contained within the sustainability report referred to in R1.	<p>Accept. The CNR decarbonisation of Government of Jersey policy will consider the options for compliance with appropriate management standards that require external third-party verification and assurance. The policy requires that an action plan be developed to outline the tasks and actions needed to meet the standard, see R1.</p> <p>At the current time, data compiled from financial and commercial services reporting is checked against the information provided by the utility companies directly.</p> <p>Jersey's greenhouse gas emissions inventory is independently compiled and verified by Aether, consultants appointed by UK Government to calculate the Overseas Territories and Crown Dependencies emissions as components of the UK greenhouse gas inventory.</p>	Depends on outcome of options assessment – initial estimate Quarter 4 2022	Head of Group Reporting working with Strategic Policy, Planning and Performance
R4 Introduce a set of minimum requirements for sustainability reporting by States established and States controlled entities. In doing so, consider how to apply the Jersey Performance Framework and the TCFD recommended disclosures in the context of States established and States controlled entities.	<p>Accept. See response to R3. We must first establish our own standards</p> <p>The reporting requirements for States arm's length bodies (ALBs) falls within the remit of the Arm's Length Bodies Oversight Board (ALBOB) which was established in 2021.</p> <p>Any minimum reporting standards will be communicated and confirmed through that group in the first instance.</p>	Commence in 2022 – outcome depends on R3 - initial estimate Quarter 4 2023	Head of Group Reporting working with Strategic Policy, Planning and Performance

Recommendation for States established and States controlled entities	Action	Target date	Responsible Officer
<p>R5 Develop the content of annual reports to include sustainability reporting using a framework appropriate to the entity.</p>	<p>Accept</p> <p><u>States-owned Entities (“SOEs”) (Andium Homes, Jersey Electricity, Jersey Post, JT, Jersey Water, Ports of Jersey and States of Jersey Development Company)</u></p> <ul style="list-style-type: none"> <li>• The content of the C&amp;AG’s report and best practice guide to be shared with each of the SOEs (noting that each are cited as examples of best practice in differing reports) with a request that the Finance Directors provide a summary of what improvements they intend introducing into their 2021/2022 accounts.</li> <li>• Review 2021/2022 accounts and identify further areas to develop content of future annual reports against the best practice guide.</li> </ul> <p><u>Other States established and States controlled entities</u></p> <ul style="list-style-type: none"> <li>• Write to all other bodies believed to fall within the definition of States established and States controlled entities: <ul style="list-style-type: none"> <li>○ Drawing their attention to the reports of the C&amp;AG;</li> <li>○ Asking what their proposals are for making improvements;</li> <li>○ Offering help and support; and</li> <li>○ Saying that the Government is working on the best way in which to promote improvement across all bodies.</li> </ul> </li> </ul>	<p>31 December 2021</p> <p>30 September 2022</p> <p>31 December 2021</p>	<p>Director of Treasury and Investment Management – for States-owned Entities</p> <p>Director of Treasury and Investment Management – for States-owned Entities</p> <p>Chief Executive Officer</p>

	<ul style="list-style-type: none"> <li>ALBOB to continue to develop frameworks for improvement of reporting by States established and States controlled entities</li> </ul>	31 December 2022	Chief Executive Officer
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Recommendations not accepted

	Recommendation	Reason for rejection