JERSEY AUDIT OFFICE

Deputy Inna Gardiner
Chair of Public Accounts Committee

By email

27 August 2025

Dear Deputy Gardiner

Further to your letter of 6 August 2025 requesting my response as part of the Public Accounts Committee (PAC) review in relation to Arm's Length Bodies, Grants and Subsidies, please find here answers to Questions 7 to 15 (as set out in your letter).

Q7: Please can you confirm the total income of your organisation for each of the past 5 years. Also, please can you provide details of:

a) The total and percentage of your funding over each of the past 5 years that was provided by the Government of Jersey or Government funded bodies (including charitable funds administered by Government).

b) Total and percentage of your funding that you have raised yourself over each of the past 5 years (please detail the manner in which this was raised e.g. through fundraising events, membership, private funds and organisations etc.). Where received through private funds and organisations please could you specify where this was received from.

As Comptroller and Auditor General (C&AG) I do not have income. Funding for the Office of the Comptroller and Auditor General is provided by the States Assembly through approval of the Government Plan and the Office has its own Head of Expenditure. The Office is 100% funded by the States of Jersey.

The Office annual expenditure is reported in both the States of Jersey Accounts and in the Office of the Comptroller and Auditor General Annual Report and Accounts which, by law, is audited separately. There is potential for differences between the financial performance of the Office of the Comptroller and Auditor General reported in the Annex to the States of Jersey Annual Report and Accounts and that reported in my financial statements as a result of:

- use of a different definition of expenditure

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

The annual expenditure as reported for the last five years is set out here.

Year	Comprehensive expenditure as reported in the States of Jersey Annual Report and Accounts	Performance differences reported in the Office of the Comptroller and Auditor General Annual Report and Accounts	Comprehensive expenditure as reported in Office of the Comptroller and Auditor General Annual Report and Accounts
2020	£ 872,000	(£5,000)	£867,000
2021	£ 883,000	£9,200	£ 892,200
2022	£ 972,900	(£6,500)	£ 966,400
2023	£ 1,042,000	£1,500	£ 1,043,500
2024	£ 1,108,000	£3,300	£ 1,104,700

My Office does not generate any income other than a recharge to the Social Security Fund for part of the audit fee.

Q8. Please can you confirm the ultimate objective of your organisation.

As C&AG I am responsible for public audit in Jersey. The Comptroller and Auditor General (Jersey) Law 2014 requires that I provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Law.

My responsibilities, fulfilled through the Jersey Audit Office (JAO), relate to the accounts of the States of Jersey and certain other States entities (on which opinions are given) and wider aspects of the use of public funds. My duty is to consider and report on:

- general corporate governance arrangements

- economy, efficiency and effectiveness in the way resources are used i.e. value for money; and
- effectiveness of internal controls.

Q9: Please can you provide details of the Key Performance Indicators you have as an organisation (both internal and any set by the Government of Jersey) and how you measure the success or otherwise of these indicators.

c. Have your KPIs changed since your initial objectives were set?

d. Do you have any KPI's set for funding received external to Government?

KPIs for the JAO are set out under four ambitions (see table below). None are set by the Government of Jersey. The JAO Strategy is consulted on each year and thye KPIs are drawn from the JAO Strategy.

Ambition	**KPIs**
High performing audit organisation	• Results of independent peer and regulatory inspections • Number of projects supported by effective use of Office 365 • Stakeholder feedback surveys undertaken and action plans in place in respect of feedback received; and • Benchmarking against other audit offices
Supporting effective scrutiny and accountability	• % of PAC members perceiving us to deliver against our objectives • % of stakeholders perceiving us to deliver against our objectives • % of stakeholders rating our events as good or excellent; and • % of stakeholders rating our events as good or excellent
Making a difference	• % of recommendations agreed for action by the States of Jersey • Number of good practice publications and events • Implementation of Corporate Social Responsibility Strategy; and • Delivery of a specific 2025 programme of events
Building a better organisation	• Positive assurance report from the Board of Governance • Stakeholders observe a smooth transition in the Chair and C&AG roles • Refreshed suite of policies and procedures in place; and • Updated C&AG (Jersey) Law enacted

KPIs for the year ahead are set out in the rolling C&AG Strategy (Jersey-Audit-Office-Strategy-2025-2028.pdf), which also establishes how these will be measured and evaluated.

Progress is reported both in the Annual Report and Accounts (Annual Report and Accounts | Jersey Audit Office) and in the Audit Quality Transparency Report (JAO-Audit-Quality-Transparency-Report-2024.pdf). In particular the Audit Quality Transparency Report includes international benchmarking of JAO performance against its ambitions and KPIs.

Our KPIs are updated annually in line with progress against our ambitions, all of which are aligned to our objectives. For example, one of the KPIs for 2025 makes reference to peer review, reflecting a new arrangement I have secured with an external audit organisation.

I have no KPIs in relation to funding received external to Government, as this is not relevant to the Office.

Q.10. (Please answer if applicable) What decision-making processes do you follow to award bonuses to Senior Executives within your organisation?

> ***e. Please can you also provide details of the discretionary payments made to Senior Executives over the past 5 years and, where possible, provide this as separate figures for bonus payments and redundancy /severance payments etc.***

Question 10 is not applicable to the Office of the Comptroller and Auditor General.

Q.11 Please can you provide details of the governance arrangements within your organisation both at an executive and, if relevant, non-executive level. Please also specify if you follow a particular governance framework (e.g. ISO, KING 4 etc.)

As C&AG I am responsible for maintaining effective governance and a sound system of internal control that supports the achievement of the JAO's policies, aims and objectives, while safeguarding the public funds and assets. I do this through securing an effective system of governance and a sound system of internal control including by:

- preparing, communicating and implementing appropriate policies and procedures, in areas such as complaints and data security
- to the extent appropriate to the circumstances of the JAO, using the corporate financial and other systems of the States of Jersey
- adhering to the Public Finances Manual chapter that relates specifically to the Office of the Comptroller and Auditor General
- monitoring and forecasting expenditure against budget

- seeking professional advice from the States where necessary and appropriate, including from the Law Officers' Department and the States' corporate procurement team
- maintaining a contracts register and a gifts and hospitality register; and
- reviewing the performance of the appointed auditors.

The Board of Governance is a key means by which my Office is held to account for the public funds allocated to me. Established by the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015, the Board keeps under review whether I have used and am using the resources allocated properly, efficiently and effectively. In 2024, the Board met four times and:

- reviewed the JAO risk register
- monitored the financial performance of the JAO, including the expenses incurred by the C&AG
- reviewed the gifts and hospitality register maintained for the JAO
- received and reviewed the report from the external auditors appointed by the Chair of the PAC on the JAO accounts; and
- approved an assurance statement on my 2023 expenses. For 2024, the Board has prepared an assurance statement for my 2024 expenses.

Q12. How do you meet the principles set out within the Public Finances Manual and how do you monitor your performance against these principles?

There is a specific chapter of the Public Finances Manual covering the Office of the Comptroller and Auditor General. The JAO's policies and procedures comply with the PFM requirements and this is stated in my signed Annual Report and Accounts.

Q13: How is your organisation aligned to Island outcomes indicators and how do you measure your contribution to these outcomes?

The JAO Corporate Social Responsibility Strategy (part of the Jersey-Audit-Office-Strategy-2025-2028.pdf) considers how the JAO can contribute to better community, environmental and economic wellbeing outcomes for the Island, in line with the Island Outcomes Indicators.

A principle of the JAO Corporate Social Responsibility Strategy is that the JAO should contribute to each of the three overarching wellbeing themes identified in the Jersey Performance Framework. An analysis has been undertaken of the Jersey Performance Framework has identified the outcomes that it is relevant for the JAO to contribute towards.

The outcomes identified are as follows:

Island Outcome Indicators	JAO contribution
Community - Vibrant and inclusive community: *Trust in Government*	The JAO will seek to participate in work with the Jersey Youth Parliament alongside the PAC to raise the profile of the Office with young people on the Island. The JAO will undertake other outreach and stakeholder engagements to inform Islanders of our work. The JAO will continue to invest in communication mechanisms to make our work more accessible to Islanders.
Community - Vibrant and inclusive community: *Volunteering*	The JAO will look to participate in Island programmes aimed at supporting inclusion and diversity. This will include the donation of volunteer time by the C&AG and, where appropriate, Deputy C&AG and affiliates.
Economy - Affordable living: *Household income*	The JAO will review its expenditure to consider using Jersey-based supply chains where appropriate and possible and ensure that it is paying its suppliers promptly.
Economy - Jobs and growth: *People in work*	The JAO will explore options to participate in apprentice schemes to help develop on Island skills. The JAO will undertake a review of our business model following the update of the C&AG Law and seek to use on Island resources where appropriate
Economy: Jobs and growth: *Value of the Strategic Reserve*	The C&AG will manage the finances of the JAO appropriately to ensure that value for money can be demonstrated by the expenditure of the Office.
Environment - Sustainable resources: *Energy consumption*	The JAO will look at energy efficient solutions when taking decisions on our travel and accommodation policies
Environment - Sustainable resources: *Greenhouse Gas Emissions*	The JAO will monitor and reduce its carbon emissions compared with a baseline of 2019. During the period of this Strategy the JAO will publish a climate strategy and carbon neutral roadmap.

Island Outcome Indicators	JAO contribution
Environment - Sustainable resources: *Waste generation*	The JAO will reduce its consumption of paper and single use plastics on the Island
Environment - Sustainable resources: *Water consumption*	The JAO will consider how its policies and expenditure decisions can contribute to reducing water consumption.

Q 14. Please answer if applicable (if your organisation has Board): What are the last three strategic decisions that were taken by your board and what evidence and data was used to inform these decisions?

f. How does the Board set its agenda and what is required of them in terms of finalising their agenda with government?

g. Do you have a board assurance framework and, if so, how often do you update this?

Strategic decisions are taken by me, after relevant consultation with the Board. My Board has a statutory duty to:

- scrutinise the use of resources by, and governance arrangements of, the Comptroller and Auditor General
- report any concerns to the Chief Minister and Chairman of the Public Accounts Committee
- if requested to do so, advise the Chairman of the Public Accounts Committee on the appointment of auditors to the Jersey Audit Office
- review, and if it thinks appropriate, comment on any estimates submitted by the Comptroller and Auditor General to the Chairman of the Public Accounts Committee
- review the audited accounts of the Jersey Audit Office
- if it decides to do so, prepare an assurance report on the annual expenses of the Comptroller and Auditor General; and
- keep under review the remuneration of the Deputy Comptroller and Auditor General.

The Board's agenda is set in accordance with its statutory duties under the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015. There is no requirement for the Board to discuss this with government.

The Board does not have a formal board assurance framework. However, t carries out an annual strategic review of its operations, alongside an annual self-assessment of Board performance and key themes arising from the Chair's annual evaluation of individual Board member performance.

Q 15. How do you review your operating model to ensure value for money of your delivery?

The Office's Annual Report and Accounts sets out the JAO's Operating Model, performance, governance arrangements and finances for the year and is designed to enable stakeholders to hold the JAO to account. The Annual Report and Accounts and the JAO Transparency Report also benchmark the performance of the JAO against other audit offices to provide assurance on value for money.

The JAO comprises the C&AG, her Deputy, a communications and administration function, a finance and governance function and affiliates. Affiliates were engaged following a competitive recruitment process and provide specialist knowledge and experience where required. Currently, the JAO has no employees.

The costs and benefits of a new Target Operating Model have been discussed with the Board during 2024 and 2025. Implementation of the new model is ongoing. It is however dependent on the new Comptroller and Auditor General Law which is currently in draft and expected to be presented for debate by the States Assembly in the Autumn of 2025.

Yours sincerely

Lynn Pamment

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Comptroller and Auditor General