STATES OF JERSEY

STATES ANNUAL REPORT AND ACCOUNTS 2024 REVIEW (P.A.C.3/2025): EXECUTIVE RESPONSE (P.A.C.3/2025 RES.) – COMMENTS

Presented to the States on 25th November 2025
by the Public Accounts Committee

STATES GREFFE

FOREWORD

In accordance with paragraphs 68-71 of the Code of Practice for engagement between 'Scrutiny Panels and the Public Accounts Committee' and 'the Executive', the Public Accounts Committee (the 'PAC') presents its comments on the Executive Response (P.A.C.3/2025 Res.) to its report States Annual Report and Accounts 2024 (P.A.C.3/2025) presented to the States on 16th October 2025.

Deputy I. Gardiner
Chair, Public Accounts Committee

COMMENTS

The PAC has reviewed the Executive Response to its P.A.C.3/2025 States of Jersey Annual Report and Accounts 2024 report and sets out the following comments in relation to it. Of the twenty recommendations made by the PAC, three have been accepted, three partially accepted, one agreed in part, one agreed and implemented, one agreed in principle, one agreed but deferred, one deferred, and nine not accepted. The PAC notes that the accompanying action plan outlines timescales for implementation extending to the end of 2025 and the first half of 2026. The PAC welcomes this ambition to deliver these within a quick timeframe and will closely monitor progress to ensure that commitments are met. The PAC also welcomes the Government's commitment to provide a briefing to the PAC on progress on IT General Controls and to deliver a status update on the Health and Care Jersey Financial Recovery Plan.

Recommendation One

Recommendation	**R1** The Government should add a two-step public feedback loop for the Annual Reports and Accounts going forwards such as a six-week online survey and at least one webinar or in person session, with results and planned improvements reported in the 2026 Annual Reports and Accounts
Risk of Non-Implementation	It is considered that if not implemented, then there may be a missed opportunity to raise public awareness of how to access and understand the Annual Report and Accounts document. However, we already focus on improving the Annual Report through periodically updating our understanding of good practice, not least through the reports issued by the C&AG.
Risk Profile	Low
Other Considerations in prioritisation	This year we have taken additional steps to communicate and engage with Islanders. Which provided much more opportunity (than previous years) for Islanders to comment and digest the information. Engagement stats:

	Government Channels – Long reads (blogs): • On Performance (Andrew McLaughlin) 150 views • On Finances (Treasury Minister) 116 views Total engagement = 266 reads of the long-form articles Government channels - Social Media posts: • 13 individual posts • 36,089 Impressions • 2,289 engagements (comments, clicks, reactions) • 6.3% engagement (slightly higher than average on GoJ channels) 510 link clicks (to blog and webpage from social media)
Is the recommendation agreed?	Not agreed We continuously strive to improve the quality of reporting and engagement and have taken additional steps to communicate the ARA this year. Whilst supporting the principle of further developing feedback, the recommendation is not considered to be addressing a high risk and thereby not a high priority for the allocation of taxpayer funded resources
Improvement theme	No action at this time.

PAC comment:

The PAC is disappointed with the response to this recommendation. Whilst the PAC acknowledges that government has taken additional steps to communicate and engage with Islanders for the 2024 Annual Report and Accounts, it notes from the response that the Government is not agreeing with the recommendation as it "*is not considered to be addressing a high risk and thereby not a high priority for the allocation of taxpayer funded resources"*. The PAC considers it a priority for the public to be fully aware of the publication of this document and where to find it for transparency in order to make finding information about how taxpayers' money has been spent easily accessible.

The PAC notes the response also states that Government is supportive of the principle of further developing feedback and "*have taken additional steps to communicate the ARA this year"*. The PAC also notes the engagement rates provided in the response are relatively low and feels this underscores the need for recommendation. The PAC considers that ongoing work to strengthen public engagement and awareness is important and will consider noting the point as a legacy matter for its successor to review and take forward in the next term.

Recommendation Two

Recommendation	**R2** The Government should consider producing an interactive, user-friendly version of the Annual Reports and Accounts in the style of Canada Spends' 'Ontario Government's Revenue and Spending Report' which the Committee believes would enhance clarity and usability and promote engagement with the report.
Risk of Non-Implementation	It is considered that the risk of not implementing this recommendation is limited. While an interactive platform could potentially improve public engagement and accessibility, the Annual Report and Accounts already provides detailed breakdowns of financial information. Further, transparency is supported through established mechanisms such as the Freedom
Risk Profile	Low
Other Considerations in prioritisation	Whilst we shall investigate the feasibility of implementing the recommendation, it is likely that developing and maintaining an interactive digital platform on the scale of Canada Spends would require significant additional resources, specialist technical capability, and ongoing support that is not proportionate for the Government of Jersey. The current report is comprehensive, and incremental improvements (e.g. clearer graphics, plain-English summaries) can be prioritised within existing resources.
Is the recommendation agreed?	Agreed in principle - improving clarity and accessibility. Will review whether a tool similar to one described by the panel is feasible and justified.
Improvement theme	Transparency of financial and grant information in ARAs

PAC comment:

The PAC is pleased that the recommendation to explore an interactive version of the Annual Report and Accounts has been agreed in principle. The response states that Government *"will review whether a tool similar to one described by the panel is feasible and justified"* but the PAC notes that cost and technical resource constraints has been emphasised. The PAC recognises that a large-scale platform such as Canada Spends may not be proportionate but believes that a simplified, web-based presentation highlighting major income, expenditure, and trends could significantly improve accessibility. The PAC will consider suggesting to its successor to follow up on the outcome of the Government's investigation as part of its review of the 2025 Annual Report and Accounts.

Recommendation Four

Recommendation	**R4** The Government should include the total remuneration cost for every pay band in the 2025 Annual Reports and Account and future editions to complete the pay band disclosure
Risk of Non-Implementation	It is considered that if not implemented, there may be a perception of reduced transparency, although detailed information is already available through the Annual Report and Accounts and links included in the document to published States Employment Board Annual Report.
Risk Profile	Low
Other Considerations in prioritisation	Previous recommendations in relation to this table were considered, the table meets the requirements of the JFReM. Developing the Public Sector Staffing Report will be considered.
Is the recommendation agreed?	Not agreed
Improvement theme	No action at this time.

PAC comment:

The PAC notes that the Government has not agreed to include the total remuneration cost for each pay band in future Annual Reports and Accounts, on the basis that current disclosures meet Jersey Financial Reporting Manual (JFReM) requirements and that wider consideration will instead be given to developing the Public Sector Staffing Report. However, the Committee remains unclear how this work will be meaningfully progressed if no action is planned at this time and therefore encourages the Government to reflect on whether fuller numerical pay band information could enhance transparency and support clearer year-on-year comparison particularly as there has been growth in the public sector headcount . The PAC remains of the view that the additional work involved would likely be limited in scope, relative to the potential benefits for readers of the report, particularly in terms of improved clarity and transparency. **The PAC therefore encourages the Government to keep this under review and consider whether a more detailed presentation of pay band information could be incorporated into future Annual Reports.**

Recommendation Five

Recommendation	R5 The Government of Jersey should present the Health and Care Jersey (HCJ) quarterly finance dashboard presented to the Health and Care Jersey Advisory Board as a standalone report to the States Assembly. This will enhance transparency and

	enable real-time scrutiny of structural pressures and savings delivery. This should be implemented from the next Health and Care Jersey Advisory Board meeting
Risk of Non-Implementation	It is considered that there is no material risk in not implementing this recommendation, as the existing mechanisms already ensure appropriate transparency and scrutiny. The HCJ quarterly finance dashboard, along with all other Advisory Board papers, is published on the Government of Jersey website and is therefore fully accessible to both the Assembly and the public.
Risk Profile	Low
Other Considerations in prioritisation	The papers presented to the Health and Care Jersey (HCJ) Advisory Board, including the quarterly finance dashboard, are published on the Government of Jersey website and are therefore readily available to both the Assembly and the public. In addition, the Health and Social Security Scrutiny Panel is able to draw on these reports as part of its work programme, request further detail where necessary, and call the Minister to account on matters of financial performance. This ensures that there is active and effective scrutiny of HCJ finances. Furthermore, all Members of the Assembly have the ability to submit oral and written questions to the Minister for Health and Social Services, providing an additional route for real-time challenge. Taken together, these existing arrangements ensure that the Assembly has both the information and the mechanisms required to scrutinise HCJ finances and performance effectively without the duplication or additional & unnecessary administrative burden.
Is the recommendation agreed?	Not Agreed as existing publication ensures transparency
Improvement theme	No action at this time.

PAC comment:

The PAC notes the Government's position that the Health and Care Jersey (HCJ) quarterly finance dashboard is already publicly available within the Advisory Board's published papers. While this offers a degree of transparency, the PAC remains minded that the current format and location of this information is not sufficiently accessible to Members of the States Assembly or the public. Given the scale and significance of the financial pressures within Health and Care Jersey, the PAC considers that more direct reporting to the Assembly would significantly enhance visibility and enable more effective scrutiny of the department's ongoing financial recovery and performance.

The PAC therefore reiterates its recommendation that the dashboard be circulated as a standalone report to States Assembly to ensure greater transparency. The PAC believes this would not create too much of an additional administrative burden, as the information already exists, but would ensure that financial data and trends are presented in a format that is clear, accessible, and comparable over time. The PAC intends to follow up on this matter during its forthcoming quarterly hearing with the Chief Executive Officer.

Recommendation Six

Recommendation	**R6** The Government of Jersey should develop and present an improvement plan to the Public Accounts Committee demonstrating how Health and Care Jersey will deliver realistic and sustainable improvements in health and social care spending, forecasting, budgetary control and financial management. This should be completed by the end of Quarter Four 2025 to be implemented from the start of 2026.
Risk of Non-Implementation	It is considered that if not implemented, there could be a perception of reduced transparency and scrutiny. However, HCJ will provide a focussed briefing to PAC on FRP progress to date and next steps 2026.
Risk Profile	Low
Other Considerations in prioritisation	HCJ established a multi-strand Financial Recovery Plan in 2023, intended to improve value for money and the necessary grip and control over the department's financial management. This is a medium-term plan. The current status of the plan will be reviewed at the end of the year and refined subject to the Assembly debate at the end of Q4 2025 on the proposed Government Budget for 2026. HCJ proposes to provide a briefing to PAC at the end of Q1 in 2026 (end of March/ April), in respect of the Financial Recovery Plan including ongoing plans for financial management improvements.
Is the recommendation agreed?	Agreed in part, to provide to PAC an update on the Financial Recovery Plan
Improvement theme	Financial Recovery Plan - HCJ

PAC comment:

The PAC notes the Government's response to this recommendation and remains unsure that the accompanying risk profile fully reflects the scale of the financial challenges within Health and Care Jersey. **While the PAC welcomes the intention to provide a briefing on the Financial Recovery Plan in quarter one of 2026, it would find it helpful if this could be supported by a written update circulated in advance**

summarising the main areas of progress, any emerging issues, and the overall direction of the work. This would assist PAC in preparing for the discussion and ensure the PAC can engage with the information in a considered and informed way.

Recommendation Eight

Recommendation	**R8** The Government of Jersey should develop and implement an action plan in order to address the recommendations of the Fiscal Policy Panel in its Economic Outlook for Spring 2025 ensuring alignment between strategic planning and economic advice. This action plan should be completed by the end of quarter four 2025
Risk of Non-Implementation	It is considered that if the recommendations of the FPP are not delivered, there may be an elevated chance of the economics risks highlighted by the FPP will materialise, which could have adverse consequences to Jersey's long-term outlook.
Risk Profile	High
Other Considerations in prioritisation	The recommendations of the FPP are designed to inform decision making in the Budget. The implementation of the FPP recommendations is ultimately a political matter.
Is the recommendation agreed?	Deferred. This is a matter for the Minister for Treasury and Resources, who will be asked to consider this recommendation in responding to the FPP annual report.
Improvement theme	No action at this time.

PAC comment:

The PAC notes that this recommendation has been assessed as high risk, yet no action is proposed. The Committee is mindful that this may not fully reflect the significance of the issues raised by the Fiscal Policy Panel (FPP). Given the independence and expertise of the FPP, the PAC considers that, where Government chooses not to follow specific recommendations, it would be essential for there to be a timely explanation of the reasons for doing so. Islanders remain concerned about the long-term fiscal outlook described by the FPP, and it is therefore important that Government can demonstrate how the Panel's analysis has been taken into account in its wider decision-making.

While the PAC recognises that decisions on FPP recommendations ultimately rest with the Minister for Treasury and Resources, it considers it essential for the Treasury and Exchequer Department to demonstrate how these recommendations are being evaluated and taken forward. **Now that the FPP has published its latest report, the PAC suggests that the Government may wish to revisit the decision to defer this work and consider whether a proportionate action plan could assist in setting out how the current recommendations are being addressed. While this plan would relate to the recent published FPP report, the PAC believes that the same structured approach could usefully be adopted for future FPP reports.** This would strengthen the link between independent economic analysis and Government decision making, ensuring greater consistency, accountability, and forward planning across successive fiscal years.

Recommendation Ten

Recommendation	**R10** The Government should identify and disclose one-off or non-recurring financial items separately from recurring results in future Annual Reports and Accounts in both financial statements and the accompanying narrative to support trend analysis that assists with assessment of underlying performance.
Risk of Non-Implementation	It is considered that if this recommendation is not implemented is, there may only be limited risk. The financial statements will continue to comply with accounting standards, ensuring that appropriate disclosure of material items is already made.
Risk Profile	Low
Other Considerations in prioritisation	Users may not see a comprehensive separate listing of all one-off or non-recurring items, but this is mitigated by the fact that the narrative commentary highlights material unusual events. Therefore, the underlying performance can still be assessed without adopting the recommendation in full. The implementation of this recommendation as drafted would require significant additional analysis and judgement to define and track "one-off or non-recurring" items, which is not feasible within existing resources and reporting timelines. A separate Head of Expenditure was used for COVID, as this was so significant.
Is the recommendation agreed?	Not agreed. While supportive of improving trend analysis, the recommendation in its current form cannot be implemented, as its application would be disproportionate. The Government will continue to consider and highlight material one-off items in the narrative to the Accounts.
Improvement theme	No action at this time.

PAC comment:

The PAC notes the Government's decision not to accept the recommendation to separately identify one-off or non-recurring financial items within the Annual Report and Accounts. The PAC notes that in the response the Government states *"this is mitigated by the fact that the narrative commentary highlights material unusual events.*

Therefore, the underlying performance can still be assessed". The PAC recognises that material events are often discussed within the accompanying narrative, however the PAC considers that the absence of a dedicated section for non-recurring items limits the reader's ability to assess underlying financial performance and the PAC feel the low engagement numbers sighted in recommendation one attest to this. Distinguishing between ongoing operational spending and one-off transactions would allow both Members of the Assembly and the public to form a clearer view of the Island's recurrent fiscal position, aiding in public trust.

The PAC therefore reiterates its view that the inclusion of a concise table summarising material one-off or exceptional items would represent a proportionate improvement in transparency and help with engagement with the Annual Report and Accounts without placing an undue administrative or cost burden. Such a table need only list significant items above a defined threshold, together with brief explanatory notes outlining their nature and impact on the year's results. This approach would help demonstrate the robustness of the Government's financial management the PAC also understand that this is best practice in the industry. **The PAC therefore encourages the Government to revisit this recommendation ahead of the preparation of the next Annual Report and Accounts to ensure that trend analysis and year-on-year comparisons are presented as clearly and transparency as possible.**

Recommendation Twelve

Recommendation	**R12** The Government should publish by mid-2026 a cross departmental Value for Money strategy incorporating measurable productivity targets, transparent definitions of savings, and regular public reporting of the progress being made
Risk of Non-Implementation	It is considered that if not implemented, there may be a perception of reduced transparency on Savings (Value for Money) initiative. This is an area where there is public scrutiny therefore it would be preferable to have understandable reporting on this for the public.
Risk Profile	Low
Other Considerations in prioritisation	The Government already sets measurable financial savings targets as part of the annual Budget process, which are subject to States Assembly approval. Progress against these targets is reported in the Annual Report and Accounts, within the Financial Review section. A separate cross-departmental "Value for Money strategy" would duplicate existing reporting mechanisms without adding additional clarity. Given existing mechanisms, the creation of an additional framework would be resource intensive and may detract from the focus on delivering the

	savings themselves. The current approach of embedding targets within the Budget and reporting outcomes within the Annual Report and Accounts provides both transparency and accountability without requiring a standalone strategy document.
Is the recommendation agreed?	Not agreed.
Improvement theme	No action at this time.

PAC comment:

The PAC notes the Government's decision not to develop a standalone Value for Money strategy but observes that this does not fully address the differing ways in which terms such as "savings" and "efficiencies" are used across departments. The PAC also notes that the response does not refer to measurable productivity targets. The PAC further notes that response mentions *measurable financial savings* and the PAC considers that cost reductions and productivity are not always the same and would suggest that clearer understanding of these concepts could be helpful for future reporting which would allay public concerns regarding the size of the public sector. **The PAC therefore recommends that the Government may wish to reconsider whether a clearer cross departmental Value for Money strategy, including shared definitions and reporting expectations, could be developed in due course**. The PAC believes such a document would help to allay public concerns regarding the size of the public sector.

Recommendation Fourteen

Recommendation	**R14** The Government should publish, in time for the debate on the 2026 Budget, an integrated fiscal recovery and risk management framework that quantifies key short and long-term fiscal risks (including those related to ageing population costs, clinical negligence liabilities, cyber/IT resilience and debt and borrowing), sets measurable recovery milestones, and links every significant spending or saving proposal to the specific risk it is designed to mitigate, with progress reported in each subsequent Annual Report and Accounts
Risk of Non-Implementation	It is considered that if this recommendation is not implemented is, there may only be limited risk. The financial statements will continue to comply with accounting standards, ensuring that appropriate disclosure of material items is already made.
Risk Profile	Low
Other Considerations in prioritisation	Developing and publishing an additional integrated framework in the format described would require significant resources and duplication of work.

	Delivery in line with the timeline recommended is not practicable. Existing work on the longer-term financial plan will consider the impact of macro elements – some of which aren't risks in the classic sense, more unavoidable financial impacts, e.g. of demographic trends. The value added by producing a new document is limited, given the existing risk register and planned work
Is the recommendation agreed?	Not agreed. While supportive of improving trend analysis, the recommendation in its current form cannot be implemented, as its application would be disproportionate. The Government will continue to consider and highlight material one-off items in the narrative to the Accounts.
Improvement theme	No action at this time.

PAC comment:

The PAC notes the Government's decision not to accept this recommendation and the Government's view that existing risk registers and long-term financial planning work provide sufficient coverage of fiscal risks. However, the PAC considers that bringing key short and long term financial pressures together in a single, clearly presented format would support greater transparency and help the Assembly and the public to better understand the factors influencing the Island's financial position.

A concise fiscal risk annex within the 2026 Budget summarising major risks such as demographic change, clinical negligence liabilities, cyber resilience, and borrowing costs would not necessarily require the creation of a substantial new framework, but could offer a more accessible overview of material risks and their potential impact upon the implementation of Ministerial Priorities. **The PAC therefore suggests that the Government consider whether a proportionate consolidated summary could be developed to strengthen clarity and support informed debate during the Budget process.**

Conclusion

The PAC welcomes the progress made in several areas of financial reporting and recognises the collaborative approach taken by Officers. Nevertheless, the PAC remains concerned that several recommendations central to improving transparency and public engagement have not been prioritised or rejected by the Government. The PAC believes that by implementing the recommendations made particularly around public engagement and long-term fiscal planning, the Government can substantially strengthen public confidence in its financial management.

The PAC will continue to monitor progress on these matters and will consider suggestions to its successor to follow up with the recommendations as part of any review of the 2025 Annual Report and Accounts and quarterly hearings. The PAC extends its thanks to the Officers involved in the review and for their ongoing cooperation and engagement.