STATES OF JERSEY

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

Presented to the States on 16th October 2025
by the Public Accounts Committee

STATES GREFFE

FOREWORD

In accordance with paragraphs 69-71 of the Code of Practice for engagement between 'Scrutiny Panels and the Public Accounts Committee' and 'the Executive', the Public Accounts Committee (PAC) presents the Executive Response to its report 'P.A.C.3/2025 States Annual Report and Accounts 2024' which was presented on 31st July 2025.

The PAC will review the response to this report and will consider publishing further comments in due course

Deputy I. Gardiner
Chair, Public Accounts Committee

Treasurer of the States and Chief Executive – Executive Response to Public Accounts Committee Report on the States of Jersey Annual Report and Accounts 2024

Summary of response:

The Chief Executive and Treasurer welcome the report of the PAC, the constructive dialogue with, and challenge from, the PAC and share their objective of improved management and reporting of performance. Whilst several of the recommendations refer to "Government", for clarity the responses are from the CEO and Treasurer on behalf of the public service, rather than Ministers. Whilst many recommendations have been agreed, not all recommendations have been adopted. The approach has been to consider matters of greatest risk, relative costs and benefits of adoption, and the capacity to implement recommendations, in order to ensure that the most critical risks are managed effectively.

It is also worth noting that as part of the celebrations for the twentieth anniversary of the Jersey Audit Officer, the Comptroller and Auditor General held an awards event to celebrate good practice and acknowledge the substantial progress that has been made in respect of annual reporting by public bodies during her time in office. The States of Jersey won Best Remuneration and Staff Reporting (Large Entities) and was Runner Up in the Best Annual Report (Large Entities) category.

Risk assessment and decision rationale

Recommendations	Risk of non-implementation	Risk profile (E,H,M,L)	Other considerations in prioritisation	Is the recommendation agreed?	Improvement theme
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	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.	Low	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)	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	No action at this time.

Recommendations	Risk of non-implementation	Risk profile (E,H,M,L)	Other considerations in prioritisation	Is the recommendation agreed?	Improvement theme
			• 510 link clicks (to blog and webpage from social media)	be addressing a high risk and thereby not a high priority for the allocation of taxpayer funded resources	
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	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 of Information (FOI) process.	Low	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.	Agreed in principle - improving clarity and accessibility. Will review whether a tool similar to one described by the panel is feasible and justified.	Transparency of financial and grant information in ARAs
R3 The Government should redesign the Reconciliation of Approvals table of Annual Reports and Account from 2025 onward to separate pay award transfers from other reserve allocations and include a brief explanatory note for each non-pay-related reserve allocation	It is considered that if the recommendation were not implemented, there may be a risk that stakeholders may perceive the reconciliation of approvals table as lacking transparency, particularly in distinguishing pay awards from other reserve allocations. However, this risk is mitigated by the fact that allocations are already disclosed through published Ministerial Decisions	Low	While the table is already supported by existing disclosures, separating pay awards will enhance usability and address the Committee's feedback. The change is relatively low effort to implement and aligns with the commitment to clear and transparent reporting.	Agreed Pay Awards will be shown separately in the table from 2025 Notwithstanding that reserve allocations are already covered by published Ministerial Decisions and a half yearly report to the Assembly, for the	Transparency of financial and grant information in ARAs

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	and in six-monthly reports to the Assembly.			2026 ARA we shall consider how best to meet the further recommendation of the Committee.	
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	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.	Low	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.	Not agreed	No action at this time.
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	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.	Low	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	Not Agreed as existing publication ensures transparency	No action at this time.

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			performance effectively without the duplication or additional & unnecessary administrative burden.		
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	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.	Low	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.	Agreed in part, to provide to PAC an update on the Financial Recovery Plan	Financial Recovery Plan - HCJ
R7 The Government should publish, in time for the debate on the 2026 Budget, a 10-year revenue and expenditure outlook with alternative demographic scenarios and an integrated fiscal risk statement quantifying major long-term pressures and linking them to departmental risk registers and budgets	It is considered that if not implemented, it may be more difficult for States Members to understand the medium-term financial context. However, all States Members are invited to attend briefings on the Budget and key strategic reviews.	Medium	All States Members are invited to attend briefings on key strategic reviews, such as those undertaken by Fiscal Policy Panel, Statistics Jersey and Economy Department. In addition, the Budget includes sections on Economic Context and key risks, with information on how these are being mitigated However, beyond the recent long term capital plan, further development of Longer-term financial planning is already an objective of the Treasury However, the timescales proposed by the Committee are not achievable.	Agreed but Deferred. T&E will continue with its Objective to develop Longer-term financial planning, to inform the development of Budget 2027	No action at this time.
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	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.	High	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.	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.	No action at this time.

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R9 Government departments should flag forecast overspends to the Assembly when they are above 2 % and publicly record any reserve transfer over £5 million on gov.je. Routine contingency draws should not exceed 50 % of the annual contingency without an explanatory statement and Assembly approval	It is considered that if this recommendation is not implemented, there may be a perception of reduced transparency and scrutiny over reserve allocations and contingency use. However, budget monitoring information is already shared with COM and Scrutiny.	Low	Forecasting is included in quarterly reporting to COM, which is shared with Scrutiny. Reserve allocations are made in line with the Minister's reserve policy and are published following formal Ministerial Decision under the Ministers powers in the Public Finances (Jersey) Law. They are also published in the 6 monthly report to the Assembly.	Not Agreed – compliance with existing legislation and process will continue.	No action at this time.
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	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.	Low	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.	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.	No action at this time.
R11 The Government should introduce specific, annual targets for reducing aged tax and GST debt and publish progress against those targets in each Annual reports and Accounts from 2025 onwards	It is considered that if this recommendation is not implemented, there is a potential perception risk that the Government is not being transparent in its management of aged tax and GST debt.	Low	Debt management is already subject to robust internal performance targets, and the level of debtors is disclosed within the Annual Report and Accounts. In addition, debt collection is reported externally through the Annual Service Performance Measures, which provides an appropriate level of transparency. Introducing separate, published annual targets would duplicate existing frameworks, creating an additional	Agreed. Additional disclosure will be made in the Treasury Departmental Report	Transparency of financial and grant information in ARAs

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	However, this is regularly monitored internally.		administrative burden without adding material transparency or accountability.		
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	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.	Low	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.	Not agreed	No action at this time.
R13 The Government should provide the Public Accounts Committee with a written update by the end of Q1 2026 detailing the timeline, resources and the status of outstanding IT General Controls improvements.	It is considered that if the recommendation is not implemented, then the PAC may not have visibility of the work in response to the ITGC meaning they can't take any assurance from that activity.	Low	The ITGC Audit for 2024 was concluded with formal findings presented back to government in April 2024. Over the spring and summer of 2024, owing to competing priorities and resource constraints, progress to plan and implement actions to resolve the findings was slow. The 2025 Audit period starts in Oct 2025 and work is underway to address the 2024 findings from both an IT Systems and a Business Process perspective. Resolving the findings will require business system owners (in the respective departments – T&E, JHA and ESSH) to work with Digital Services to implement often manual (compensating) controls owing to the legacy nature of the majority of in scope systems. As opposed to a written update it is considered that a private briefing by Digital Services would be a better use of resource to update the Committee on progress.	Partially Agreed	IT General Controls

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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	The Government already maintains a comprehensive risk register that identifies, assesses and monitors fiscal and operational risks, including those cited by the Committee. It is considered that not producing a new, separate "integrated fiscal recovery and risk management framework" would not increase exposure to these risks, as the existing framework already captures them and is used to inform decision-making.	Low	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	Not Agreed	No action at this time.
R15 The Government should ensure all redundancy and severance decisions above £100,000 should be accompanied by full business case sign off centrally and shared with the Public Accounts Committee	It is considered that if not implemented, there may be a perception of reduced transparency and scrutiny. However, the number of special payments and exit packages are reported in the ARA. It is also important to note that in many cases these are confidential as are subject to legal non-disclosure.	Low	The review of the payments made are audited in order to ensure compliance with JFReM and policy. The Special Payment framework has been developed to ensure comprehensive information is included. The Government has an agreed process in place for all special payments. This process is audited as part of the Annual Report and Accounts sign-off. GoJ policy provides details of redundancy entitlement amounts and the existing requirement for a business case and we follow an audited process for any payments made. ELT and SEB consider any organisational change that includes redundancies. The SEB are required to approve any special payment over £150,000 and will now be notified of any payment over £100K. This is in line with the P.59 process currently in place.	Not Agreed	No action at this time.
R16 The Government should for any grant increase exceeding 20% of the total value for the previous year (or £250,000, whichever is lower), publish a concise public	It is considered that if the drivers for decision making are not published, then there may be a perception of reduced	Low	A table of grants over £75,000 is published annually. For the 2025 ARA, a more comprehensive schedule of grants awarded will be included in an appendix, with a lower	Partially Agreed. Whilst GoJ appreciates the	

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summary of the cost drivers, value for money assessment and approval route to maintain transparency over significant funding uplifts	transparency about any grant increases. However, a table of grants over £75,000 is published in the Annual Report and Accounts.		threshold used. It is anticipated that this will increase the transparency of grant awards. However, including specific line by line % changes and the rationale behind each is not appropriate for the Annual Report and Accounts. The additional resources/effort required to produce this information across a large number of grants may not be proportionate to the public interest. Indeed, GoJ is not aware of other jurisdictions undertaking a similar exercise.	principle upon which PAC makes this recommendation, it is anticipated information on individual cases could be made available to stakeholders through other means, such as questions/briefings to PAC. Departments will consider including narrative in their DAR where appropriate.	
R17 The Government should publish each year a clear cost forecast and value for money summary for all major Infrastructure and Environment subsidies so islanders can track the services ongoing expenses and efficiencies to strengthen financial governance and improve scrutiny	It is considered that if this recommendation is not implemented, then Islanders may not specifically be aware of performance of individual grant recipients. However, all partnerships are managed internally.	Low	For the 2025 ARA, a more detailed schedule of grants awarded will be included in an Appendix, with a lower threshold than the £75,000 that will continue to be used for the main ARA. It is anticipated that this will increase the transparency of grant awards.	Partially agreed - GoJ will deliver increased transparency through publishing greater information on grant allocation. However, implementation of the full recommendation would require re-allocation of resources from activity addressing greater risk and higher priorities	Transparency of financial and grant information in ARAs

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R18 The Government should ensure going forward that States Owned Entities should publish their Annual Report and Accounts where practicable at the same time as the States of Jersey Annual Report and Accounts as to give an overall picture of the public finances	It is considered that if this recommendation is not implemented, there may be a perception of reduced transparency of overall public finances. However, SOEs do publish their ARAs, so the transparency will not be increased. Rather, this is about the alignment of timing.	Low	The new Memoranda of Understanding with each of the wholly owned States Owned Entities requires the SOEs to publish their Annual Report and Accounts ("ARA") within 4 months of the end of the financial year. For the wholly owned entities this is broadly at the same time as the States of Jersey's. Jersey Water and Jersey Electricity have a 30 September year end and so their ARAs are published before the States of Jersey's.	Agreed and in place given revised MOU requirements.	No additional action at this time.
R19 The Government should include in the 2026 States Annual Report and Accounts a detailed workforce profile of business partner arrangements and detailed budgetary service line reporting for each department and areas of government expenditure across the organisation This should include a breakdown and analysis of expenditure for finance, communications, Human Resources, digital and procurement functions across the whole organisation. This will assist in enhancing visibility and tracking variation	It is considered that if not implemented, then there is a risk that scrutiny and external stakeholders may perceive a lack of detailed transparency in workforce and service line expenditure reporting. The impact of this perception could be reduced confidence in the clarity of financial disclosures. However, substantial information is already included in Departmental Annual Reports.	Low	Costs of enabling services such as Social Benefit Payments, Finance Costs, Staff costs and Grants, are already included in the Departmental Reports annexed to the ARA, which is included with the Statements of Comprehensive Net Expenditure for each department. The Annual Report and Accounts is intended to provide a high-level, consolidated view of financial performance and position, not operational granularity.	Not Agreed This level of granularity is not practical or appropriate for the ARA, and not a priority for resource allocation.	No action at this time.
R20 The Government of Jersey should, from 2025 onwards, ensure that Departmental Annual Reports include a dedicated section on delivery of Capital projects which clearly outlines for each project: the original budget, actual spend, delivery status, and reasons for delays or reprioritisation	It is considered that if not implemented then stakeholders may perceive that the Government is not providing sufficient detail on capital project performance, and this could lead to a perception of reduced transparency and accountability. However, some information and narrative is	Low	The existing disclosures in the Political Accountability Section of the Annual Report and Accounts already provide information, including financial breakdowns and narrative on major projects or movements. The scale of capital investment is significant, with around 60 projects reported annually.	Agreed Departments will be asked to include information in respect of capital projects in their DARs.	Transparency of financial and grant information in ARAs

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	already broken down in the ARA, particularly on major projects.				

Prioritised improvement plan:

Action theme	Actions	Linked Recs	Target date	Responsible Officer
Financial Recovery Plan, HCJ	• Provide PAC a status update on the Financial Recovery Plan at Q1 2026	6	31 March 2026	Finance Director, HCJ
Transparency of financial and grant information in ARAs	• Include a separate column for Pay Awards transfers in the Reconciliation of Approvals table. • Include greater detail on grants allocated by GoJ in an Appendix to the Annual Report and Accounts	3 17	30 April 2026	Head of Group Reporting
	• Review feasibility of implementing an interactive tool that supports accessibility on spend data.	2	30 June 2026	Head of Group Reporting
	• Include template table for material changes to grant payments in Departmental Annual Report template.	16	End 2025	Head of Group Reporting
	• Include aged tax and GST debt in Treasury and Exchequer Departmental Annual Report.	11	30 April 2026	Head of Business and Performance, T&E
	• Include template table for Major Projects reporting in Departmental Annual Report template.	20	End 2025	Head of Group Reporting
Oversight of improvement initiatives	• Record FPP recommendations in the corporate improvement monitoring system to enable oversight of ongoing progress, subject to political prioritisation in terms of implementation.	8	End of 2025	Head of Corporate Governance
IT General Controls	• Brief PAC on progress with IT General Controls	13	31 March 2026	Head of Information Security