

# Audit Plan Update 2024 to 2027

July 2024

The purpose of the Comptroller and Auditor General (C&AG), fulfilled through the Jersey Audit Office (JAO), is to provide independent assurance to the people of Jersey on the extent to which public money is spent economically, efficiently and effectively and on whether the controls and governance arrangements in place within public bodies demonstrate value for money. The C&AG's remit includes the audit of financial statements and wider consideration of public funds, including internal financial control, value for money and corporate governance.

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**Report by the Comptroller and Auditor General: 9 July 2024**

**This report has been prepared in accordance with the Comptroller and Auditor General (Jersey) Law 2014**

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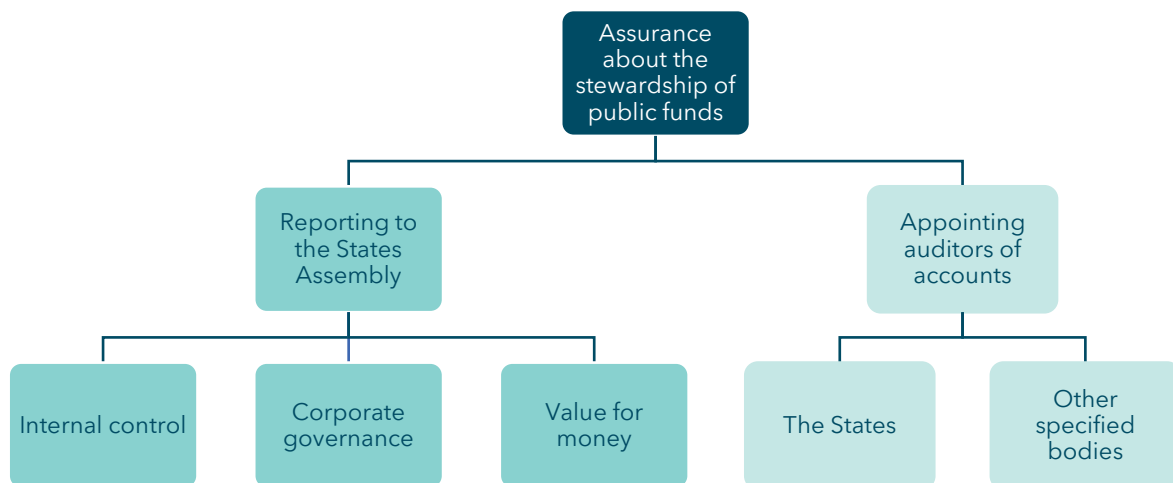
# Introduction

1. Independent external audit is an important part of the process of accountability for public money. It provides assurance on the stewardship of public funds and on corporate governance.
2. This audit plan sets out how I intend to deliver the responsibilities of the Comptroller and Auditor General (C&AG) under the Comptroller and Auditor General (Jersey) Law 2014 ('the 2014 Law').
3. Under Article 17 of the 2014 Law the C&AG may not be directed in how she undertakes her functions. However, the C&AG has a duty to attend meetings of and liaise with the Public Accounts Committee (PAC). Prior to the publication of my 2024 to 2027 plan in January 2024 I consulted with relevant stakeholders including the PAC that was in place at that time. Since the publication of my 2024 to 2027 plan a new PAC has been formed. I have briefed the new PAC on my plan and I value the PAC's thoughts and contributions to it.
4. The plan covers the period 2024 to 2027. It provides a detailed plan for the year ending 31 December 2024 and indicative plans for the three years thereafter. I have chosen a four-year period in order to be consistent with the Government Plan period.
5. The plan is subject to review and change in light of changes in the risks identified, including as a result of matters brought to my attention by the PAC, Members of the States Assembly, officers of the States and others. I will advise the PAC of any changes to the plan and a formal update to the plan will be published each quarter.
6. This document details the second formal quarterly update to the plan for 2024.

# Statutory Responsibilities

7. My responsibilities are to provide independent, robust assurance about the stewardship of public funds by:
  - reporting to the States Assembly on the effectiveness of internal control, general corporate governance arrangements and economy, efficiency and effectiveness ('value for money'); and
  - appointing auditors of the accounts of the States (including the Social Security Fund, the Social Security (Reserve) Fund, the Health Insurance Fund and the Long-Term Care Fund) and certain other specified entities.
8. My responsibilities are summarised in Exhibit 1.

## Exhibit 1: Responsibilities of the C&AG



9. Audit is not a substitute for the responsibilities of those providing public services. It is for them to ensure that public business is conducted in accordance with the law and proper standards, that public money is safeguarded, that public funds are properly accounted for and that economy, efficiency and effectiveness are secured.
10. Article 18 of the 2014 Law requires me to prepare and publish a statement of the manner in which I propose to discharge my functions. The Code of Audit Practice (the Code) published in December 2023 discharges that responsibility. Whereas the legislation sets out what my audit work should achieve, the Code sets out how the work should be undertaken.

11. The Code covers:
  - the general principles applying to public audit in Jersey
  - work on the financial statements
  - work on corporate governance, internal control and economy, efficiency and effectiveness
  - follow up of previous external audit recommendations
  - reporting the results of audit work; and
  - liaison with others (including with PAC, the Risk and Audit Committee, the Non-Ministerial Departments Audit Committee, Jersey Regulatory Bodies and Scrutiny Panels).
12. The Code is an important means by which States Members, Ministers, officers of the States, other stakeholders and the public of Jersey can secure a common understanding of what the C&AG and audit firms appointed by the C&AG shall do, what they shall not do, how they shall operate and how they shall interact.
13. I will adhere to the Code when planning and undertaking my work.

# Purpose, Vision and Values

14. In summary, my purpose and the purpose of the Jersey Audit Office that I head up is to provide independent assurance to the people of Jersey on the extent to which public money is spent economically, efficiently and effectively and on whether the controls and governance arrangements in place within public bodies demonstrate value for money.
15. The vision of the Jersey Audit Office is to be a trusted and innovative audit organisation that champions good governance and the wise use of public money in Jersey.
16. The Jersey Audit Office operates to a set of fundamental values.
  - Independence and objectivity - we appoint auditors, determine our work plan, carry out our work and report our findings impartially. We are accessible, transparent and responsive. We drive constructive and positive change through our recommendations and follow-up. We respond with agility to the ever-changing environment in which we operate.
  - Fairness and justice - we are open and honest in the way we undertake our work, how we communicate with all stakeholders and how we treat people. We report our evidence-based findings in public, without fear or favour. We undertake audit work as economically, efficiently and effectively as possible.
  - Integrity - we speak up for what is right. We strive for and deliver high quality outcomes. We are truthful in making decisions and in responding to challenge. We meet our responsibilities in an ethical and fair way.
  - Credibility - we provide insight and promote best practice. We engage proactively with our stakeholders, with whom we work hard to build and maintain trust. Our work follows best practice and is undertaken by a team of reliable and dedicated professionals in accordance with recognised international standards.

# Financial Statements Audit

## Statutory Requirements

17. Legislation requires the C&AG to appoint auditors of the financial statements of:
- the States of Jersey; and
  - certain other entities as detailed in Exhibit 2.
18. In addition, in one case, pending proposed legislative change, I appoint an auditor at the request of the Treasurer of the States.

### Exhibit 2: Auditors of other entities appointed by the C&AG

Entity	Nature of appointment	Current auditor appointed	Financial years to which appointment relates
Public Employees' Pension Fund	Statutory	CLA Evelyn Partners Limited	2021-2025
Jersey Teachers' Superannuation Fund	At request of the Treasurer of the States	CLA Evelyn Partners Limited	2021-2025
Jersey Financial Services Commission	Statutory	Grant Thornton Limited	2021-2024
Gambling Commission	Statutory	Alex Picot	2019-2023*
Jersey Competition Regulatory Authority	Statutory	RSM Channel Islands (Audit) Limited	2021-2024
Jersey Advisory and Conciliation Service	Statutory	Alex Picot	2020-2024
Data Protection Authority	Statutory	Baker Tilly Channel Islands Limited	2020-2023*

\* These appointments will be subject to extensions or tenders during 2024



## States of Jersey

19. The States have a statutory duty to prepare financial statements (including the accounts of the Social Security Fund, the Social Security (Reserve) Fund, the Health Insurance Fund and the Long-Term Care Fund) within three months of the year end and I have a duty to secure that an audit is undertaken within five months of the year end.
20. The scope of the audit is extended so that it includes not only an opinion on the truth and fairness of the financial statements but also an opinion on the 'regularity' of income and expenditure, in other words whether it is:
  - in accordance with the intentions of the States Assembly; and
  - in compliance with relevant legislation, directions and other authorities.
21. Following a competitive tender process in 2020, Mazars LLP were awarded a five-year contract to undertake the audit of the States' accounts. Mazars LLP issued their audit opinion on the 2023 States of Jersey Group Accounts on 30 April 2024.

## Audit Quality Framework

22. The Code published in December 2023 includes (in Appendix 3) an Audit Quality Framework covering the means by which I ensure that:
  - audit work is undertaken by appropriately trained and supported individuals and audit teams
  - there are organisation-wide arrangements for quality control both within the Jersey Audit Office and the audit firms appointed by the C&AG; and
  - there is appropriate, independent assurance activity.
23. I have established the following core principles underpinning my Audit Quality Framework:
  - audit quality should be embedded in the delivery of all audit work
  - audit quality should be assessed in terms of outputs and outcomes as well as inputs and processes; and
  - the approach to audit quality should drive continuous improvement in public services.

24. Further details on the specific activities to be undertaken to implement my Audit Quality Framework can be found in the Jersey Audit Office Strategy 2024-27.
25. In May 2024 I published a Transparency Report on audit quality. The purpose of the Transparency Report is to provide a clear picture of how the Jersey Audit Office delivers audit quality in line with our ambition to be a high performing audit organisation. It aims to provide stakeholders with information on the quality of audits delivered by the Jersey Audit Office and by the financial statements auditors appointed by the C&AG.

# Internal Control, Corporate Governance and Value for Money

## Statutory Requirements

26. Article 11(3) of the 2014 Law imposes a duty on the C&AG to consider and report to the States Assembly in relation to the States of Jersey, States funded bodies, the Social Security Fund, the Social Security (Reserve) Fund, the Health Insurance Fund and the Long-Term Care Fund on:
- general corporate governance arrangements
  - the effectiveness of the internal controls, including internal auditing of those controls; and
  - economy, efficiency and effectiveness in the use of resources.
27. Articles 13(1) and 14(3) of the 2014 Law allow the C&AG to report in relation to these three matters in respect of independently audited States bodies and States aided independent bodies.

## How I plan my work

28. I plan my work so that in each year I undertake one or more elements of work specifically to consider each of corporate governance, internal control and economy, efficiency and effectiveness.
29. To deliver a proportionate and effective work programme, I plan my work using a risk-based approach. There are four key stages to my audit cycle (see Exhibit 3).

### Exhibit 3: The Audit Cycle



30. In developing this Audit Plan, I take account of a wide range of risks facing the States, including:
- strategic risks arising from governance functions and those risks that are known to the States and managed through their existing risk systems
  - operational risks arising from the delivery, support and front-line service functions
  - business change risks arising from the introduction of new systems and processes; and
  - emerging risks arising from changes outside the States' control.
31. Work planned for delivery in 2024 builds upon and follows up work undertaken in previous years.

### Current Risks and Priorities

32. Corporate governance will continue to be a major focus as it underpins the arrangements that secure value for money and effective internal control.
33. Following the outcome of the Vote of No Confidence in the Chief Minister in January 2024 a new Chief Minister was elected and a new Council of Ministers

formed. The new Common Strategic Policy was approved by the States Assembly in May 2024.

34. My work in 2024 and beyond will continue to concentrate on the risks arising from the considerable change programmes being implemented within Government, including:
- keeping an overview of wider arrangements for ensuring that control is maintained during a period of major and rapid change
  - a particular focus on Information and Communications Technology (ICT) implementation over the period of my plan; and
  - a focus on the delivery of major projects, including capital and strategic projects.
35. The States have taken steps to embrace sustainable well-being in legislation and policy frameworks and intend to continue to do so throughout the period covered by my plan. I have included within my 2024 plan a specific review of the Jersey Performance Framework and this audit commenced in April 2024.
36. For the last four years I have produced a *Good Practice Guide to Annual Reporting* to encourage even greater transparency and excellence in the annual reports of publicly funded organisations. I will continue to encourage transparency and excellence in annual reporting and have included this as a theme in all years of my plan.

## Indicative Audit Plan to 2027

37. The indicative audit plan for the next four years is presented in Exhibit 4. This indicates the work I propose to undertake each year and the audit objectives to which the work relates. I shall update the plan in light of changes in my assessment of risks and priorities.
38. The plan includes certain work that commenced in 2023 and will report in 2024:
- Electronic Patient Record (report issued February 2024)
  - Commissioning of Services
  - Critical Infrastructure Resilience – Energy (report issued June 2024)
  - Oversight of Arm’s Length Bodies
  - Tackling Fraud and Error
  - Use of Consultants – Follow Up (report issued March 2024)

39. The plan also includes two reviews that I had initially intended to commence in 2023 but that were deferred to 2024:
- Cyber Security Arrangements; and
  - Strategic Property Management.

#### Exhibit 4: Indicative plan to December 2027

Areas for review	Internal Control	Value for Money	Corporate Governance	2024	2025	2026	2027
Electronic Patient Record		✓	✓	✓			
Commissioning of Services	✓	✓	✓	✓			
Critical Infrastructure Resilience	✓		✓	✓		✓	
Oversight of Arm's Length Bodies	✓	✓	✓	✓			✓
Tackling Fraud and Error	✓	✓		✓			✓
Use of Consultants - Follow Up		✓	✓	✓			
Cyber Security Arrangements	✓	✓		✓			✓
Strategic Property Management	✓	✓		✓			
Staff Recruitment and Retention	✓	✓		✓			
Jersey Performance Framework		✓	✓	✓			✓
ICT Implementation - Benefits System		✓	✓	✓			
Government Value for Money Programme	✓	✓	✓	✓		✓	

Areas for review	Internal Control	Value for Money	Corporate Governance	2024	2025	2026	2027
Sustainable Healthcare Funding	✓	✓	✓		✓		
IT Asset Management	✓	✓			✓		
Commercial Services including Procurement	✓	✓	✓		✓		
Management of Infrastructure Assets	✓	✓			✓		
Education Reform Programme		✓	✓		✓		
Staff Education and Training		✓	✓		✓		
Social Security Funds	✓	✓	✓		✓		
Fire and Rescue Service	✓	✓	✓		✓		
Revenue Jersey	✓	✓	✓		✓		
Governance in Health and Social Care	✓	✓	✓		✓		
Operational Property Management	✓	✓	✓		✓		



Areas for review	Internal Control	Value for Money	Corporate Governance	2024	2025	2026	2027
Major and Strategic Projects, including Capital Projects	✓	✓	✓			✓	✓
Climate Emergency Fund		✓				✓	
Governance of the Prison Service	✓	✓	✓			✓	
Probation and After-Care Services	✓	✓	✓			✓	
Delivering the Economic Strategy		✓	✓			✓	
Role and Operation of the States Employment Board	✓	✓	✓			✓	
Non-Ministerial Departments	✓	✓	✓				✓
Skills Development		✓					✓
States of Jersey Police		✓	✓				✓
Investment Management	✓	✓	✓				✓
Transparency and Excellence in Annual Reporting			✓	✓	✓	✓	✓
Follow Up of previous audits	✓	✓	✓	✓	✓	✓	✓

## Detailed Plan to 31 December 2024

40. The detailed plan to 31 December 2024 is set out in Exhibit 5. I will continue to update this plan on a quarterly basis and present it to the PAC. The plan and updates to it will also be published on the Jersey Audit Office website [www.jerseyauditoffice.je](http://www.jerseyauditoffice.je).
41. I will deliver the reviews through the Jersey Audit Office with the assistance of my Deputy and a number of individual and corporate affiliates with specialist knowledge and experience.

### Exhibit 5: Detailed plan January to December 2024

Areas for review	Status	Comment
Electronic Patient Record	Issued	Report published 8 February 2024
Commissioning of Services	Draft reporting stage	Report due to be published July 2024
Critical Infrastructure Resilience - Energy	Issued	Report published 3 June 2024
Oversight of Arm's Length Bodies	Draft reporting stage	Report due to be published July 2024
Tackling Fraud and Error - Phase 2	Fieldwork nearing completion	Report planned Q3 2024
Use of Consultants - Follow Up	Issued	Report published 6 March 2024
Cyber Security Arrangements	Planned	
Strategic Property Management	Planned	
Staff Recruitment and Retention	Project specification issued	Fieldwork commencing July 2024
Jersey Performance Framework	Project specification issued	Fieldwork ongoing

Areas for review	Status	Comment
ICT Implementation - Benefits System	Planned	
Government Value for Money Programme	Planned	
Transparency and Excellence in Annual Reporting	Project specification issued	Self-Assessment Tool published January 2024 Fieldwork ongoing
<b>Follow Up of previous audits</b>		
Review of Financial Management and Internal Control	Planned	
Grants and Subsidies	Project specification issued	Fieldwork commencing July 2024



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