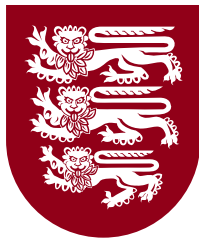


STATES OF JERSEY



Jersey

DRAFT COMPTROLLER AND AUDITOR GENERAL (JERSEY) AMENDMENT LAW 202-

**Lodged au Greffe on 26th January 2026
by the Chief Minister
Earliest date for debate: 10th March 2026**

STATES GREFFE



Jersey

DRAFT COMPTROLLER AND AUDITOR GENERAL (JERSEY) AMENDMENT LAW 202-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Chief Minister has made the following statement –

In the view of the Chief Minister, the provisions of the Draft Comptroller and Auditor General (Jersey) Amendment Law 202- are compatible with the Convention Rights.

Signed: **Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter**
Chief Minister

Dated: 23rd January 2026

REPORT

Introduction

1. The The Draft Comptroller and Auditor General (Jersey) Amendment Law 202- (the “draft Law”) would amend the [Comptroller and Auditor General \(Jersey\) Law 2014](#) (the “2014 Law”) to strengthen governance, accountability and transparency of public audit in Jersey. In particular, the draft Law:
 - clarifies in the 2014 Law that the Jersey Audit Office Board of Governance must be consulted and its views taken into account on the appointment and any proposed revocation of the appointment of the Comptroller and Auditor General (C&AG);
 - extends statutory limitation of civil liability to the Board of Governance;
 - inserts Article 9A to recognise those acting for the C&AG as members of the C&AG’s staff, even if they hold States employment contracts;
 - enhances annual reporting by requiring the C&AG to publish an Annual Report of Findings, tracking recommendations issued and progress made;
 - creates a Regulation-making power (Article 27A) to enable the States to provide for the appointment of auditors or independent examiners for specified bodies and to make necessary consequential amendments in the future; and
 - confirms the C&AG is not a States’ employee by amendment to Schedule 1 to the [Employment of States of Jersey Employees \(Jersey\) Law 2005](#).
2. On 31 July 2023, the C&AG published some Mid-Term Reflections ([R.120/2023](#)) to highlight recommended updates to the 2014 Law, which would enhance the Law’s adherence to recognised international principles for auditing standards and make the Law fit for the future. The Reflections were structured around six key themes:
 - The value of public audit to Jersey
 - C&AG powers and duties
 - Arrangements to ensure the independence of the C&AG
 - Accountability arrangements for the Office of the C&AG
 - Oversight of the Office of the C&AG
 - Resources of the Office of the C&AG
3. On 15 September 2023, the Public Accounts Committee (PAC) published the Executive Response to the C&AG’s Report ([R.120/2023 Res.](#)). The Executive Response recognised the importance of value for money and stated the principle that only those measures where the reduction in risk justifies additional costs, administration, and workload should be adopted.
4. The draft Law implements key recommendations made in the Mid-Term Reflections report to enhance the independence, oversight, and accountability arrangements for the C&AG and Jersey Audit Office. Recommendations which the Government considers do not justify potential additional costs, administration and workload have not been implemented. However, a Regulation-making power has been included to enable the States to extend the C&AG’s power to appoint auditors and independent examiners for arm’s length organisations, should the Assembly decide to do so in future.

The draft Law:**Appointment, Terms and Revocation (Articles 3, 4 and 7)**

5. The Board of Governance of the Office of the C&AG holds the C&AG to account to ensure that public funds and resources are allocated properly and used efficiently and effectively. The use of resources by, and the governance arrangements for, the Office of the C&AG are subject to oversight by the Board of Governance. The Board comprises of the C&AG and up to 4 independent members appointed by the States Assembly. It meets three times a year. The [Comptroller and Auditor General \(Board of Governance\) \(Jersey\) Order 2015](#) (the “2015 Order”) provides for the establishment and functioning of this Board. The Board of Governance was established in pursuance of Article 15 of the 2014 Law.
6. Article 3 of the 2014 Law is amended so that, before recommending a person for appointment as C&AG, the Chief Minister and the chair of PAC must take into account the views and recommendations of the Board of Governance and the Jersey Appointments Commission. The chair of the Board must consult Board members other than the incumbent C&AG when providing views and recommendations.
7. Article 4 is amended so that, when agreeing terms and conditions of appointment, the Chief Minister and the chair of PAC must take into account the views of the Board of Governance (following consultation by the chair of the Board with members other than the incumbent C&AG).
8. Article 7 is amended so that, before lodging a proposition to revoke the appointment of a C&AG, the Chief Minister and the chair of PAC must consider views and recommendations of the Board of Governance (excluding the C&AG). Details of those views must be included in the proposition unless the chair of the Board withholds consent.

Staff of the Office (new Article 9A)

9. The C&AG’s Mid-Term Reflections report highlighted that it not a threat to their independence for independent office holders and staff of independent bodies to hold contracts of employment with the States Employment Board, provided that it is clear that these employees should be treated as if they are staff or officer holders of independent bodies. Furthermore, the current C&AG noted that there is scope to reconsider the employment status of the next C&AG to enable them to hold a contract with the States Employment Board.
10. To enable this, a new Article 9A has been introduced to confirm that a person acting as an officer, employee or agent of the C&AG is treated as a member of the C&AG’s staff for the purposes of the 2014 Law, even if they are a States’ employee.
11. To ensure that, should the C&AG be recruited in future on a contract of employment, there is no uncertainty regarding the extent of that contract and whether the C&AG will be classed as a States employee, Article 14 of the draft Law adds the C&AG to the list of offices the holders of which are not States’ employees under Schedule 1 to the Employment of States of Jersey Employees (Jersey) Law 2005.

Limitation of civil liability (Article 10)

12. To protect the ability of the C&AG to act without fear or favour, there are wide-ranging statutory limitations on the liability for damages arising from the discharge of functions of this office. The C&AG recommended that the Board of Governance should be provided with the same statutory limitation of liability as the C&AG and employees of the C&AG’s office. As the Board of Governance provides oversight of the C&AG’s use of resources

and governance arrangements, extending limitation of liability to the Board would enhance its protections to act independently, in the same manner as the C&AG. To implement this, an amendment is proposed to Article 10(1) of the 2014 Law to extend the existing limitation of liability to the Board of Governance when acting in discharge of its functions.

Code of Audit Practice (Article 18)

13. Article 18 of the 2014 Law requires the C&AG to prepare and publish a statement of the manner in which they propose to discharge their functions. In practice, this is the Jersey Audit Office Code of Audit Practice (“the Code”). This applies to the C&AG and to auditors of the financial statements of the States of Jersey and other entities to which the C&AG appoints auditors. Article 18 of the 2014 Law has been amended to ensure that, before finalising any revisions to the Code, the C&AG must consult the Chief Minister, the Minister for Treasury and Resources and all independently audited States bodies and States-aided independent bodies.

Annual Report of Findings (Article 19)

14. There is no specific requirement under the 2014 Law for the C&AG to produce an Annual Report of Findings. However, the Principles of the International Organisation of Supreme Audit Institutions (INTOSAI) Lima Declaration 16 states: “1) *The Supreme Audit Institution shall be empowered and required by the Constitution to report its findings annually and independently to Parliament or any other responsible public body; this report shall be published.*” In 2022 the C&AG published an *Annual Report of Findings* on a voluntary basis to adhere to INTOSAI principles.
15. The C&AG is required in legislation to produce an annual report and accounts, which helps hold the office holder accountable for performance, governance, and finances. The intention to include an Annual Report of Findings will compel future C&AGs to report findings annually and therefore ensure that INTOSAI principles are enshrined in the Law. The 2022 Annual Report of Findings included “Reports and Publications issued” and “Tracking of the C&AG Recommendations”, as well as an appendix summary of Reports and Thinkpieces issued. The Annual Report of Findings highlights the progress made on the C&AG’s recommendations and helps to demonstrate the effectiveness to which the Government is held to account by the C&AG. It contains a summary of reports and publications produced by the C&AG each year. These help to demonstrate the impact of the C&AG’s activities.
16. An Annual Report of Findings improves the mechanisms available to the C&AG for holding public bodies to account. The publication of annual findings would help to focus the minds of custodians of public resources to implement recommendations made by the C&AG and realise opportunities for improvement. To implement this recommendation, a new provision has been included under Article 19(1) of the 2014 Law requiring the C&AG to prepare a report of findings outlining reports and publications issued during the previous year and tracking progress on recommendations made during that period.

Power to provide for appointment of auditors and independent examiners (new Article 27A)

17. The Mid-Term Reflections report (R.120/2023) reiterated recommendations to extend the C&AG’s duty to appoint auditors and outlined the implications for each entity. The Executive Response to the Mid-Term Reflections (R.120/2023 Res.) accepted this recommendation in principle. However, it was acknowledged that the recommendation was strongly resisted by a number of affected entities. The ability to deliver the legislative

amendments for the C&AG to appoint auditors of public bodies is subject to coordinating with, and formal feedback from, stakeholders in Arm's Length Bodies.

18. Balance is required to establish a consistent approach for the C&AG to appoint auditors for public bodies, whilst acknowledging the unique functions and legal make-up of individual entities. For example, the former Children's Commissioner opposed giving the C&AG responsibility for appointing an auditor, citing principles of autonomy from government of human rights institutions as set out in the Paris Principles on National Institutions for the Promotion and Protection of Human Rights ([R.11/2021](#)).
19. Following publication of the Mid-Term Reflections Report, the C&AG received feedback from 18 of the 25 entities that would be affected by recommendations 1 to 4. Of these, only two were fully supportive, with one conditionally supportive. Amongst the concerns expressed were:
 - good corporate governance arrangements are in place to deal with the effective appointment of auditors;
 - there could be a loss of Board oversight and/or independence;
 - the appointment of auditors should be a company responsibility;
 - the proposals go against the commercial rationale for setting up the entities;
 - additional quality and audit oversight is seen as a burden;
 - audit firms are regulated by the Institute of Chartered Accountants in England and Wales (ICAEW); and
 - there is a perceived risk that local audit firms may be precluded from participating in the process.
20. The C&AG did not consider any of these concerns to be a barrier to implementation of her recommendations. While full implementation may be considered an ideal governance solution, aside from the concerns raised by affected ALBs, in a small jurisdiction these governance benefits may well be outweighed by the resource, time and goodwill that could be expended in pursuing these recommendations.
21. In addition, the implementation of powers that would enable the C&AG to appoint auditors in Law is practically complex as it will require amendments to requirements across legislation that establishes the relevant entities, that governs the audit of companies (where relevant) as well as to the 2014 Law. Several entities have particular requirements governing the appointment of auditors in Law. For each entity that may be affected by changes to audit requirements under the 2014 Law, it is important to consider whether provisions to provide the C&AG with a duty to appoint auditors would not conflict with existing legislation.
22. For these reasons, while it has been decided not to implement this recommendation at this stage, new Article 27A would introduce a Regulation-making power enabling the States, in future, to:
 - provide the C&AG with a power to appoint auditors or independent examiners to specified bodies;
 - empower the Minister for Treasury and Resources to specify by Order the bodies for which the C&AG may appoint auditors or independent examiners; and
 - require bodies under Articles 13 and 14 to adopt the auditing standards set out in the Code of Audit Practice. Regulations may also make consequential amendments to other legislation to remove incompatibilities. Only the Chief Minister may lodge

such Regulations and must consult the Minister for Treasury and Resources, the C&AG and affected bodies before doing so.

Financial and staffing implications

23. There are no financial or staffing implications arising immediately from the draft Law. The requirement to produce an Annual Report of Findings formalises existing practice and can be delivered within current resources. The consultation duties can be accommodated within normal business. Future Regulations made under Article 27A – should they be brought forward – may have resource implications for affected bodies and for the Jersey Audit Office in appointing and overseeing auditors or independent examiners; these would be assessed and presented alongside any Regulations when lodged.

Children’s Rights Impact Assessment

A Children’s Rights Impact Assessment (CRIA) screener has been prepared in relation to this proposition and is available to read on the States Assembly website.

Human Rights

No human rights notes are annexed because the Law Officers’ Department has indicated that the draft Law does not give rise to any human rights issues.

EXPLANATORY NOTE

This Law, if passed, will make a series of amendments to the Comptroller and Auditor General (Jersey) Law 2014 (“the Law”) mostly concerned with the powers of the Board of Governance and the Comptroller and Auditor General.

Article 2 inserts a new definition of (1) “Board of Governance”, this body having been previously established by an Order made under the Law and (2) “Public Accounts Committee”.

Article 3 amends Article 3 to require the views and recommendations of the Board of Governance (other than the current appointee) to be taken into account before a person is recommended to the States for appointment as Comptroller and Auditor General.

Article 4 amends Article 4 to require the views of the Board of Governance (other than the Comptroller and Auditor General) to be taken into account when agreeing the terms and conditions of the appointment.

Article 5 inserts provisions into Article 7 to require the views and recommendations of the Board of Governance (other than the Comptroller and Auditor General) to be taken into account before a proposition to revoke the appointment is brought. Details of those views and recommendations must be included in the proposition unless the chair of the Board withholds consent.

Article 6 inserts a new Article 9A to the effect that a person acting as an officer, employee or agent of the Comptroller and Auditor General is treated as a member of their staff for the purposes of this Law, even if they are a States’ employee.

Article 7 amends Article 10 to bring the Board of Governance within the provision on limitation of civil liability.

Article 8 amends Article 15 to remove the power for name of the body to be specified by Order, as it is now named in the Law as the Board of Governance.

Article 9 inserts a new provision into Article 18, which requires the Comptroller and Auditor General, before finalising the revision of a statement of the manner in which they propose to discharge their functions, to consult the Chief Minister, the Minister for Treasury and Resources and all independently audited States bodies and States aided independent bodies.

Article 10 inserts a new provision into Article 19 requiring the Comptroller and Auditor General to prepare a report that outlines the reports and publications issued by the Comptroller and Auditor General during the previous year, tracking the progress of recommendations made during that period.

Article 11 inserts new Article 27A, which enables the States to amend the Law by Regulations to enable the Comptroller and Auditor General to appoint auditors or independent examiners to a body that the Regulations may specify. The Regulations also empower the Minister for Treasury and Resources to specify by Order the bodies for which the Comptroller and Auditor General may appoint auditors or independent examiners. Finally, the Regulations enable provision to be made for the bodies referred to in Articles 13 and 14 (independently audited States bodies and States aided independent bodies) to adopt the auditing standards set out in the statement prepared and published under Article 18(1) relating to the manner in which the Comptroller and Auditor General proposes to discharge statutory functions.

Article 12 deletes Article 28, which sets out transitional provisions that are now spent.

Article 13 replaces references to “Chairman” with “chair” throughout the Law being the term now used in legislation.

Article 14 makes an amendment to the Employment of States of Jersey Employees (Jersey) Law 2005 to add the Comptroller and Auditor General to the list of office holders who are not States’ employees.

Article 15 provides for the citation of the Law and for it to come into force on a day to be specified by Order of the Chief Minister.



Jersey

DRAFT COMPTROLLER AND AUDITOR GENERAL (JERSEY) AMENDMENT LAW 202-

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Jersey

DRAFT COMPTROLLER AND AUDITOR GENERAL (JERSEY) AMENDMENT LAW 202-

A LAW to amend the [Comptroller and Auditor General \(Jersey\) Law 2014](#).

<i>Adopted by the States</i>	<i>[date to be inserted]</i>
<i>Sanctioned by Order of His Majesty in Council</i>	<i>[date to be inserted]</i>
<i>Registered by the Royal Court</i>	<i>[date to be inserted]</i>
<i>Coming into force</i>	<i>[date to be inserted]</i>

THE STATES, subject to the sanction of His Most Excellent Majesty in Council, have adopted the following Law –

1 [Comptroller and Auditor General \(Jersey\) Law 2014](#) amended

Articles 2 to 13 amend the [Comptroller and Auditor General \(Jersey\) Law 2014](#).

2 Article 1 (interpretation) amended

In Article 1(1) –

- (a) before the definition “Chief Executive Officer” there is inserted –
 - “Board of Governance” means the board established under Article 15(1);
- (b) after the definition “Jersey Appointments Commission” there is inserted –
 - “Public Accounts Committee” means the Committee of that name established by the Standing Orders of the States of Jersey;

3 Article 3 (appointment of the Comptroller and Auditor General) amended

For Article 3(3) there is substituted –

- (3) Before recommending to the States the appointment of a person to the office of Comptroller and Auditor General the Chief Minister and the chair of the Public Accounts Committee must take into account the views and recommendations of –
 - (a) the Board of Governance; and
 - (b) the Jersey Appointments Commission.

- (3A) Before providing views and recommendations the chair of the Board of Governance must consult the members of the Board, other than the current Comptroller and Auditor General.

4 Article 4 (terms and conditions of appointment) amended

After Article 4(1) there is inserted –

- (1A) When agreeing those terms and conditions the Chief Minister and the chair of the Public Accounts Committee must take into account the views of the Board of Governance.
- (1B) Before providing views the chair of the Board of Governance must consult the members of the Board, other than the current Comptroller and Auditor General.

5 Article 7 (revocation of appointment) amended

After Article 7(1) there is inserted –

- (1A) Before bringing the proposition the Chief Minister and the chair of the Public Accounts Committee must consider any views and recommendations of the Board of Governance (other than those of the Comptroller and Auditor General).
- (1B) Details of those views and recommendations must be included in the proposition unless the chair of the Board of Governance withholds consent.

6 Article 9A (staff) inserted

After Article 9 there is inserted –

9A Staff

A person acting as an officer, employee or agent of the Comptroller and Auditor General is treated as a member of the Comptroller and Auditor General's staff for the purposes of this Law even if they are a States' employee.

7 Article 10 (limitation of civil liability) amended

After Article 10(1)(b) there is inserted –

- (c) the Board of Governance.

8 Article 15 (Order establishing board) amended

- (1) In Article 15(1), after “individuals” there is inserted “, to be known as the Board of Governance,”.
- (2) Article 15(2)(a) is deleted.

9 Article 18 (statement of manner in which functions are to be discharged) amended

After Article 18(2) there is inserted –

- (2A) Before finalising the revised statement the Comptroller and Auditor General must consult the Chief Minister, the Minister for Treasury and Resources and all independently audited States bodies and States aided independent bodies.

10 Article 19 (duty to prepare annual report and accounts of office) amended

(1) In Article 19, in the following places, for “report” there is substituted “reports” –

- (a) the heading;
- (b) paragraph (1)(b);
- (c) paragraph (4).

(2) After Article 19(1)(a) there is inserted –

- (aa) prepare a report of findings that outlines the reports and publications issued by the Comptroller and Auditor General during the previous year and tracks the progress of recommendations that the Comptroller and Auditor General has made during that period;

11 Article 27A (power to provide for appointment of auditors and independent examiners for certain bodies) inserted

After Article 27 there is inserted –

27A Power to provide for appointment of auditors and independent examiners for certain bodies

- (1) The States may, by Regulations, amend this Law –
 - (a) to provide the Comptroller and Auditor General with a power to appoint auditors or independent examiners to a body that the Regulations may specify;
 - (b) to empower the Minister for Treasury and Resources to specify by Order the bodies for which the Comptroller and Auditor General may appoint auditors or independent examiners;
 - (c) to provide for the bodies referred to in Articles 13 and 14 to adopt the auditing standards set out in the statement prepared and published under Article 18(1).
- (2) Without limiting Article 9(5) of the [Legislation \(Jersey\) Law 2021](#), Regulations may amend any provision in legislation that would otherwise be incompatible with an auditor or an independent examiner being appointed by the Comptroller and Auditor General.
- (3) Only the Chief Minister may lodge Regulations to be made under this Article and before doing so the Chief Minister must consult the Minister for Treasury and Resources, the Comptroller and Auditor General and any body that would be affected by the Regulations.

12 Article 28 (transitional arrangements) deleted

Article 28 is deleted.

13 Updating of references to "Chairman"

In the following places for "Chairman" there is substituted "chair" –

- (a) Article 3(1), (2) and (7);
- (b) Article 4(1);
- (c) Article 5;
- (d) Article 7(1), (3)(g) and (7);
- (e) Article 8(2)(b);
- (f) Article 15(3)
- (g) Article 19(2).

14 [Employment of States of Jersey Employees \(Jersey\) Law 2005](#) amended

In Schedule 1 to the [Employment of States of Jersey Employees \(Jersey\) Law 2005](#) (offices the holders of which are not States' employees), at the end of the list of offices, there is inserted "Comptroller and Auditor General".

15 Citation and commencement

This Law may be cited as the Comptroller and Auditor General (Jersey) Amendment Law 202- and comes into force on a day specified by Chief Minister by Order.