

Board of Governance of the Comptroller and Auditor General

MEETING

held on 17 March 2020 at 11:00 am

by Video Conference

MINUTES

Present	Peter Price	Chairman
	Grace Nesbitt	Independent Member (up to Item 10A)
	Russel Griggs	Independent Member
	Lynn Pamment	Comptroller and Auditor General
In attendance	Stephen Warren	Deputy Comptroller and Auditor General
	Helen Hodgson	Manager, National Audit Office (for item 10A)

20/01 Item 1: Declarations of interests

The Board received a report from the Deputy Comptroller and Auditor General.

The Comptroller and Auditor General as a former partner in PricewaterhouseCoopers LLP made a declaration of interest in Item 8 in so far as it related to the extension of the appointment of the auditor of the Public Employees' Pension Fund and the Jersey Teachers' Superannuation Fund.

Other members of the Board did not make any specific declarations of interests relevant to any items on the agenda.

Professor Griggs said that he would check the standing declarations recorded in the Register of Interests to confirm that they were up to date.

Other members of the Board confirmed that there were no changes to their interests included in the Register of Interests.

The Board noted that the Office is instituting a system of annual declarations of interests for affiliates and others engaged to work for the Office, coupled with systematic consideration of whether any action in respect of identified threats is necessary.

The Board agreed that its Register of Interests should be published on the Jersey Audit Office website.

20/02 Item 2: Chairman's update

The Chairman reported that:

- he had liaised with and met the Comptroller and Auditor General following the commencement of her term of office on 1 January 2020; and
- he, as well as other members of the Board, had been interviewed for the review of the Board of Governance's effectiveness being undertaken by the National Audit Office.

20/03 Item 3: Minutes of the meeting held on 17 December 2019

The Board received and agreed to adopt the minutes of its meeting held on 17 December 2019.

20/04 Item 4: Matters arising from the minutes of the meeting held on 17 December 2019

The Board received a report from the Deputy Comptroller and Auditor General detailing the actions agreed at its meeting of 17 December 2019 and the steps subsequently taken.

The Board noted the report.

20/05 Item 5: Schedule of potential changes to legislation and advice sought from H M Attorney General

The Board received a report from the Deputy Comptroller and Auditor General detailing potential changes to legislation previously identified by the Board and the advice sought and received from H M Attorney General.

The Board noted the report.

20/06 Item 6: The Comptroller and Auditor General's report

The Board received a report from the Comptroller and Auditor General, including details of:

- activities and observations on taking up office;
- reports issued and planned, including the forthcoming consultation on proposed revisions to the Code of Audit Practice;
- interaction with the States Assembly through the Public Accounts Committee;

FOR PUBLICATION

- developments within the States of Jersey
- developments within the Jersey Audit Office

The Comptroller and Auditor General also updated the Board on the impact of Coronavirus on the Office.

The Board welcomed and made observations on the draft vision, purpose, principles, values, objectives, priorities and KPIs presented by the Comptroller and Auditor General.

20/07 Item 7: Handover to the incoming Comptroller and Auditor General

The Board received a report from the Deputy Comptroller and Auditor General.

The Board agreed that the Comptroller and Auditor General and Deputy Comptroller and Auditor General should draft an addendum to the protocol outlining the learning from the recent handover for consideration at the next meeting of the Board.

20/08 Item 8: Auditors appointed by the Comptroller and Auditor General: Annual Review: Follow-up

In light of her interest recorded at Minute 20/01 above, the Comptroller and Auditor General did not participate in discussion of this item in so far as it related to the extension of the appointment of auditors to the Public Employees' Pension Fund and Jersey Teachers' Superannuation Fund.

The Board received a report from the Deputy Comptroller and Auditor General and noted the progress on:

- the arrangements for the audit of the Data Protection Authority;
- the arrangements for the appointment of the auditor of the Jersey Competition Regulatory Authority; and
- the extension of the appointment of auditors to the Public Employees' Pension Fund and Jersey Teachers' Superannuation Fund; and
- the appointment of auditors to the Gambling Commission for one year.

The Board noted the report.

20/09 Item 9: Gifts and hospitality register

The Board received a report from the Deputy Comptroller and Auditor General and reviewed the register for 2019 and 2020 to date.

The Comptroller and Auditor General and Deputy Comptroller and Auditor General confirmed that the register was up to date.

The Board noted the report and the contents of the register.

Ms Hodgson joined the meeting at 12:00.

20/10 Item 10A: Review of the operation of the Board of Governance

The Board welcomed Helen Hodgson from the National Audit Office (NAO).

Ms Hodgson outlined the approach to the review and presented the findings of the NAO's review of the effectiveness of the Board. Ms Hodgson provided an overall context for the review, including reflecting on proportionality in the context of the Office.

Mrs Nesbit left the meeting at 12:09 to deal with an urgent personal matter.

Ms Hodgson presented the results of the review.

In light of discussions with Board members, Ms Hodgson agreed to make a small number of factual amendments to the report.

The Board thanked Ms Hodgson for the report and her presentation.

Helen Hodgson left the meeting at 12.51.

The Board adjourned for lunch at 12:53.

The Board reconvened at 13:30.

20/11 Item 10B: Review of the operation of the Board of Governance

The Board discussed the report about its effectiveness received from the NAO.

The Board expressed the view that if the Coronavirus emergency affected the recruitment process for the Chairman and a Member of the Board, extension of those Board appointments for a period of 12 months would be appropriate.

The Board agreed that the Deputy Comptroller and Auditor General should:

- **make enquiries about the States' approach to extension of States appointments in the current circumstances; and**
- **convey the Board's view that it would favour extension of terms of Board members' terms of office in order to minimise the problem.**

The Board agreed that:

- **the Comptroller and Auditor General and Deputy Comptroller and Auditor General should prepare a paper detailing potential steps to implement the recommendations made by the NAO and associated resource implication by Friday 3 April 2020;**
- **the Deputy Comptroller and Auditor General should consult Board members to schedule a video conference to discuss that paper in the week commencing 6 April 2020; and**
- **the Board should submit the final NAO report with an agreed response to the Chief Minister and Chairman of the Public Accounts Committee.**

The Comptroller and Auditor General agreed to include in the Annual Report wording that reflected receipt and consideration of the recommendations of the NAO report.

The Board reviewed its Standing Orders, Code of Conduct and Relationship Code in light of the review.

The Board agreed that the Deputy Comptroller and Auditor General should propose alternative wording to remove the requirement for three months' notice of Board meetings contained in the Standing Orders and submit the proposed changes for consideration by members of the Board.

The Board agreed that the Deputy Comptroller and Auditor General should continue to serve as Secretary to the Board.

The Board deferred consideration of whether to make any further changes in how it operates pending further consideration of the NAO report.

20/12 Item 11: Risk register

The Board received a paper from the Deputy Comptroller and Auditor General and the risk register for the Office.

The Board noted the report and reviewed the contents of the register.

The Comptroller and Auditor General agreed to include a new risk relating to the wide-ranging impacts of Coronavirus on the States and operation of the Office and circulate it the Board of Governance.

20/13 Item 12: Finance update

The Board received a report from the Deputy Comptroller and Auditor General.

In response to a question from Professor Griggs, the Deputy Comptroller and Auditor General explained that small differences between financial performance reported by the Office and that reported

by the States reflected different timings of accounts preparation and a lower materiality applied by the Office.

The Board noted the report.

20/14 Item 13: Annual Report and Accounts

The Board received a report from the Deputy Comptroller and Auditor General and a copy of the draft Annual Report and Accounts for the year ended 31 December 2019.

The Comptroller and Auditor General reported that Grant Thornton Limited, the auditor of the Office's accounts, had indicated that they intended to work remotely and to complete the audit in April in accordance with the agreed timetable.

The Board thanked Andrea White and Graham Liddell for their work on preparing the draft Annual Report and Accounts.

The Comptroller and Auditor General agreed to circulate a version in track changes updated to reflect consideration of the:

- **the vision, purpose, principles, values, objectives, priorities and key performance indicators (KPIs) for the Office; and**
- **the deliberations on the NAO review of Board effectiveness.**

The Chairman of the Board agreed to provide a draft of his Foreword by 27 March 2020.

20/15 Item 14: Assurance statement on the expenses of the Comptroller and Auditor General

The Board received a report from the Deputy Comptroller and Auditor General.

The Comptroller and Auditor General confirmed that an affiliate undertakes checks on the invoices for expenses she submits prior to authorisation for payment.

The Comptroller and Auditor General agreed to document the arrangements in place for the approval of the expenses of the Comptroller and Auditor General.

The Board agreed that the affiliate responsible for checking the Comptroller and Auditor General's expenses should be advised to report any concerns relating to expenses claimed directly to the Chairman of the Board of Governance.

The Board authorised the Chairman to sign and date the assurance statement on the expenses of the Comptroller and Auditor General for the year ended 31 December 2019 for and on behalf of the Board.

20/16 Item 15: Forward look

The Board reviewed the draft forward programme of business.

Subject to:

- **removing the words '(including reflections on the handover process)' from the proposed Comptroller and Auditor General's Report for Summer 2020;**
- **retitling the item 'Comptroller and Auditor General: initial impressions' planned for Summer 2020 as 'Comptroller and Auditor General: initial impressions including handover process'; and**
- **including an item on issues from the NAO review of Board effectiveness, including succession planning and Board Key Performance Indicators, to the Summer 2020 agenda**

the Board approved the forward programme of business.

20/17 Item 16: Date of next meetings

The Board noted that it was scheduled to meet on 30 June 2020 in Jersey but recognised that might not be possible.

The Board agreed:

- **to keep the scheduled meeting in the diary;**
- **to reconsider at the start of June 2020 whether the meeting could proceed in Jersey as planned or should be held by video conference;**
- **to advise the Public Accounts Committee Officer that the Board would still wish to meet with the Chairman of the Public Accounts Committee and herself on 30 June 2020 even if the meeting was held by video conference.**

The meeting closed at 14:35.