

**Board of Governance of the Comptroller and Auditor General**

**MEETING**

**held on 26 March 2021 at 10:00**

**by Video Conference**

**MINUTES**

<b>Present</b>	Grace Nesbitt	Chair
	Russel Griggs	Senior Independent Member
	Rob Tinlin	Independent Member
	Lynn Pamment	Comptroller and Auditor General
<b>In attendance</b>	Stephen Warren	Deputy Comptroller and Auditor General and Secretary to the Board of Governance (other than item 6 (part))

**21/01 Item 1: Declarations of interests**

Members of the Board confirmed that their declarations of interest were up to date and that they had no specific interests in the matters on the agenda.

The Deputy Comptroller and Auditor General reported that he had a direct interest in item 6 on the agenda in so far as it related to the role descriptor for the Secretary to the Board of Governance and would leave the meeting for consideration of the matter.

**21/02 Item 2: Chairman's update**

The Board noted that it was convened with new membership following the decision of the States Assembly to appoint Grace Nesbitt as Chair, to reappoint Russel Griggs as an Independent Member and to appoint Rob Tinlin as an Independent Member.

The Chair recorded that the previous Chair, Peter Price, had thanked Board members for the gift that they had in a personal capacity presented to him on leaving office.

**The Chair proposed and the Board agreed that, to facilitate the conduct of the Board's business:**

- **in future agendas would be split between items for decision, items to note following discussion and items for information; and**
- **in future agenda papers would specify whether an item was for decision, for noting following discussion or for information.**

The Chair proposed and the Board agreed to reorder the agenda:

- to consider the element of the Comptroller and Auditor General's Report (Item 6) that related to the role descriptor for the Secretary to the Board of Governance separately after the Dates of future meetings (Item 15); and
- to consider the Review of operation of the Board of Governance - action plan implementation (Item 11) after the Assurance Statement on the Expenses of the Comptroller and Auditor General (Item 13) to facilitate consideration alongside the Forward look (Item 14) and Dates of future meetings (Item 15).

**21/03 Item 3: Minutes of the meeting held on 6 October 2020**

The Board received and agreed to adopt the minutes of the meeting of the Board as previously constituted held on 6 October 2020.

**21/04 Item 4: Matters arising from the minutes of the meeting held on 30 June 2020 and 6 October 2020**

The Board received a report from the Deputy Comptroller and Auditor General detailing the actions agreed at its meetings of 30 June 2020 and 6 October 2020 and the steps subsequently taken.

The Comptroller and Auditor General explained the reasoning for her decision not to include in her publication *Public Audit in Jersey - A Thinkpiece* a public recommendation that the position of Deputy Comptroller and Auditor General be placed on a statutory footing. She indicated that she would, however, pursue the matter through other routes.

The Board noted the report.

**21/05 Item 5: Schedule of potential changes in legislation and advice sought from H M Attorney General**

The Board received a report detailing potential changes in legislation previously identified by the Board and advice sought and received from H M Attorney General. The Deputy Comptroller and Auditor General highlighted the most recent entry relating to advice provided by the Attorney General in relation to the draft Code of Audit Practice and proposals for changes in public audit legislation.

The Board noted the report.

**21/06 Item 6: Comptroller and Auditor General's Report (excluding the role descriptor for the Secretary to the Board of Governance)**

The Board received a report from the Comptroller and Auditor General covering:

- a) reports issued and planned. The Comptroller and Auditor General focussed on:
  - the publication, following consultation, of a revised Code of Audit Practice, an explanatory note and summary of consultation responses;
  - the subsequent publication of the Office's second thinkpiece, focussing on Public Audit in Jersey;
  - the publication of a report on anti-corruption arrangements;
  - the imminent publication of the first of a series of reports on the response to Covid-19; and
  - potential additional reporting;
- b) interaction with the States Assembly, including the Public Accounts Committee. The Comptroller and Auditor General reported in particular on:
  - the establishment of a new Public Accounts Committee;
  - the work programme of the new Public Accounts Committee; and
  - the resource implications of supporting the work of the Public Accounts Committee;
- c) developments within the States of Jersey. The Comptroller and Auditor General highlighted in particular:
  - the departure of the Chief Executive, appointment of an interim Chief Executive and commencement of recruitment of a permanent Chief Executive; and

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- the potential for public reporting alongside the Comptroller and Auditor General's certificate on a sensitive matter. The Board expressed its confidence that the Comptroller and Auditor General and her team would address this issue professionally and sensitively;
- d) developments within the Jersey Audit Office. The Comptroller and Auditor General highlighted in particular:
- the continuance of remote working;
  - the draft travel policy for the Office in response to Covid-19, explaining that she did not plan to finalise this until relaxations in travel restrictions meant that travel to and from the island might be feasible.; and
  - the work in hand to implement the Audit Quality Framework, including consideration of options for reviewing the work undertaken by auditors appointed by the Comptroller and Auditor General;
- e) external engagement; and
- f) data losses. The Comptroller and Auditor General confirmed that there were no data losses to report to the Board.

**The Comptroller and Auditor General agreed that, when she had reviewed the travel policy, she would share a revised draft with other Board members for comment.**

**The Board agreed to meet the Chair of the Public Accounts Committee when feasible to do so.**

The Board noted the report.

### **21/07 Item 7: Gifts and hospitality register**

The Board received a report from the Deputy Comptroller and Auditor General and a copy of the Office's gifts and hospitality register to 31 December 2020. The Deputy Comptroller and Auditor General reported that there were no entries in the register for the year ending 31 December 2021 to date.

The Board noted the report.

### **21/08 Item 8: Finance update**

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

- the financial performance of the Office to 31 December 2020; and

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- the detailed budget for the Office for the year ending 31 December 2021.

The Board noted the report.

### **21/09 Item 9: Risk register**

The Board received a report from the Deputy Comptroller and Auditor General and reviewed the Office's risk register, including those items identified by the Board as of particular relevance to its functions.

The Board noted the report and the contents of the risk register, including those items of particular relevance to its functions.

### **21/10 Item 10: External communications**

The Board received a report from the Comptroller and Auditor General. The Comptroller and Auditor General highlighted in particular:

- increased traffic to the Office's website; and
- enhancements to the Office's website.

The Board noted the report and welcomed the progress made on external communications.

### **21/11 Item 12: Annual Report and Accounts of the Office of the Comptroller and Auditor General for the year ended 31 December 2020**

The Board received a report from the Deputy Comptroller and Auditor General on the Annual Report and Accounts of the Office for the year ended 31 December. The Deputy Comptroller and Auditor General highlighted in particular:

- preparation of the Annual Report with H M Treasury's Financial Reporting Manual adapted to the circumstances of Jersey and the Office;
- preparation of the Annual Accounts in compliance with International Financial Reporting Standards; and
- preparation using the Office's revised templates and the cessation of reliance on external desk-top publishing.

Members of the Board expressed the view that the Annual Report and Accounts were professional and accessible.

**The Board asked that thanks were conveyed to the members of the Jersey Audit Office team responsible for preparing the Annual Report and Accounts.**

**21/12 Item 13: Assurance statement on the expenses of the Comptroller and Auditor General**

The Board received a report from the Deputy Comptroller and Auditor General and a schedule of the Comptroller and Auditor General's expenses for the year. The Board reviewed the schedule.

The Board noted:

- the controls in place over incurring expenses including:
  - placing booking through the States of Jersey's travel agent;
  - limiting reimbursement of meals to a specified amount;
  - dining where feasible at the hotel at which accommodation was booked;
  - not reimbursing alcohol;
  - booking where feasible in advance to secure better prices;
  - agreement of charges to the general ledger to a copy of the booking with the States of Jersey's travel agent; and
  - direct access by the affiliate responsible for oversight of the financial management of the Office to the Chair of the Board of Governance in the event that they had any concerns about expenditure incurred; and
- irrecoverable payments to FlyBe before it went into administration.

**The Board:**

- **agreed that the Deputy Comptroller and Auditor General should propose to the Board a revised wording of the Assurance Statement to reflect that the Board had made enquiries to satisfy themselves about the design of the controls over the Comptroller and Auditor General's expenses;**
- **subject to the agreement of the revised wording of the Assurance Statement, authorised the Chair of the Board to sign the Assurance Statement on behalf of the Board for inclusion in the Office's Annual Report and Accounts for the year ended 31 December 2020; and**
- **agreed that for 2021 and subsequent years, Russel Griggs, as Senior Independent Member, should perform some sample tests on the expenses incurred and, prior to agreement of the**

**Assurance Statement, report the results of his testing to the Board of Governance.**

**21/13 Item 11: Review of operation of the Board of Governance - action plan implementation**

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

**The Board agreed that:**

- **the Deputy Comptroller and Auditor General should recirculate a copy of the report prepared by the UK National Audit Office;**
- **it should consider the remaining recommendations in a dedicated session at its next meeting; and**
- **the Chair should work with the Comptroller and Auditor General and Deputy Comptroller and Auditor General to prepare a paper to support deliberations at that meeting.**

**21/14 Item 14: Forward look**

The Board received a draft forward work programme from the Deputy Comptroller and Auditor General.

The Board noted the draft forward work programme.

**The Board agreed that:**

- **the Chair should seek an early meeting with the Chair of Public Accounts Committee by video conference;**
- **the Board should subsequently seek a meeting with the Public Accounts Committee, if feasible in person to coincide with a visit to Jersey.**

**21/15 Item 15: Dates of next meetings**

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

**The Board agreed:**

- **to hold a meeting on Wednesday 7 July 2021 commencing at 11:00 and comprising two separate sessions, one for general business and one to consider the remaining issues from the independent review of the operation of the Board of Governance;**

- **that the meeting should be scheduled to be held by video conference but that a decision on whether it would be feasible to meet in person would be taken one month before the meeting was scheduled to be held; and**
- **that it would provisionally schedule a meeting for the week commencing 11 October 2021, if feasible in Jersey, and review its plan at its meeting on Wednesday 7 July 2021.**

*The Deputy Comptroller and Auditor General, having declared an interest in next item, left the meeting at 11:40.*

**21/16 Item 6 (part): Comptroller and Auditor General's Report: role description for the Secretary to the Board of Governance**

The Board reviewed a draft role description for the Secretary of the Board of Governance.

The Board noted that, as the Deputy Comptroller and Auditor General would in any event attend meetings of the Board, it was cost effective that he continue to perform the role of Secretary to the Board of Governance.

**The Board:**

- **approved the draft role description;**
- **agreed that the Deputy Comptroller and Auditor General should continue to serve as Secretary to the Board of Governance; and**
- **confirmed that the Secretary to the Board of Governance had direct access to the Chair of the Board of Governance.**

*The meeting closed at 11.50.*