

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

**MEETING**

**held on 15 December 2016 at 10:30 am  
at The Government of Jersey London Office, 4th Floor, 2 Queen Anne's Gate  
Buildings, Dartmouth Street, London SW1H 9BP**

**MINUTES – For publication**

<b>Present</b>	Peter Price	Chairman
	Russel Griggs	Independent Member (via video conference link)
	Karen McConnell	Comptroller and Auditor General
<b>In attendance</b>	Stephen Warren	Deputy Comptroller and Auditor General

**16/01 Item 1: Welcome and introductions**

The Chairman welcomed the members of the Board to its inaugural meeting, including Professor Griggs who was attending by video conference due to over-running engineering works at London City Airport.

The Chairman said that he thought that the papers for the meeting were very well prepared and that filled him with confidence about the operation of the Jersey Audit Office.

The Board noted that, in addition to presenting papers, the Deputy Comptroller and Auditor General would be taking minutes of the meeting.

**16/02 Item 2: Declarations of interest**

No members of the Board declared an interest.

**16/03 Item 3: Comptroller and Auditor General's review of her role and context for the Board**

The Comptroller and Auditor General led the other members of the Board through a presentation, providing members of the Board with context about Jersey, its government, the history of the role of the Comptroller and Auditor General, the statutory framework within which she operated, the way of working of her office and the relationships with the executive and legislative branches of government.

The Board had a wide-ranging discussion on the role of the Comptroller and Auditor General.

The Board noted the Comptroller and Auditor General (Jersey) Law 2014.

**The Board agreed to maintain a schedule of areas for potential changes in primary or secondary legislation.**

The Board noted the Code of Audit Practice and that, in particular:

- there was consultation of the draft Code;
- there were no negative reactions to the Code or changes made; and
- audit firms were required by their letters of appointment to comply with the Code.

**16/04 Item 4: The role, functions and objectives of the Board**

The Board noted a paper on its role, functions and objectives.

**16/05 Item 5: Systems and processes of the Comptroller and Auditor General**

The Board discussed a paper of the systems and processes operated by the Comptroller and Auditor General.

The Board noted that:

- there had been nothing that could be regarded as a complaint about the office or its staff since the current Comptroller and Auditor General took up office;
- testing of recovery of data was scheduled to be completed before the end of December 2016;
- there had been no instances of losses of data since the current Comptroller and Auditor General took up office;-and
- there was no whistleblowing policy in place.

**The Comptroller and Auditor General agreed:**

- **to develop a complaints procedure, including provision for the involvement of the Board of Governance in the event of a complaint against the Comptroller and Auditor General;**
- **routinely to report any data losses to the Board of Governance; and**
- **develop a Relationship Code, including a whistleblowing policy.**

**16/06 Item 6: Risk register**

The Board reviewed the risk register for the Office of the Comptroller and Auditor General.

The Board endorsed the content of the risk register but suggested that it would benefit from the inclusion of comments assigning responsibility and giving a target date for agreed actions.

**The Board agreed:**

- **to receive the risk register quarterly (or at a routine meeting where this takes place within 30 days of the end of a quarter); and**
- **to allocate more time to review the risk register at its next meeting.**

**16/07 Item 7: Accounts and estimates**

The Board received a paper on the arrangements for accounts and estimates.

The Board reviewed the annual report and accounts for the year ended 31 December 2015.

**The Board agreed:**

- **to consider draft Key Performance Indicators at a subsequent meeting;**
- **consider and as appropriate endorse additional time for the Comptroller and Auditor General through quarterly financial reporting; and**
- **receive information on additional time for the Deputy Comptroller and Auditor General through quarterly financial reporting.**

## 16/08 Item 8: Annual Audit Plan

The Board received the Annual Audit Plan prepared by the Comptroller and Auditor General.

The Comptroller and Auditor General:

- outlined how she had introduced an annual plan;
- explained how it was developed; and
- explained how it was kept under review and adapted citing the recent example of prioritising the review of the Innovation Fund.

The Deputy Comptroller and Auditor General explained the provisions of the Code of Audit Practice relevant to the development of the Audit Plan.

The Board noted the duty of the Comptroller and Auditor General to attend meetings of and liaise with the Public Accounts Committee but also her statutory independence and immunity from direction.

## 16/09 Item 9: Conclusions: structures and working methods

The Board considered papers on:

- standards for declaration of conflicts of interest;
- the systems and processes of the Board; and
- other issues relating to working methods.

The Board noted the desirability for independence in framing the ways of working of the Board.

The Board noted the practical problems in framing workable provisions on conflicts of interest.

**The Board agreed:**

- **that a specification should be prepared for the preparation of a draft and revised draft Standing Orders and Relationship Code;**
- **that the Standing Orders should include provisions relating to attendance via telephone or video conferencing, consideration of urgent business outside meetings, recording the results of deliberations outside meetings, notice period for meetings and the timescale for dispatch of papers;**
- **that the provisions on conflicts of interest should be proportionate but have regard to the Standing Orders of the States Assembly; and**
- **that the Relationship Code should permit two-way communication with the external auditors of the Office.**

The Board noted the importance of high quality minutes of its meetings. The Board noted the different approaches to performing the Board Secretary role at the Wales Audit Office and Audit Scotland.

**The Board agreed that the Deputy Comptroller and Auditor General should perform the Board Secretary role, including preparation of Minutes, subject to review of the arrangement after 12 months.**

The Board discussed standing items it would wish to be placed on the agenda for its meetings and for receipt between meetings.

**The Board agreed to consider quarterly:**

- a general progress report from the Comptroller and Auditor General;
- a financial summary (including performance against budget); and
- the risk register.

**The Board agreed to consider annually:**

- its Standing Orders;
- the Code of Audit Practice;
- the draft financial statements (with a supporting schedule for the expenses of the Comptroller and Auditor General); and
- the audited financial statements and auditor's report.

**The Board agreed that a diary should be prepared of future events that might require its involvement identified in the paper prepared by the Deputy Comptroller and Auditor General.**

**The Comptroller and Auditor General agreed to provide the independent members of the Board with copies, as prepared, of:**

- the audit plan and updates to it;
- specifications for individual pieces of work;
- press releases and reports under embargo;
- press coverage of Jersey Audit Office reports.

**The Comptroller and Auditor General agreed to provide the independent members of the Board with:**

- copies of press coverage for the previous year;
- selective press coverage from her taking up office.

**The Board agreed that, when it met in Jersey, it would receive a presentation on press coverage of the office.**

The Board noted the importance of raising its profile with key players in Jersey.

**The Board agreed that the Chairman should seek meetings with the Chairman of the Public Accounts Committee and other key individuals on a visit to Jersey.**

## **16/10 Item 10: Date of and arrangements for next meeting**

The Board discussed the timing and arrangements for its next two meetings.

**The Board agreed that:**

- **it should hold a short meeting in late March 2017;**
- **subject to the availability of the meeting room at the Government of Jersey London Office, it should meet on Friday 24 March 2017; and**
- **Professor Griggs and (subject to confirmation of the operation of multi-site video conferencing) the Chairman should attend via video conferencing.**

**The Board agreed that:**

- **it should meet at the Jersey Audit Office at 31 Broad Street, St Helier, Jersey on Monday 10 July 2017; and**
- **subject to availability and flight times seek to meet some key individuals on the day of its visit.**

#### **16/11 Chairman's Closing Remarks**

The Chairman thanked the members of the Board. He said that he believed that the first meeting of the Board had been productive and given him confidence about the structures in place for the Office.

The meeting closed at 15:45.