

Board of Governance of the Comptroller and Auditor General

MEETING

held on 30 June 2020 at 14:30 am

by Video Conference

MINUTES

Present	Peter Price	Chairman
	Grace Nesbitt	Independent Member
	Russel Griggs	Independent Member
	Lynn Pamment	Comptroller and Auditor General
In attendance	Stephen Warren	Deputy Comptroller and Auditor General (other than item 17)

20/27 Item 1: Declarations of interests

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

Professor Griggs reported that his declared interests in UK Finance and Lloyds's Banking Group were no longer current.

The Board agreed that Professor Griggs' interests in UK Finance and Lloyds Banking Group should be removed from the Board's register of interests.

Other members of the Board confirmed that their declarations of interest were up to date.

Board members confirmed that they had no had no specific interests to declare in the matters on the agenda other than:

- in respect of all independent members of the Board, an interest in item 13 in so far as it related to succession planning; and
- in respect of Professor Griggs, an interest in item 13 in so far as it related to the proposed designation of a Senior Independent Director.

The Deputy Comptroller and General reported that he had a direct interest in Item 17 on the agenda and would leave the meeting for that item.

20/28 Item 2: Chairman's Introduction

The Chairman reported that:

- the earlier meeting with the Chairman of the Public Accounts Committee and Public Accounts Committee officer had gone well; and
- he had been involved at an early stage with some of the items on the agenda for the meeting.

20/29 Item 3: Minutes of the meeting held on 24 April 2020

The Board received and agreed to adopt the minutes of its meeting held on 24 April 2020.

20/30 Item 4: Matters arising from the minutes of the meeting held on 17 March 2020 and 24 April 2020

The Board received a report from the Deputy Comptroller and Auditor General detailing the actions agreed at its meetings of 17 March 2020 and 24 April 2020 and the steps subsequently taken.

The Board noted the report.

20/31 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 Board noted the report.

20/32 Item 6: Comptroller and Auditor General's Report

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

- a) reports issued and planned, highlighting in particular the ongoing review of the work programme in light of the Covid-19 pandemic, including deferral of work and plans to issue a series of reports on strategic and operational elements of the response to the Covid-19 pandemic;
- b) interaction with the States Assembly, including the Public Accounts Committee;

- c) developments within the States of Jersey;
- d) developments within the Jersey Audit Office, including the extension of the appointment of the auditor of the Office by one year, discussions with the Government of Jersey on a Public Finances Manual chapter specific to the circumstances of the Office, the ongoing reliance on Government of Jersey financial systems and the budget for the Office for 2021.

The Comptroller and Auditor General highlighted progress in development of mechanisms to monitor performance against Key Performance Indicators. The Comptroller and Auditor General recognised that most of the indicators related to activity and output rather than outcomes but believed that such indicators provided good early indicators of risks of poor outcomes and gave a good indication of potential risks of non-delivery. The Board welcomed the progress made in measuring the performance of the Office while emphasising the importance of a continuing focus on measuring outcomes in the context of wider government;

- e) external engagement. The Comptroller and Auditor General reported that she had accepted an invitation to speak at a UK National Audit Office event for supreme audit institutions on data analytics; and
- f) data losses. The Comptroller and Auditor General confirmed that there were no data losses to report to the Board.

The Board noted the report.

20/33 Item 7: Public Audit in Jersey – A consultation

The Board received a paper from the Deputy Comptroller and Auditor General and copies of:

- the Comptroller and Auditor General's Report – A Consultation; and
- a draft revised Code of Audit Practice referred to in the Consultation document.

The Board considered carefully the appropriateness, given the Board's role, of the independent members submitting a response to the Consultation.

The Board agreed not to submit a response to the Consultation.

The Comptroller and Auditor General agreed to provide the Board with a summary of the responses to the consultation and any significant changes to the draft Code and legislative proposals made as a result of consideration of the responses.

20/34 Item 8: Procurement of services of affiliates

The Board received a report from the Comptroller and Auditor General outlining the proposed strategy for procurement of services of affiliates, the reasons for the strategy and the timetable that she intended to follow.

The Board noted the report.

20/35 Item 9: 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 from 1 January 2020.

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

20/36 Item 10: Finance update

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

- the financial performance of the Office to 31 May 2020; and
- the proposed wording for the section of the financial procedures detailing the arrangements for approval of the expenses of the Comptroller and Auditor General.

The Board noted the report.

Subject to a small amendment to emphasise that the checking of claims by the Finance Officer was in the context of the procedure, the Board endorsed the section of the financial procedures detailing the arrangements for approval of the expenses of the Comptroller and Auditor General.

20/37 Item 11: External communications

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

- a review of media coverage of the Office since Autumn 2019;
- the proposed steps to develop the Office's website;
- the steps taken to improve the information available on the use of the Office's website.

The Board noted the report.

20/38 Item 12: Comptroller and Auditor General: initial impressions

The Board received a report from the Comptroller and Auditor General detailing her initial impressions relating to:

- the recruitment process for the Comptroller and Auditor General;
- the transition process from the outgoing to the incoming Comptroller and Auditor General; and
- other matters relating to the operation of the Office.

The Board agreed that:

- **the Comptroller and Auditor General and Deputy Comptroller and Auditor General should update the handover protocol to reflect the matters that were within the control of the Board and the Comptroller and Auditor General and submit the revised draft to the Board;**
- **the Comptroller and Auditor General and Deputy Comptroller and Auditor General should prepare an addendum detailing other matters for consideration in the context of a future recruitment; and**
- **an initial discussion of the recruitment process for the next Comptroller and Auditor General should be added to the forward look for Spring 2025.**

20/39 Item 13: Review of operation of the Board of Governance – action plan implementation

The Board received a report from the Comptroller and Auditor General including an action plan on the steps taken and planned to implement the recommendations agreed by the Board.

The Board agreed:

- **the proposed role descriptors for the Chairman, Senior Independent Member and Other Member of the Board; and**
- **the proposed induction programme for new Board members.**

In light of the interest recorded at Item 1 above, Professor Griggs did not participate in the discussion of or decision on the designation of the Senior Independent Member of the Board.

The Board agreed to designate Professor Griggs as the Senior Independent Member of the Board.

The Board noted:

- the UK National Audit Office's recommendation on development of a strategic framework for the Board's work;

- the existence of a forward look covering the next 12 months' Board meetings; and
- the potential changes to the membership of the Board.

The Board agreed to defer, until new appointments are made to the Board, consideration of:

- **the Board's longer-term strategic framework; and**
- **the Board's longer-term approach to succession planning.**

20/40 Item 14: Risk register

The Board received a report from the Deputy Comptroller and Auditor General and reviewed the Office's risk register.

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

The Board agreed the risks in the risk register that were particularly relevant to the Board's work and should be designated as such within the register.

20/41 Item 15: Forward look

The Board received a draft forward work programme from the Deputy Comptroller and Auditor General. The Deputy Comptroller and Auditor General highlighted the inclusion of a standing item for external communications.

The Board agreed the forward work programme, subject to:

- **reflection of consideration of the longer-term strategic framework for the Board and longer-term succession planning once appointments had been made to the Board; and**
- **inclusion of an item in Spring 2025 covering arrangements for the recruitment of the next Comptroller and Auditor General.**

20/42 Item 16: Dates of next meetings

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

The Board noted its scheduled visit to Jersey on 6/7 October 2020 and that there would be further consultation as the Covid-19 restrictions and travel arrangements became clearer.

The Board agreed that it would defer consideration of the timing of its Spring 2021 meeting.

The Board noted that, dependent on decisions on appointment to the Board, it may be necessary to hold a further handover meeting.

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The Deputy Comptroller and Auditor General, having declared an interest in item 17, left the meeting at 16:45.

20/43 Item 17: Contract for the Deputy Comptroller and Auditor General

The Board noted the report presented by the Comptroller and Auditor General and endorsed the proposed actions set out in the report.

The meeting closed at 16:55.