

Board of Governance of the Comptroller and Auditor General

MEETING

held on 6 October 2020 at 15:00

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)

20/44 Item 1: Declarations of interests

Members of the Board reported the following changes to their interests:

- The Chairman: Non-executive member of the Food Standards Agency Board and Chair of the Welsh Food Advisory Committee: commenced on 1 September 2020; and
- Professor Griggs: Chair of the South of Scotland Enterprise Partnership: ceased on 31 March 2020.

The Board agreed that the register of interests should be updated to reflect the changes in interests declared.

Board members confirmed that they had no specific interests to declare other than in respect of items 10, 15 and 16 in so far as they related to the future work of the Board.

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

20/45 Item 2: Chairman's update

The Chairman reported that, further to the discussion at the previous meeting of the Board, he completed on 28 June the agreed action to 'check in' with other members about any support they might require in

serving as Board members. The Chairman reported that no such support was sought.

The Chairman reported that he had agreed to consideration of a late agenda item relating to the estimates for the Office and proposed that it was considered alongside Item 8 on the agenda.

20/46 Item 3: Minutes of the meeting held on 30 June 2020

The Board received and agreed to adopt the minutes of its meeting held on 30 June 2020.

20/47 Item 4: Matters arising from the minutes of the meeting held on 22 April 2020 and 30 June 2020

The Board received a report from the Deputy Comptroller and Auditor General detailing the actions agreed at its meetings of 22 April 2020 and 30 June 2020 and the steps subsequently taken.

The Board noted the report.

20/48 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 sought from 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.

20/49 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. The Comptroller and Auditor General focussed on:
 - the flow of publications from the Office, reflecting on the positive response to the positive response from stakeholders to the report on Annual Reporting and the associated Good Practice Guide; some delays in securing responses to draft

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reports as a result of pressures on officers; and the ongoing work on the Government's response to Covid-19;

- the planned publication of a revised Code of Practice following public consultation. The Comptroller and Auditor General highlighted the identification as a result of the work on the Code of Practice of a regulatory gap relating to the auditor of the States' accounts and the identified need to put in place enhanced oversight of the auditor's work. She explained that she was minded to enhance the provisions of the Code of Audit Practice in this regard and consider alternative means by which to secure assurance about the work undertaken by the auditor of the financial statements of the States. The Board endorsed the need for action to address the identified regulatory gap;
- b) interaction with the States Assembly, including the Public Accounts Committee. The Comptroller and Auditor General reported in particular on:
- initial progress in monitoring the implementation of recommendations;
 - the brainstorming undertaken by the Public Accounts Committee that was helpful to her in her planning; and
 - the absence through illness of the Chairman of the Public Accounts Committee.
- c) developments within the States of Jersey. The Comptroller and Auditor General highlighted in particular the continuing response to Covid-19, the Integrated Technology Solution programme, the Hospital site selection and the Government Plan 2021-24;
- 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;
 - items in relation to affiliate procurement, support services and external communications covered elsewhere on the agenda; and
 - the timetable for the recruitment of a Chairman and Independent Member of the Board;
- 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 Board noted the report.

The Comptroller and Auditor General agreed to report back to the next meeting of the Board on Governance on the means by which

she intended to plug the regulatory gap in relation to auditor oversight that she had identified.

The Board agreed to convey its best wishes to the Chairman of the Public Accounts Committee.

The Comptroller and Auditor General agreed to update the Covid-19 related draft travel policy for the Office to reflect:

- **an overall objective of keeping Jersey safe; and**
- **a principle of avoiding travel to Jersey other than when business could not effectively be conducted remotely.**

20/50 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 from 1 January 2020.

The Board noted the report.

20/51 Item 8: Finance update

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

- the financial performance of the Office to 30 June 2020; and
- the financial performance of the Office to 30 August 2020.

The Board noted the report.

20/52 Item 18: Estimates for the Government Plan 2021 - 2024

The Board received a report from the Deputy Comptroller and Auditor General setting out and explaining the reasons for revised estimates proposed by the Comptroller and Auditor General for submission to the Acting Chairman of the Public Accounts Committee for inclusion in the Government Plan 2021 - 2024.

The Board noted:

- the statutory duty of the States to provide the Comptroller and Auditor General with sufficient resources to discharge her functions; and
- the justification for the revised estimates in the context of the circumstances detailed in the report.

The Board endorsed the revised estimates for submission to the Acting Chairman of the Public Accounts Committee.

20/53 Item 9: External communications

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

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

The Comptroller and Auditor General agreed to provide details of the Office's LinkedIn account to members of the Board of Governance.

20/54 Item 10: 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 noted that, as detailed at Minute 20/45, that the Chairman had 'checked in' with the other Board members by the target date and the action in respect of recommendation (l) should therefore be treated as completed.

The Board considered recommendation (h) in the report prepared by the UK National Audit Office and concluded that it should not at this time seek to secure additional resources to allow it to provide further challenge to the Comptroller and Auditor General.

20/55 Item 11: Auditors appointed by the Comptroller and Auditor General

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

- changes in audit appointments made and procurement exercises in hand;
- the positive feedback from a survey of management and those charged with governance of the entities to which the Comptroller and Auditor General appoints auditors; and
- planned engagement with auditors appointed by the Comptroller and Auditor General.

The Comptroller and Auditor General updated the Board on the process adopted leading to the appointment of a new auditor of the financial statements of the States of Jersey.

The Board noted the Deputy Comptroller and Auditor General's report.

The Board expressed its satisfaction with:

- the encouraging survey results; and
- the process adopted to appoint new auditor of the financial statements of the States of Jersey.

20/56 Item 12: Procurement of services of affiliates

The Board received a report and further verbal update from the Comptroller and Auditor General.

The Board noted the report and endorsed the approach outlined by the Comptroller and Auditor General.

20/57 Item 13: Support services for the Office

The Board received a report from the Comptroller and Auditor General on provision of communications, administration and finance support to the Office.

The Board noted the report.

20/58 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.

20/59 Item 15: 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.

20/60 Item 16: Dates of next meetings

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

The Board agreed to arrange its next meeting in Spring 2021.

The Deputy Comptroller and Auditor General, having declared an interest in item 17, left the meeting at 16:30.

20/61 Item 17: Contract for the Deputy Comptroller and Auditor General

The Board received a verbal update from the Comptroller and Auditor General, including on the advice that she had received.

The Board agreed:

- **that it was appropriate to finalise the draft contract with the Deputy Comptroller and Auditor General as outlined by the Comptroller and Auditor General;**
- **that a role description for Board Secretary should be drafted and considered by the Board at its next meeting; and**
- **that the inclusion of the role of the Deputy Comptroller and Auditor General should be recommended to the States of Jersey when the public audit law in Jersey is updated.**

The meeting closed at 16.50.