

Board of Governance of the Comptroller and Auditor General

MEETING

held on 22 March 2023 at 10:00

by video conference

MINUTES

Present	Grace Nesbitt	Chair
	Russel Griggs	Senior Independent Member
	Rob Tinlin	Independent Member
	Lynn Pamment	Comptroller and Auditor General
In attendance	Stephen Warren	Deputy Comptroller and Auditor General and Secretary to the Board of Governance (for Items 1 to 18)
	Andrea White	Finance Officer (for Items 5, 6 and 11)
	Rozena Pedley	Communications Officer (for Item 10)
Apologies for absence	Christopher Alexander	Board Apprentice

23/01 Item 1: Declarations of interests

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

The Comptroller and Auditor General and Rob Tinlin highlighted changes to their interests.

The Board agreed that the Register of Interests as updated to reflect these changes should be published on the Jersey Audit Office website.

23/02 Item 2: Chair's update

The Chair reported the appointment of Christopher Alexander as Board Apprentice.

The Chair congratulated the Deputy Comptroller and Auditor General on his appointment as Tynwald Auditor General. The Board echoed the Chair's comments.

23/03 Item 3: Minutes of the meeting held on 19 October 2022

The Board received and agreed to adopt the minutes of the meeting of the Board held on 19 October 2022.

23/04 Item 4: Risk Register

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

The Board reviewed the risk register, focussing on the risks that it had identified as risks for the Board of Governance.

The Board noted the report.

The Finance Officer joined the meeting.

23/05 Item 5: Annual Report and Accounts

The Board:

- welcomed the Finance Officer to the meeting of the Board; and
- agreed to recorder its agenda to consider Item 11 after Item 6.

The Board received:

- a report from the Comptroller and Auditor General and the Finance Officer
- the draft Annual Report and Accounts for the year ended 31 December 2022; and
- various communications from Grant Thornton Limited, the external auditors of the Office, including their Audit Findings

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Report on their audit of the Office's accounts for the year ended 31 December 2022.

The Finance Officer highlighted:

- the financial performance of the Office as reported in the Annual Report and Accounts
- the additional funding received by the Office to reflect contractual inflationary pressures
- the absence of changes in accounting policies
- the key judgements in the preparation of the accounts
- the receipt of the Audit Findings Report from Grant Thornton Limited and the absence of significant issues in it; and
- the reason for the unadjusted misstatement and the reasons for deciding not to make an adjustment in respect of treatment of the rent-free period for the lease of office accommodation.

The Board welcomed the Annual Report and Accounts, commending the coverage, clarity and readability of the Annual Report and Accounts.

The Chair asked about the scope for a summary version of the Annual Report and Accounts.

In response, **the Comptroller and Auditor agreed to consider:**

- **reflecting the content of the Annual Report in a revised version of the promotional leaflet prepared by the Office; and**
- **preparing a short video to accompany the issue of the Annual Report and Accounts.**

The Board authorised the Chair of the Board to sign the Introductory Statement included in the Annual Report.

23/06 Item 6: 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 expenses of the Comptroller and Auditor General for the year ended 31 December 2022.

The Board discussed potential increases in travel and accommodation costs and the mechanisms for mitigating these whilst maintaining the necessary visibility on Island.

The Board agreed that:

- **the Senior Independent Member on a sample basis agree expenses to underlying accounting records; and**
- **following completion of the sample checks, the Chair of the Board of Governance be authorised to sign and date the assurance statement for and on behalf of the Board of Governance.**

23/07 Item 11: Finance update

The Board received a report from the Finance Officer detailing:

- performance against budget for the year to 31 December 2022
- the detailed budget for the Office for the year to 31 December 2023.

The Board agreed to defer consideration of recruitment costs for a Deputy Comptroller and Auditor General until Agenda Item 18.

The Board discussed potential pressures on the Office's budget as a result of changes in responsibilities and workload. The Comptroller and Auditor General highlighted her plans to issue a Thinkpiece later in 2023 that would touch on these issues and generate debate leading to potential legislative changes in 2024 or 2025.

The Board noted the report.

The Finance Officer left the meeting.

23/08 Item 7: Additional Independent Member of the Board of Governance

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

- amendments made to the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015; and
- the recruitment of an additional independent member of the Board, including the process, timeline and wording of the information pack.

The Board noted and discussed the report.

The Board:

- **endorsed the recommended overall process for the recruitment of another independent member of the Board**
- **agreed to amend the proposed timetable for recruitment to include engagement with representative bodies in advance of the commencement of the recruitment process**
- **agreed to amend the wording of the proposed timetable to reflect dependencies on the actions of other persons**
- **recommended that the Chair should serve as a member of the shortlisting and interview panels; and**
- **endorsed the proposed changes to the information pack for the recruitment.**

The Board agreed to discuss the timetable for the recruitment of an additional independent member of the Board of Governance under Agenda Item 18.

23/09 Item 8: Matters arising

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

The Board noted the report, welcoming the extent of completion of agreed actions.

23/10 Item 9: Comptroller and Auditor General's report

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

- reports issued and planned. The Comptroller and Auditor General explained that on reflection the budget for the Annual Reporting project had not adequately reflected the input required for the workshop and individual meetings with accounts preparers
- appointment and monitoring of financial statement auditors. The Comptroller and Auditor General highlighted her plan to develop a strategy for the appointment of auditors and the factors that she would take into account in developing the strategy
- interaction with the States Assembly, including the Public Accounts Committee.
- developments within the States of Jersey, including the impact of response to tragedies

- developments within the Jersey Audit Office; and
- external engagement.

The Board noted the report.

The Communications Officer joined the meeting.

23/11 Item 10: External communications

The Board welcomed the Communications Officer to the meeting.

The Board received a report from the Communications Officer covering:

- media and stakeholder activity;
- media coverage; and
- website usage.

The Communications Officer highlighted in particular:

- work on stakeholder engagement, including in connection with the project on Annual Reporting;
- discussions with the Government of Jersey on media engagement;
- continuing press interest in the work of the Office; and
- ongoing consideration of the potential use of an accessibility widget.

The Board noted the report, welcoming the ongoing interest in the work of the Office.

The Comptroller and Auditor General agreed that the Communications Officer would provide regular updates on press coverage directly to the Board.

The Communications Officer left the meeting.

23/12 Item 12: Audit quality framework

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

- quality assurance procedures for the Jersey Audit Office, in particular the development of the Audit Manual for the Office

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- the further procedures undertaken to monitor the work undertaken by auditors appointed by the Comptroller and Auditor General
- the Comptroller and Auditor General's plans to extend for a year the contract with the ICAEW to undertake file reviews of audits undertaken by auditors appointed by the Comptroller and Auditor General.

The Board noted the report.

The Comptroller and Auditor General agreed to:

- **investigate whether there was a particular identifiable reason for the reduction compared with the previous year in the average score for question 9 in the survey of those charged with governance;**
- **consider separating out the results for the States of Jersey for those for other bodies; and**
- **report back to the next meeting of the Board accordingly.**

23/13 Item 13: Jersey Audit Office policies

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

- detailing progress in developing policies to cover areas in which the Public Finances Manual did not cover the Office. Copies of five draft policies were shared with the Board
- requesting comments on the Office's Equal Opportunities Policy that had been shared with the Board; and
- detailing further work on policy development planned.

The Board

- noted the report
- made no observations on the draft policies or the current Equal Opportunities Policy; and
- emphasised the importance of completing the remaining policies.

23/14 Item 14: Schedule of potential changes in legislation and advice sought from H M Attorney General

The Board received a report from the Deputy Comptroller and Auditor General. The Deputy Comptroller and Auditor General highlighted in particular the updates to the schedule of to reflect the

coming into force of the Comptroller and Auditor General (Board of Governance) (Amendment No 2) (Jersey) Order 2023.

The Board noted the report and, in particular, the need to consider succession planning in light of the flexibility in terms of Office permitted by the changes introduced in the 2023 Order.

The Board agreed to receive an options paper on succession planning at the Autumn 2023 meeting of the Board.

23/15 Item 15: Gifts and hospitality register

The Board received and noted without discussion a report from the Deputy Comptroller and Auditor General.

23/16 Item 16: Forward look

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

- a forward look for the next two meetings
- items identified for consideration beyond the next two meetings; and
- a schedule of stakeholders for potential engagement during Autumn visits to Jersey.

The Board noted the report.

The Board agreed that the Forward Look should be updated to reflect:

- **the paper on succession planning agreed for its October meeting under minute 23/14; and**
- **recruitment of an additional independent member of the Board and a new Deputy Comptroller and Auditor General.**

23/17 Item 17: Dates of future meetings

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

In the context of the timing of its Summer 2023 meeting, the Deputy Comptroller and Auditor General updated the Board on the timing of the budget cycle for the 2023 - 2026 Government Plan and that he

had not yet received confirmation of the timing of the planned cycle for the 2024 - 2027 Government Plan.

The Board noted the report.

The Board:

- **provisionally agreed that it should meet virtually on 6 July 2023 at 10:00; and**
- **agreed that at its Summer 2023 meeting it should consider the timing of its Autumn 2023 meeting.**

23/18 Item 18: Appointment of Secretary to the Board of Governance

The Board received a report from the Comptroller and Auditor General nominating Andrea White to serve as Secretary to the Board of Governance from 1 April 2023.

The Board agreed that Andrea White serve as Secretary to the Board of Governance from 1 April 2023.

The Deputy Comptroller and Auditor General left the meeting.

23/19 Item 19: Review of the Jersey Audit Office business operating model

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

The Board:

- provided comments on each of the matters raised in the paper; and
- provided comments and additions to the draft person and services specification for the Deputy Comptroller and Auditor General.

The Board agreed:

- **the proposed recruitment process for a Deputy Comptroller and Auditor General**
- **that the Chair of the Board would sit on the interview panel for the Deputy Comptroller and Auditor General; and**
- **to prioritise the appointment of a Deputy Comptroller and Auditor General in advance of the appointment of an**

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additional Board member. In doing so, the Board agreed that the planned stakeholder activities in advance of the Board appointment process commencing would take place during May 2023.

The meeting closed at 13:00.