

# **THE BOARD OF GOVERNANCE OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL**

## **DRAFT TERMS OF REFERENCE**

### **INTRODUCTION**

Under Article 15 of the Comptroller and Auditor General (Jersey) Law 201- ('the Law'), the Chief Minister, with the agreement of the Chairman of the Public Accounts Committee, may make an Order establishing a Board. That Order may specify:

- (a) The name of the Board;
- (b) The constitution of the Board;
- (c) The functions of the Board in relation to the office of C&AG;
- (d) The duties of the C&AG in relation to the Board;
- (e) The appointment, dismissal and removal from office of members of the Board;
- (f) The resources of the Board.

### **THE NAME OF THE BOARD**

Under Article 17 of the Draft Law, the Comptroller and Auditor General (the C&AG) may not be directed as to how any function of the C&AG is to be carried out. The C&AG is required to liaise with the Public Accounts Committee and attend its meetings, and under Article 16 the C&AG must prepare and publish a statement of the manner in which she or he proposes to discharge the function of C&AG. This is given effect by the publication of a Code of Audit Practice.

The C&AG is therefore independent in matters relating to the discharge of the functions of the office, and the Governance Board is not empowered to direct the C&AG in relation to these matters.

For these reasons the name of the board is the **Board of Governance of the Office of the Comptroller and Auditor General**. For convenience it may be referred to as the **Board of Governance**.

### **THE CONSTITUTION OF THE BOARD**

There may be up to three members of the Board of Governance, who shall be appointed by the States on a proposition signed by the Chief Minister and the Chairman of the Public Accounts Committee. One of these members shall be recommended to the States for appointment as chairman of the Board. In

addition, the Comptroller and Auditor General is an *ex officio* member of the Board.

The chairman and members of the Board shall normally be appointed for a fixed term of four years, with the option of renewal of these appointments for one further term of four years. No members on the Board may serve for more than two terms. Since it is desirable to achieve continuity in the business of the Board, the Chief Minister and the Chairman of the Public Accounts Committee may, during the first term, propose to make one or more of the appointments for a period shorter than four years, with the possibility that these appointments are reviewed and given a second appointment for the normal duration of four years.

Before recommending to the States the appointments to the Board, the Chief Minister and the Chairman of the PAC must take into account any views and recommendations made by the Jersey Appointments Commission.

It is essential that the Board acts impartially and objectively in its business and that members of the Board retain the confidence of the States at all times. For this reason, a member of the Board may not hold, or have held in the past five years, employment as a States' employee, and they may not hold any other office or employment with the States Assembly, any States funded body or independently audited States body.

The Chief Minister and the Chairman of the Public Accounts Committee should take into account any guidance offered by the Jersey Appointments Commission on the skills and experience which are required in members of the Board. It would be appropriate also to take into account any comments made by the C&AG regarding the range of skills and experience required. It would be advantageous for one member of the Board to have knowledge or experience of public auditing in another jurisdiction and for one member of the Board to have experience in an executive or non-executive capacity in another jurisdiction.

The States may revoke the appointment of a member of the Board on a proposition signed by the Chief Minister and the Chairman of the Public Accounts Committee alleging one or more of the grounds for revocation of appointment specified in Article 7(3) of the Law. A member of the Board should give the Chief Minister and the Chairman of the Public Accounts Committee three months notice of an intention to resign.

The Board of Governance shall normally meet twice each year, firstly when the C&AG presents the estimates of expenditure to the Chairman of the Public Accounts Committee for the purposes of providing the Minister for Treasury and Resources with information required for preparing the budget and, where required, the medium term financial plan and, secondly, when the audit the draft accounts is nearing completion prior to the submission of the audited accounts to the Greffier of the States. Other meetings may be held as necessary, if the chairman of the Board considers that there are exceptional circumstances requiring such meetings.

The quorate number is two members of the Board and the C&AG. In the eventuality that the chairman is unavailable for a meeting, the members shall elect one of their number to act as chairman for that meeting only.

Records of the meetings of the Board shall be prepared by the Office of the C&AG and may be published with the exception of confidential items.

The resources required for the Board shall be included in the estimates prepared by the C&AG.

## **THE FUNCTIONS OF THE BOARD OF GOVERNANCE**

The principal function of the Board of Governance is to hold the office of the C&AG to account for the proper, efficient and effective use of the public funds allocate to the C&AG for the discharge of the office.

The main duties of the Board of Governance are:

- to scrutinize the use of resources by the C&AG,;
- to oversee the governance arrangements of the C&AG;
- to report to the Chief Minister and Chairman of the Public Accounts Committee on any matters concerning the use of resources by the C&AG or the governance arrangements of the Office.

In accordance with the principles of good governance the Board of Governance has responsibilities for oversight of the probity of spending by the C&AG, and also for oversight of the proper conduct of the C&AG and the most senior officers reporting to the C&AG.

The auditor of the Office of the C&AG is appointed by the Chairman of the Public Accounts Committee.

## **FURTHER GUIDANCE ON THE DISCHARGE OF THE DUTIES AND RESPONSIBILITIES OF THE BOARD AND OF THE C&AG IN RELATION TO THE BOARD**

The C&AG will provide the Board of Governance with a draft of the proposal for estimates of expenditure of the Office for the purposes of the budget and, where required, the medium term financial plan, and the Board will consider and comment on the estimates before they are presented to the Chairman of the Public Accounts Committee. The Board of Governance shall take into account the duty under Article 9(1) by which the States ensure that the C&AG is provided with sufficient funds, and the Board may request that its comments are included in the submission of the proposal for estimates.

The draft annual accounts of the office of the CAG will be presented to the Board when the audit of these accounts is nearing completion, and the auditor may make representations to the Board before the audited accounts are sent to the

Greffier of the States. The Board may request that its comments are presented to the Greffier of the States along with the audited accounts.

The Board will review the annual expenses of the C&AG and may make an assurance report which may accompany the submission of the audited accounts

The Board may consider and advise the C&AG on the policies governing the operation of the office on matters relating to the employment engagement and terms and conditions of the most senior officer reporting to the C&AG.

If requested by the C&AG, the Board will participate and advise in the process of recruiting the most senior officer reporting to the C&AG.

The Board may keep under review the remuneration of the most senior officer reporting to the C&AG and may make recommendations to the C&AG.

The Chairman of the Board of Governance may seek a meeting with the Chief Minister and the Chairman of the PAC on any matters of concern to the Board.

**RWB**  
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