

## Terms of Reference

### 1. Overview

- 1.1. The Minister for Treasury and Resources (the ‘Minister’) and Treasurer of the States (the ‘Treasurer’) have a range of powers and responsibilities relating to Treasury matters provided for through the Public Finances (Jersey) Law 2005 and associated Regulations. The Treasury Advisory Panel is established by the Minister to provide advice on discharging these responsibilities and exercising relevant powers. The primary focus of the Panel is to advise on matters relating to investment, the scope of which is further defined in section 8.

### 2. References

- 2.1. References to "the Minister" shall mean the Minister for Treasury and Resources
- 2.2. References to "the Panel" shall mean the Treasury Advisory Panel
- 2.3. References to the “Chairman” shall mean the Chairman of the Panel appointed by the Minister who is not otherwise an employee of the States of Jersey.
- 2.4. References to the “Non Executive Member” shall mean the member of the Panel appointed by the Minister who is not otherwise an employee of the States of Jersey.

### 3. Constitution

- 3.1. The Panel shall be established by the Minister to advise the Minister, Assistant Minister(s) and Treasurer. The Minister shall appoint members and a Chairman, subject to the appointment process outlined in section 6.

### 4. Authority

- 4.1. The Panel is empowered by the Minister to discharge its functions as specified in this document. To achieve this the Panel shall:
- Have the right to seek and be provided with the necessary information to fulfil its duties; and
  - Have the right to request professional advice necessary to fulfil its duties.

### 5. Membership

- 5.1. The Panel shall comprise:
- An Independent Chairman; and
  - The Treasurer of the States of Jersey and / or delegated Treasury Director; and
  - Up to three Non-Executive Members.
- 5.2. The Social Security Department shall have the right to nominate one officer to attend all Panel discussions that impact on Social Security Funds. That officer shall be responsible for briefing the Minister for Social Security.

## Terms of Reference

- 5.3. A representative of the Management Board of the Jersey Teachers Superannuation Fund shall have the right to attend all Panel discussions that impact on Jersey Teachers Superannuation Fund.
- 5.4. A Treasury officer shall be appointed the secretary of the Panel.
- 5.5. The positions of Independent Chairman and Non-Executive Member may be remunerated as determined by the Minister for Treasury and Resources.

### **6. Appointment and reappointment**

- 6.1 The Treasurer will be appointed to the Treasury Advisory Panel on appointment to the position of Treasurer. They will remain a member of the Panel until removed from office or on delegation to a Treasury Director.
- 6.2 The Chairman of the Panel and Non-Executive Members will be appointed by the Minister. Appointments must be made in line with the requirements of the Jersey Appointments Commission and must be reappointed after 3 years, subject to satisfactory assessment of performance and must be formally re-assessed before reappointed for subsequent terms after 9 years.

### **7. Meetings**

- 7.1. The Panel shall meet as appropriate, as determined by the Chairman, but not less than three times per year.
- 7.2. A meeting of the Panel may be called by the secretary at the request of any member of the Panel.
- 7.3. Only members of the Panel, and individuals detailed in para 5.2 and 5.3 have the right to attend Panel meetings, however, other individuals and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 7.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, and shall be forwarded to each member of the Panel and any other person required to attend, at least five working days prior to the appointed day for the meeting. Supporting papers shall be sent to Panel members and to other attendees as appropriate, at the same time.
- 7.5. The quorum for Panel meetings shall be two of the three members. A quorate meeting is able to provide advice to the Minister with the authority of the full Panel.
- 7.6. In the absence of the Chairman, the missing member may propose a proxy or the remaining members present may elect one of themselves to chair a meeting.
- 7.7. In the absence of the Treasurer or Non Executive Member, the missing members may propose a proxy to act in their place.
- 7.8. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.9. The secretary will minute the proceedings and advice / recommendations of all meetings.

**Terms of Reference**

7.10. Minutes of the Panel meetings shall be circulated to all members of the Panel. Panel members shall have the right to request minutes of the Panel for any period over which they have been appointed.

7.11. Meetings may be conducted in person, via telephone, or electronically.

**8. Scope of Advice**

8.1. The Panel is required to provide advice on the following matters on an on-going basis. The Minister or Treasurer may also request the Panel to provide advice on other relevant Treasury matters

8.2. ***Fund Investment Strategies***, the Minister has published investment strategies for each of the major funds managed by the Treasury. The Panel is required to review the appropriateness of these strategies at least annually.

8.3. ***Appointment of experts***, the Panel may seek expert advice to assist with their deliberations and would be expected to appoint an expert Investment Advisor to support the advice provided to the Treasurer and Minister. The Panel is required to advise the Treasurer on the appointment and dismissal of any experts including the States Investment Advisor.

8.4. ***Common Investment Fund Strategies***, the Minister has published summarised mandates for each of the Common Investment Fund asset classes which. The Panel is required to review the appropriateness of these pools at least annually.

8.5. ***Investment performance***, the Panel is required to review and consider the performance of all investment / cash managers appointed to manage funds under control of the Minister or Treasurer, at least annually.

8.6. ***Appointment and dismissal of Investment Managers***, the Treasurer is responsible for the appointment of investment managers. The Panel is required to advise the Treasurer on the appointment and dismissal of investment managers, though is free to delegate review of appointments/dismissals to a subcommittee of the Panel, subject to the establishment of process of due diligence operating to the satisfaction of the Panel.

8.7. ***Currency and interest rate exposure***, through its operations the States has on occasion exposure to foreign currencies and interest rate changes. The Panel is required to advise the Treasurer and Minister on the management of these exposures as requested.

8.8. ***Other advice***, from time to time the Minister and Treasurer may wish to seek the Panel's advice on other Treasury matters. The Panel will be required to advise on matters where it has relevant expertise, experience and knowledge to do so.

8.9. The Panel shall operate in accordance with the Principles and Recommendations of the AIC Code of Corporate Governance to the extent that the Principles and Recommendations are relevant to the fulfilment of its duties.

**Terms of Reference**

**9. Advice**

- 9.1 Advice will be given on agreement of the Panel. All advice provided by the Panel to the Minister or Treasurer will be recorded formally, either through the Panel's minutes or by correspondence from the Chairman.
- 9.2 The Panel acts in an advisory capacity, the Minister or Treasurer will consider the advice of the Panel but is not bound to implement their recommendations.

**10. Reporting and Communication**

- 10.1 The Panel shall receive current investment performance reports from the Treasury at each meeting.
- 10.2 The Minister and Treasurer will have the right to attend meetings at their discretion and retain the right to call meetings of the Panel so long as sufficient notice is provided for Panel members to attend.
- 10.3 The Minister and Treasurer will be entitled to receive all reports and papers assessed by the Panel along with minutes from each meeting.
- 10.4 The Panel shall produce a report, at least annually, addressed to the Minister to describe the performance and position of the States Investment Portfolio.