

CHANNEL ISLANDS FINANCIAL OMBUDSMAN

<p>Board Meeting 1 9.00am Monday 17 Nov 2014 Guernsey Registry, Market Building, Fountain Street, St Peter Port, GY1 3GX</p>		
<p>In these and future minutes:</p> <ul style="list-style-type: none"> ▪ CED = Commerce & Employment Department, Guernsey ▪ CIFO = Channel Islands Financial Ombudsman, joint operation of Jersey OFSO and Guernsey OFSO ▪ EDD = Economic Development Department, Jersey ▪ Guernsey OFSO = Office of the Financial Services Ombudsman to be established by law in Guernsey ▪ Jersey OFSO = Office of the Financial Services Ombudsman established by law in Jersey 		
<p>Minutes Board of Jersey OFSO Shadow board of Guernsey OFSO</p>		
<p>Present:</p> <p>David Thomas (DT) in the chair John Curran (JC) Debbie Guillou (DG) John Mills (JM)</p>		
<p>In attendance:</p> <p>Sophie Watkins (SW), consultant acting as interim operations manager, except for item 5.</p>		
<p>Apologies:</p> <p>None</p>		
1	<p>Introduction</p> <p>The board noted:</p> <ul style="list-style-type: none"> ▪ This was the first board meeting of CIFO. ▪ A quorum was present. ▪ This would be the first board meeting of Jersey OFSO. ▪ This would be the first shadow board meeting of Guernsey OFSO. Decisions would need to be ratified once the board was formally appointed. 	Action
2	<p>General discussion about ombudsmen</p> <p>The board discussed the history of ombudsmen in other jurisdictions and their relationship with regulators.</p>	
3	<p>Legislation</p> <p>The Board considered a paper outlining the position in each jurisdiction on the law, businesses covered, complainants covered and funding.</p> <p>The board noted:</p> <ul style="list-style-type: none"> ▪ Once the Guernsey legislation is in operation there will be two legal entities, Guernsey OFSO and Jersey OFSO, operating jointly under the name of Channel Islands Financial Ombudsman. ▪ The joint funding consultation by EDD and CED closed on 14 Nov 2014. A 	

	<p>memorandum of understanding between EDD and CED agrees a 50:50 apportionment of costs between the islands until the end of 2016.</p> <ul style="list-style-type: none"> ▪ Departmental responsibility for Jersey OFSO is under consideration and might change. <p>The board agreed to undertake a single, formal consultation in both Jersey and Guernsey, in due course, on extra categories of complainants.</p> <p>The board asked to be copied in to any communications on draft legislation.</p>	SW
4	<p>Finance</p> <p>The board considered a paper on finance and funding and asked that the relevant secondary legislation on funding be circulated to the Board.</p> <p>The board noted that Jersey OFSO's budgets for the 2014 and 2015 financial years were required to be submitted to the EDD Minister for approval as soon as practicable.</p> <p>The board agreed that DG and SW will work on these, and a cashflow forecast, will be worked on before the Jan 2015 Board meeting.</p> <p>The board noted that collecting levies and case fees will be a significant task, with the possibility of using third parties to collect.</p> <p>The board agreed that JC and SW would take the lead on this project.</p> <p>The board noted that interim financing for CIFO was to be provided by loans from the States of Jersey and Guernsey, but the Jersey loan had not yet received ministerial approval.</p> <p>The board agreed that, if this was not forthcoming soon, DT should write to the minister – and that SW should forewarn officers of this.</p> <p>[A phone call was received during the meeting, indicating that a ministerial decision was expected on 21 or 24 Nov 2014.]</p> <p>The board resolved (in the form attached to these minutes): to open a bank account with HSBC, initially for Jersey OFSO; the signatures of two directors should be required to authorise instructions to the bank; and the HSBC mandate should be duly completed.</p> <p>The Board noted that: insurance for directors' liability and professional indemnity will be required; and a seal may be required.</p> <p>The board agreed:</p> <ul style="list-style-type: none"> ▪ An expenses policy needs to be developed. JC will pull together suggestions for the next board meeting. ▪ DG will develop a brief for requirements for accountants. The choice of accountants will be delegated to DG and JM. ▪ SW should contact the Auditors General in both jurisdictions to check any specific requirements on use of auditors. 	<p>SW</p> <p>SW & DG</p> <p>SW & JC</p> <p>SW & DT</p> <p>JC</p> <p>DG</p> <p>SW</p>
5	<p>Ombudsman recruitment</p> <p>The board considered a paper on the Ombudsman recruitment, the term, the salary and benefits, and the wording of the advertisement.</p> <p>The board agreed:</p> <ul style="list-style-type: none"> ▪ It would not advertise until ministerial approval of the Jersey loan had been confirmed. ▪ Subject to this, the potential timetable involved a closing date of 5 Jan 2015, shortlisting on 9 Jan 2015 and interviews on 26/27 Jan 2015; ▪ The Jersey Appointments Commission (JAC) would not be used, because of the cost quoted, and DT should notify the JAC chair accordingly. 	<p>SW</p> <p>DT</p>

	<ul style="list-style-type: none"> ▪ The interview panel would consist of the full board plus an independent (to be identified) to fulfil a similar oversight function at the interviews. ▪ The location of interviews will be decided at shortlisting – with any candidates selected for interview from a long-haul location to be interviewed by video conference call. 	JC/JM/SW SW
6	<p>Other staff [SW left the meeting for this item]</p> <p>The board considered a paper on general staffing plans for the Financial Ombudsman. The board agreed:</p> <ul style="list-style-type: none"> ▪ It would retain SW as interim operations manager on a consultancy basis until the end of Apr 2015, with a review in Jan 2015. ▪ The ombudsman role would be a full-time position. The staffing structure would need review once the ombudsman was chosen. ▪ Further assessment, including taking external advice, is required on salary levels and benefits. ▪ The benefits package for CIFO employees needs to be attractive, but an application would not be made to join the Jersey Public Employees Contributory Retirement Scheme. 	
7	<p>Use of suppliers</p> <p>The board considered a paper on the use of suppliers.</p> <p>The board noted a full tendering process would be onerous for CIFO as a small organisation and agreed to advertise for expressions of interest to create a 'pool' of potential suppliers.</p>	
8	<p>CIFO website and email addresses</p> <p>The board agreed that a CIFO website would be established later, but that information on the development of CIFO should be provided on the States of Jersey and States of Guernsey websites at the earliest opportunity.</p>	SW/DT
9	<p>Other formalities</p> <p>The board noted the formalities outlined in a paper as requiring completion.</p> <p>Data protection formalities need to be completed. SW is to obtain application forms.</p> <p>Corporate governance, including a code for board members and risk management, needs to be developed. It was agreed that JM would lead on this.</p>	SW JM
10	<p>Stakeholder liaison</p> <p>The board discussed progress to date with meeting key stakeholders and further meetings that might be held.</p> <p>Board members to suggest individuals who might be invited to invite to join future board meetings for sandwiches at lunchtime.</p> <p>The board agreed that meetings of the Implementation Oversight Group should continue for the time being, as a communication channel rather having any control over the process.</p>	DT JC / DG
11	<p>Meetings and minutes</p> <p>The board agreed that its next meeting would be on Fri 9 Jan 2015 in Guernsey, and potential dates for future meetings would be circulated.</p> <p>The board agreed that its minutes, once approved, would be public and would be published on the future CIFO website</p>	SW

Approved at shadow board meeting 2 on 9 Feb 2015

Chairman