

CHANNEL ISLANDS FINANCIAL OMBUDSMAN

<p>Board Meeting 4 9.00am Tuesday 21st April 2015 Guernsey Registry, Market Building, Fountain Street, St Peter Port, GY1 3GX</p>		
<p>Minutes Board of Jersey OFSO Board of Guernsey OFSO</p>		
<p>Present: David Thomas (DT) in the chair John Curran (JC) Debbie Guillou (DG) John Mills (JM)</p>		
<p>In attendance: Sophie Watkins (SW), consultant acting as interim operations manager</p>		
<p>Apologies: None</p>		
1	<p>Minutes of last meeting</p> <p>The board noted a quorum was present.</p> <p>The minutes were approved.</p>	Action
2	<p>Guernsey OFSO</p> <p>As the board members have been formally appointed, the board noted this is the first board meeting of Guernsey OFSO. The board approved the ratification of all previous decisions of the shadow board of the Guernsey OFSO and the board of the Jersey OFSO, including the appointment of John Mills as deputy Chairman.</p> <p>2.1 States of Guernsey loan</p> <p>Subject to the addition of some explanatory text regarding the interest rate and confirmation of the bank account details, the board approved the Guernsey OFSO entering, as borrower, into a loan from the States of Guernsey as set out in appendix 1 to these minutes.</p> <p>2.2 Bank account</p> <p>The board resolved that:</p> <ul style="list-style-type: none"> • a joint bank account with Jersey OFSO be opened with HSBC • The bank is authorised to act on any instruction given by any two directors as authorised signatories 	SW

	<ul style="list-style-type: none"> • That any debt incurred to the bank under the mandate shall, in the absence of written agreement by the bank to the contrary, be repayable on demand. • That any two directors are authorised to supply the bank, as and when necessary, with lists of persons who are authorised to give instructions on behalf of Guernsey OFSO, and the bank may rely on such lists. <p>The board noted that a further discussion on the number and type of bank accounts will be held with the book-keepers at the next meeting with them.</p> <p>2.3 Eligible Complainants order</p> <p>The board noted:</p> <ul style="list-style-type: none"> • the OFSO consultation in Jersey & Guernsey on the further complainants order can now proceed. • The consultation document would be developed • The board will see the final draft and approve the list of consultees. • it would be desirable to be published on the CIFO website but the departments would be asked if it could be published on the States' websites if not available in time. • A deadline for responses of 1 month was proposed. <p>2.4 Budget approval</p> <p>The board noted the statutory requirement for CED to approve the 2015 budget (Schedule 2 paragraph 2(1) Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014).</p>	<p>DT / SW</p> <p>SW</p> <p>DG/SW</p>
<p>3</p> <p>3.1</p>	<p>Jersey OFSO</p> <p>The board approved the appointment of John Mills as deputy Chairman.</p> <p>2014 report and accounts</p> <p>The board approved:</p> <ul style="list-style-type: none"> • The 2014 financial statements subject to the amendment of Note 6 and some textual refinements • The chairman's report on operations in 2014 • The auditor's client checklist, subject to the revision of the wording re Law Officers to "periodic contact with Law Officers". <p>The board noted the accounts and report will be signed on 30 April and provided to the ED Minister.</p>	<p>DG/SW</p> <p>DG/SW</p> <p>JM/SW</p>

<p>3.2</p>	<p>Bank account</p> <p>The board resolved that:</p> <ul style="list-style-type: none"> • a joint bank account with Guernsey OFSO be opened with HSBC • The bank is authorised to act on any instruction given by any two directors as authorised signatories • That any debt incurred to the bank under the mandate shall, in the absence of written agreement by the bank to the contrary, be repayable on demand. • That any two directors are authorised to supply the bank, as and when necessary, with lists of persons who are authorised to give instructions on behalf of Guernsey OFSO, and the bank may rely on such lists. 	<p>SW</p>
<p>4</p>	<p>Guernsey States</p> <p>The board noted:</p> <ul style="list-style-type: none"> • the recent meeting convened by CED regarding the secondary legislation, involving GIBA, GFSC and OFSO • that the orders are due to be made by the end of May and • that the case fee and levy schemes can be published once the orders are in place. 	
<p>5</p>	<p>Jersey States</p> <p>The board noted the planned amendment to the Exempt Business Order.</p> <p>The board noted that EDD had requested police disclosures from the directors and noted that enquiries would be made as to whether the certificates obtained from the Guernsey police would suffice.</p>	<p>SW</p>
<p>6 6.1</p>	<p>Finance</p> <p>Audit</p> <p>The board noted that a letter will be sent to the Public Accounts Committee in Guernsey and the Comptroller and Auditor General in Jersey outlining the process used to appoint auditors for the 2014 Jersey OFSO audit and seeking to identify any requirements from either body for future audits.</p> <p>The board confirmed the appointment of KPMG as auditors for Jersey OFSO and Guernsey OFSO and noted</p>	<p>JC/DT</p>

	<p>the satisfactory work of the auditors on the Jersey OFSO 2014 accounts.</p> <p>The board confirmed the appointment of Grant Thornton for book-keeping, payroll and development of the funding schemes for Jersey OFSO and Guernsey OFSO and noted that a meeting with the accountants to move forward the ongoing book-keeping, payroll and bank account arrangements would be tabled.</p>	SW
6.2 Funding	<p>The board noted that progress was required by the accountants to draft the case fee and levy schemes and implement the billing, including the circulation of a project plan.</p> <p>The board noted that the status of CIFO as regards Jersey's goods and service tax (GST), particularly as to whether CIFO's fees and levies should include GST, would be explored.</p>	JC/SW
6.3 Bank activity	<p>The board noted that a first drawdown on the Guernsey loan was required as soon as possible, as the balance in the bank account would get to a low level once the latest cheques were cashed. It was agreed to drawdown £125,000, to correspond with the amount drawn on the Jersey loan.</p>	SW
6.4 Departments' invoicing	<p>The board noted the level of complexity involved in appropriately apportioning the establishment costs incurred by the Departments on behalf of the OFSOs , between the OFSOs. This has resulted from the differing amounts expended by the Departments and the differing dates from which the Jersey and Guernsey OFSOs can be liable for establishment costs. The EDD invoice is satisfactory but the CED invoice will need to be revised to set out post- 25 July 2014 expenses.</p> <p>The board noted that these invoices will be paid once the Guernsey loan has been drawn down.</p>	DG/SW
6.5 Directors' remuneration	<p>The board noted the payment to the directors of their outstanding remuneration from the date of their appointment to the board of Jersey OFSO to date.</p> <p>The payment has been made gross, as a fee for services with each director to be liable for the appropriate payment of tax. The Jersey Income Tax department have been advised of this approach, with no response</p>	DG/SW

	received as yet. The book-keepers will also be asked to confirm the tax situation for CIFO and the directors.	SW
7	<p>Insurance</p> <p>The board agreed:</p> <ul style="list-style-type: none"> to proceed with the Directors and Officers insurance policy that had been arranged and to review options and premiums on renewal; to increase the travel insurance cover to up to 75 trips per annum to consider the policy terms of insurances arranged as requested by the broker to consider the terms of the cyber insurance. <p>The board noted the cost of the insurances for the Ombudsman and that the premiums would reduce if the policies are moved to a group rather than personal basis.</p>	<p>SW</p> <p>SW</p> <p>JM/SW</p> <p>JM/SW</p>
8	<p>Premises</p> <p>The board noted that the choice of a supplier to assist with the identification and negotiation of suitable premises would be progressed and that interim options for premises for 1 – 2 months would be explored.</p>	JM/SW
9	<p>Website / IT</p> <p>The board noted that the website development would be progressed, working with the Ombudsman and the IT contact at the States of Jersey. One page of specifications would be developed and sent to those suppliers that had expressed interest in response to the advertisement.</p> <p>The board noted that IT hardware would be required for the Ombudsman’s start date – a mobile phone for the Ombudsman and laptop/PC for him and other staff. Contacts at the mobile providers would be provided.</p>	<p>SW</p> <p>SW</p> <p>JC/JM</p>
10	<p>Stakeholders</p> <p>The board noted the draft MOU between OFSO and the regulator drafted by the JFSC and asked for it to be acknowledged. The board to consider further and circulate comments.</p>	<p>SW</p> <p>All</p>
11.	<p>Formalities and practicalities</p> <p>The board noted:</p> <ul style="list-style-type: none"> the CIFO business name registration in Jersey must wait until premises are held and the opening date is known; the Jersey Social Security contributions schedule for Q1 2015 	

	<ul style="list-style-type: none"> the data protection registration is still to be progressed that CIFO has joined the International Network of Financial Services Ombudsmen (INFO); views were to be circulated on the Chairman's attendance at the INFO conference in Helsinki in September and their agreement that the Ombudsman could be re-elected as Chairman of INFO; that membership of the [British and Irish] Ombudsman Association would be progressed. <p>The board discussed the correspondence from the Jersey draftsman on court rules as regards a registered office and representation in court and noted this should be further examined.</p>	SW Board SW SW
12	Next meeting The board agreed not to meet on 7 th May and that the next meeting should be on 4 th June. The timing would be advised and it will be held in Guernsey as a result of the introductory meetings for the Ombudsman.	SW
	Approved at board meeting 5 on 4 June 2015 Chairman	