

**Board Meeting 22**  
**9.00am Tuesday 23<sup>rd</sup> October 2018**  
**CIFO office, St Helier**

**Minutes**  
**Board of Jersey OFSO**  
**Board of Guernsey OFSO**

**Present:**

David Thomas (DT) in the chair  
John Curran (JC)  
Debbie Guillou (DG)  
John Mills (JM)

**In attendance:**

Douglas Melville (DM), Principal Ombudsman and Chief Executive  
Sophie Watkins (SW), Manager of Administration and Stakeholder Relations, for items 1-7  
Odel Huby (OH), Financial Accountant, for item 7

**Apologies:**

None

1	<b>Minutes of the last meeting</b>	<b>Action</b>
	The board approved the minutes of the last meeting.	
2	<b>Declaration of any interests</b>	
	<p>The board noted the appointment of:</p> <ul style="list-style-type: none"> <li>▪ John Curran to the CICRA board;</li> <li>▪ Debbie Guillou as Chair of the Shadow Board of the Guernsey Institute of Health &amp; Social Care Studies (the organisation that trains the nurses and other healthcare practitioners on the island);</li> <li>▪ Debbie Guillou as a member of the Federated Shadow Board that is integrating the IHSCS with the Guernsey Training Agency and the College of Further Education to create (in due course) a University College in Guernsey.</li> </ul>	
3	<b>Guernsey States actions</b>	
	<p>The board noted:</p> <ul style="list-style-type: none"> <li>▪ the Financial Services Ombudsman (Case Fee and Levies) (Bailiwick of Guernsey) (Amendment) Order, 2018, which was made and came into operation in early October 2018 and extends the ending of the equal splitting of the costs of OFSO between the Bailiwicks of Guernsey and Jersey until the end of 2019;</li> </ul>	

	<ul style="list-style-type: none"> <li>▪ the draft Financial Services Ombudsman (Bailiwick of Guernsey) (Amendment) Ordinance, 2018, which is also required to extend the ending of the equal splitting of the costs of the OFSOs between the Bailiwicks of Guernsey and Jersey until the end of 2019; and</li> <li>▪ the draft Financial Services Ombudsman (Bailiwick of Guernsey) (Amendment) Ordinance, 2019, enabling disclosure of statistical summaries of information about complaints;</li> <li>▪ the draft revised Memorandum of Understanding between the Committee for Economic Development (Guernsey) &amp; the Minister for Economic Development, Tourism, Sport and Culture (Jersey) and recommended an amendment to paragraph 12 to reflect more accurately the new funding structure to be implemented at the start of 2020.</li> </ul>	
4	<p><b>Jersey States actions</b></p> <p>The board noted:</p> <ul style="list-style-type: none"> <li>▪ the draft Financial Services Ombudsman (Case-Fee, Levy and Budget – Amendments) (Jersey) Regulations 201- to extend the ending of the equal splitting of the costs of the OFSOs between the Bailiwicks of Guernsey and Jersey until the end of 2019;</li> <li>▪ the draft revised Memorandum of Understanding between the Committee for Economic Development (Guernsey) &amp; the Minister for Economic Development, Tourism, Sport and Culture (Jersey) and recommended an amendment to paragraph 12 to reflect more accurately the new funding structure to be implemented at the start of 2020.</li> </ul>	
5	<p><b>Chief Executive’s Report</b></p> <p>The board noted the Chief Executive’s report and in particular:</p> <ul style="list-style-type: none"> <li>▪ the additional activities during the third quarter of 2018 that diverted management and staff capacity from other non-case-file work streams. These included the completion of the distribution of the 2018 levy notices; the ultimately unsuccessful work with officers in CED and EDTSC to bring about the planned implementation of the new funding structure for 2019 and several different staffing and recruitment-related items;</li> <li>▪ advised that it was happy to support the Principal Ombudsman’s approach as outlined in respect of the Guidelines on Sufficiently-close Relationships and for the Principal Ombudsman to consult in due course on the approach and any other supplemental areas for the Guidelines;</li> <li>▪ discussed the work of the Consumer Protection Network and the relevance for CIFO to continue liaising with this group, while it was not appropriate to become a member;</li> <li>▪ current legal activity in relation to a determined complaint and consideration of the associated cost issues;</li> <li>▪ [SW left the meeting briefly for the issue in this bullet point] the status of a multiple complaint situation and the management of a staff conflict of interest;</li> <li>▪ Advised of priorities in relation to matters outstanding due to the volume of additional activity this quarter;</li> <li>▪ Having considered the recent or planned changes to eligible complainants and the maximum limits for awarded compensation at the UK Financial Ombudsman Service and the Irish Office of the Financial Services and Pensions Ombudsman, recommended that, once these proposed changes have been implemented, the Chair should report the changes to CED and EDTSC;</li> <li>▪ Supported management’s further consideration and implementation of an insurance policy relating to cyber security in 2019;</li> </ul>	<p>DM / SW</p> <p>DM / SW</p> <p>DT / DM /SW</p> <p>DM / SW</p>



	<ul style="list-style-type: none"> <li>▪ that, however, where case-related costs for 2019 are known at this stage, they should be included in the 2019 budget;</li> <li>▪ the differences in RPI figures between Jersey and Guernsey;</li> <li>▪ that the 2019 draft budget has been rigorously reviewed internally to identify areas of savings, including the consideration of new premises;</li> <li>▪ that the presentation of the budget for approval should reinforce that, although case handler resource has been increased by a third, the total budget increase is only 15-17%;</li> <li>▪ that, having reduced reserves by subsidising the levy in 2017 and 2018, the absence of such a subsidy in 2019 would have a significant effect on the amount of the levy.</li> </ul> <p>The board considered the paper provided on the operating reserve strategy for 2019 and the three proposed options. Further calculations of 2019 levies were prepared and provided in the meeting, amending the case fee income to that collected in 2019, rather than that becoming chargeable in 2019. The board noted that the previous policy was to keep as reserves an amount approximating to six months' operating costs as at the end of the financial year, however an increase in operating costs in 2019 would not necessarily require an increase in reserves as the risk and amount of unforeseeable case-related expenses, such as legal costs, would not increase in line with operating costs.</p> <p>The board approved the reinstatement of an overdraft facility (see 7.4) and accelerating the levy collection timetable.</p> <p>The board requested further modelling of the reserve strategy into 2020 on three further options for reserves amounts as at the end of the year. The board requested these calculations to be carried out after the board meeting and circulated to the board, with associated impact on the budget, to enable the board to approve a reserve strategy and 2019 budget.</p>	<p>OH</p> <p>DM / SW</p> <p>SW / OH</p> <p>DT / DM / SW / OH</p>
7.4	<p><b>Bank line of credit / agreed overdraft facility</b></p>	
	<p>The board passed a resolution to authorise management to sign the necessary agreements to reinstate the line of credit for a one-year period and to bring the question back to the Board for reconfirmation of the need to continue the facility on an annual basis in conjunction with the annual budget cycle.</p>	DM
7.5	<p><b>CIFO insurance coverage</b></p>	
	<p>The board considered the paper provided and approved management to proceed with renewals via the current intermediary arrangements.</p>	SW
7.6	<p><b>Bank account authorisation settings</b></p>	
	<p>The board noted the recent identification and rectification of an authorisation process in the electronic banking platform that did not meet the standards set in the financial controls and authorised signatory processes.</p>	
8	<p><b>Governance and Policy Issues</b></p>	
8.1	<p><b>Staff presentation re learnings from INFO 2018 in Dublin</b></p>	
	<p>Staff shared with the Board their perspectives on lessons learned from their training visit to the INFO 2018 conference in Dublin in September 2018.</p>	

<p>8.2</p> <p>8.3</p> <p>8.4</p>	<p><b>Board review – accessibility</b></p> <p>The Board was provided with an overview of good practices with respect to Ombudsman scheme accessibility and noted opportunities for CIFO to improve its offering against those practices over the short, medium and long-terms. The Board noted that most of the opportunities were aspirational and had varying resourcing implications for CIFO and noted the relative low priority attached to these matters given limited resources and other priorities.</p> <p><b>CIFO Chair and Board succession</b></p> <p>The Board discussed succession plans for individual Directors and the Chair noting the staggered schedule for appointments adopted previously to ensure both continuity and gradual renewal of CIFO Board membership.</p> <p><b>Senior staff succession planning</b></p> <p>The Board discussed succession planning for CIFO senior staff.</p>	
<p>Chairman</p>	<p>Approved at board meeting 23 on Tuesday 22<sup>nd</sup> January 2019.</p>	