

Board Meeting 25

10:30am – 3:00pm Tuesday 16 July 2019

Meeting room, Guernsey Registry

St Peter Port, Guernsey

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 Management

Alison Finn (AF), Financial Accountant by phone for items 9 to 10.1


Apologies:

None

1	Minutes of the last meeting The board approved the minutes of the last meeting.	Action
2	Declaration of interests or potential conflict with respect to the agenda No interests or potential conflict with items on the agenda were declared. Debbie Guillou confirmed her new role as Chief Executive Officer of Artemis Fiduciaries, from 16 September 2019, as previously advised by email. David Thomas confirmed his new role as a non-executive director of South West Mutual, from 14 May 2019. The Board had agreed by email on 21 March 2019 that this created no conflict and CED and the Minister were informed by letter on 25 March 2019.	
3	Approval of previous Board decisions None	
4	Guernsey OFSO The board noted:	

8.2	<ul style="list-style-type: none"> ▪ The current status regarding payment of compensation and legal costs by the FSP involved in the recent judicial review; ▪ The stakeholder meetings schedule; ▪ The hospitality register; and, ▪ The media coverage. <p>Complaint statistics</p> <p>The Board reviewed the Q2 operating statistics and approved the statistics for publication.</p>	
9	<p>Finance</p> <p>9.1 CIFO Q2 financial accounts</p> <p>The board noted the Q2 financial accounts and the update on the 2019 levy and case fee collection.</p> <p>9.2 CIFO cashflow update</p> <p>The board noted the cashflow update and that the position at year-end was currently estimated to be higher than previously planned.</p> <p>9.3 Update on implementation of the new funding structure</p> <p>The board discussed the timetable and noted the work with CED and EDTSC to implement the new funding structure for 2020, which consists of amendments to legislation and to the memorandum of understanding between the CED and the Minister for EDTSC.</p> <p>9.4 Audit review and planning</p> <p>The board noted the plans for reviewing the 2018 audit and discussed the rationale for running a tender process for the audit function. This is a significant annual expense for CIFO. [Note: Subsequent to the meeting, as CIFO's financial accountant had only recently joined the team, CIFO management, in consultation with the Chair and Lead Finance Director, concluded that – to get the best out of the process – it would be best to defer this for a short time and issue a request for proposals for auditors for the 2020 audit.]</p> <p>9.5 Working assumptions for the 2020 budget</p> <p>The board discussed the working assumptions presented regarding the 2020 budget, ahead of the proposed budget, which will be brought to the next board meeting in October 2019.</p> <p>9.6 CIFO Financial controls progress update</p> <p>The board noted the progress with revising the financial controls as against the January 2019 board paper and in particular that:</p> <ul style="list-style-type: none"> ▪ The Manager of Administration & Stakeholder Relations will be appointed as a B signatory on the bank accounts. ▪ No other B or C signatories are considered necessary at this point. ▪ A corporate bank card will be issued to the Administration Officer with a limit of £2,500 to book board and staff travel and can also be used for approved, low-value office purchases. Other travel expenses, such as taxi 	<p>DM / SW</p> <p>AF</p>

	<p>fares and meals will continue to be paid for by staff members and expensed. This corporate bank card will be stored in a safe, locked location within the office when not in use.</p> <ul style="list-style-type: none"> ▪ A corporate bank card with a limit of £500 will be issued to pay for low value items, such as postal expenses, milk, as an alternative to petty cash. This will be stored in a safe, locked location within the office when not in use. 	
9.6	<p>Insurance cover review</p> <p>The board noted the current insurance arrangements and requested the details of the travel insurance policy be circulated to directors again.</p>	SW
10	<p>Governance and Policy Issues</p>	
10.1	<p>Board review – money collection systems</p> <p>The board considered a paper on the systems with which CIFO raises its funding and noted the challenges and areas of inherent inefficiencies listed. Areas to consider included:</p> <ul style="list-style-type: none"> ▪ Progressing with the Financial Services Commissions items such as the provision of contact details with the licensee data already provided to CIFO and exploring the role of the Commissions in providing information to new licensees about CIFO levies; ▪ Improvements to the issuance of levy notices to named contacts and by email; ▪ Revalidation of existing zero-ratings: issue reminders to entities about advising CIFO if their certification no longer applies; ▪ Minimise potential for confusion over similarly named entities by additional use of reference numbers used by the Financial Services Commissions, both in the billing system and complaints system; ▪ Consider use of automated processes (bots) for repetitive invoice production tasks and to share necessary updates between the complaints system and billing system, such as on entity names and addresses; ▪ Consider more efficient methods for income collection and whether this could or should be reflected in the amount levied; and, ▪ Simplification of the internal case fee assessment process. <p>The board noted items for the next paper on records review.</p>	AF
10.2	<p>Ombudsman Association revalidation of membership</p> <p>The board noted the competed questionnaire recently submitted by CIFO for the revalidation of its membership of the Ombudsman Association.</p>	DM / SW
10.3	<p>User research</p> <p>The board noted its last consideration of research into user experience and broader stakeholder awareness or satisfaction, in a strategy meeting in January 2018. The board noted the usage levels of the service complaint procedure and the comments box on the CIFO website.</p> <p>The board requested a paper be brought to the January 2020 board meeting on the Ombudsman Association service standards including options for user research.</p>	DM

10.4	Risk management review The board noted the paper presented and, in particular, discussed the various potential reputational risks.	
11	Discussion with Guernsey Committee for Economic Development Charles Parkinson, President of the Committee, was accompanied by Darren Stephens, Director of Finance Sector Development for States of Guernsey, and joined the board in a working lunch to discuss matters of shared interest.	
	Approved at board meeting 26 on 22 nd October 2019  Chairman	