

Board Meeting 30

9.30am – 2.30pm Tuesday 20 October 2020

By videoconference

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
Alison Finn (AF), Financial Accountant

1	Approval of the Agenda
	Approved
2	Declaration of interests or potential conflict with respect to the agenda
	No interests or potential conflict with items on the agenda were declared. John Curran advised he has been appointed as a board member of Guernsey Employment Trust.
3	Minutes of the last meeting
	The board approved the minutes of the last meeting.
4	Previous board decisions by email to note
	The board noted the following decision made via email communication: <ul style="list-style-type: none"> ▪ Appointment of Michael Ingram as an Ombudsman ▪ Appointment of Clare Mortimer as an Ombudsman

5	<p>Guernsey OFSO</p> <p>The board noted:</p> <ul style="list-style-type: none"> • The proposed extension of John Curran’s term by one year was agreed by the Guernsey Committee for Economic Development and that final approval by the States of Deliberation would follow before year-end. • The publication of the Q2 complaints report (12 August 2020).
6	<p>Jersey OFSO</p> <p>The board noted:</p> <ul style="list-style-type: none"> • The proposed extension of all the directors’ terms by one year. • The publication of the Q2 complaints report (12 August 2020).
7	<p>Guernsey States actions</p> <p>It was noted that a new CfED would be formed following the recent general election. Once the members are known a meeting will be arranged.</p> <p>In the meantime, the Chair will write to the new CfED President.</p>
8	<p>Jersey States actions</p> <p>Nothing to report</p>
9.1	<p>Chief Executive’s Report</p> <p>The board noted the Chief Executive’s report and in particular:</p> <ul style="list-style-type: none"> • Various captive insurance providers moving to Guernsey from the UK with the potential for large incremental complaint volumes. • While productive meetings had been held in relation to Jersey Pension regulation this was not going to happen soon. When it is enacted, CIFO’s mandate for various pension types/providers and related parties will need to be clarified, and possibly expanded in this area. • The Guernsey Court of Appeals decision in relation to trustees’ responsibility when outsourcing financial management and the suitability of investment assets in a trust. • CIFO is on track to publish the summary complaint statistics on an FSP-named basis in the 2021 annual report. • The Principal Ombudsman had made jurisdiction decisions in relation to trust beneficiaries (in) and holding companies (out). One result has been further cases

	<p>being brought by trust companies on behalf of their beneficiaries. Another result has been that some of the holding company complainants have written to both Guernsey and Jersey governments/Commissions expressing their concerns regarding the holding company exclusions.</p>
9.2	<p>Complaint statistics</p> <p>The Board reviewed the Q3 operating statistics and approved the statistics for publication. It was noted that though the number of complaints had increased (while the number of cases had reduced) additional resources are now in place to tackle that.</p>
9.3	<p>Website statistics report</p> <p>The Board noted the new report and asked that it be included annually rather than quarterly going forward.</p>
9.4	<p>Stakeholder meetings schedule</p> <p>The Board noted the stakeholder meetings entries for the previous period.</p>
9.5	<p>Hospitality register</p> <p>The Board noted the register entries for the previous period.</p>
9.6	<p>Media coverage</p> <p>The Board noted the media coverage of CIFO and items of interest drawn from the previous period.</p>
9.7	<p>CIFO Board calendar of activities</p> <p>Noted. Management is to canvass directors regarding board meeting dates for 2021.</p>
10	<p>Finance</p>
10.1	<p>CIFO Q3 financial accounts</p> <p>The Board noted the Q3 financial accounts and the update on the 2020 levy collection. It was agreed to write off a non-bank Guernsey levy as the FSP is in administration and the administrator had advised there are no funds available to pay the levy.</p>
10.2	<p>CIFO cashflow update</p> <p>The board noted the cashflow update and that the projected position at year-end was in excess of the forecast</p>
10.3	<p>Audit update</p> <p>The Board noted that management had met with the new auditor's team and an initial systems and controls meeting had taken place. A planning meeting will take place early November to agree a timetable for the 2020 audit.</p>

<p>10.4</p> <p>10.5</p> <p>10.5.1</p> <p>10.6</p> <p>10.7</p>	<p>Line of Credit Renewal The Board approved management’s recommendation to renew the line of credit with HSBC for another year.</p> <p>2021 Draft Budget The board discussed the projected 2020 full-year costs and the proposed 2021 draft budget. It was noted that: Funding for the case-reduction project should come from reserves and not from increasing the 2021 levies. Staffing costs to increase in line with RPI of 0.5% Operating expenditure overall to increase by 0%</p> <p>Levy calculations 2021 budget The Board considered various options developed by management for the 2021 levies. The budget income will be amended to reflect the estimated number of levy payers for 2021 with the individual levy amounts from 2020.</p> <p>CIFO 2021 Budget commentary</p> <p>A revised budget will be prepared using the agreed levy amounts. This will be sent to the board for email approval.</p> <p>2021 cashflow analysis</p> <p>The Board reviewed the cash flow analysis. It was approved using the levy figures mentioned in 10.5.1. A revised cashflow forecast will be emailed to the board.</p>
<p>11</p> <p>11.1</p> <p>11.2</p> <p>11.3</p>	<p>Governance and Policy</p> <p>Management provided an update on the organisation’s remote operations capability and informed the Board that all necessary equipment and software had now been purchased. A decision had been made not to proceed with the previously considered telephony option due to the uncertainty of how suitable it would be, the lack of local supply and service relationships on-island, and the high costs involved considering most CIFO communication was now done through email and online videoconferencing.</p> <p>Management advised that the management liability policy had been renewed although there was an increase of 96% on the prior year. Previously CIFO’s broker had advised management to expect a 20% premium increase however due to the magnitude of the claim for unrecovered legal expenses for the judicial review and the general tightening of the market for D&O liability, the increase turned out to be significantly higher than predicted.</p> <p>Management presented a report on CIFO’s Complaint Management System (CMS) and on improvements required to increase functionality and streamline the workflow.</p>

12	<p>CIFO consultations No current consultations.</p>
13	<p>Administration Proposed dates for the board's 2021 meetings would be circulated. In view of continuing uncertainty about the course of the pandemic, meetings would continue to take place by video-conferencing until agreed otherwise.</p>
	<p>Approved at board meeting 30 on 21 January 2021.</p> <p>Chairman</p>