

## Minutes of the Corporate Management Team (CMT) Meeting 5th March 2018

### **Present:**

Sue Winspear (SW), Auditor General  
Garnet Harrison (GH), Deputy Auditor General and Freedom of Information Manager  
Kim Lutz (KL), Finance & Administration Manager  
Angela Cullen (AC), Director of Performance Audit

### **Apologies:**

Patrick Smith (PS), Director of Financial Audit

SW chaired the meeting.

### 1. Approval of Minutes

The minutes of 1st February 2018 meeting were agreed, subject to minor amendments being made, for SW to sign and then load onto the OAG website. **(Action: SW)**

### 2. Action items / Matters Arising

The action items still outstanding from the meeting of 1st February 2018 are:

- a) The write up of the SAI PMF report contributions urgently so that SW could then write up the rest. **(Action: GH/PS)**
- b) Develop a strategy, through EPS work, for dealing with old court fund trust papers and new ones going forward. **(Action: PS)**
- c) Filing cabinets should be locked to avoid odd papers being put into them during the course of the year. **(Action: GH)**

Under item 3b) from 1st February, SW has confirmed with relevant APLs their willingness to act as AM during 2018 but had yet to inform the whole office. **(Action: SW)**

### 3. Leading by Example

**A well governed and transparent organisation:**

- a) GH reported that the **2016/17 Financial Statements** had been completed and sent off to our auditors, Baker Tilly, who would begin their fieldwork with us on Thursday this week. A deficit of \$161k was incurred in the period which was within the range reported to PAC. A letter had been

sent to the PAC chairman asking his permission to offset this against the prior year's surplus and SW said she had asked for this to be added to the PAC agenda for this Friday. SW thanked GH and KL for all their hard work in pulling the year-end financial together. GH was updating the **Annual Report** and he would send it to the rest of CMT for their review this week. **(Action: GH & then rest of CMT)**

The **OAG monthly detailed expenses to the end of February 2018** were presented by KL. Whilst it was all looking reasonable, a number of detail lines were discussed where KL had concerns about the early levels of spend. Firstly, inter-island travel where after discussion, CMT accepted that the \$1,000 budget would likely be insufficient given we have already incurred costs for an interview candidate coming over from the Brac and two flights would be booked for the customs audit work shortly as well as other Financial & performance audit requirements being likely during the course of 2018. Additionally, the janitorial budget of \$12,460 was compiled prior to the new contract being agreed and so each month this expense line will be \$40 more than budgeted. It was noted that Stamp Tax, whilst small in value, was a new CIG charge for 2018 which was not budgeted for.

**b) Audit charge out rates for 2018.**

CMT picked up on their earlier separate discussion on the different OAG charge out rates and formally agreed the following for 2018 charging purposes:

- AG – salary & pension costs to be charged on a monthly basis to PAC as previously agreed by CMT & PAC
- DAG - \$350 per hour (relatively high increase as a consequence of chargeable time assumption reducing in 2018)
- Directors - \$220 per hour
- AMs - \$140 per hour
- APLs - \$120 per hour
- Auditor - \$85 per hour
- Trainees - \$70 per hour
- Admin. Officer & Interns - \$50 per hour
- Finance & Admin. Manager - \$80 per hour

**(Action: GH to inform AMs for billing purposes)**

A brief review of the PAC bill for January and February resulted in CMT taking the decision to not charge the time for working on the performance audit plan for 2018-2022 to PAC as this was considered to be overhead and not direct performance audit work. AC, GH, KL & JA to discuss and agree how TRS code "PA/Prog18" would be dealt with consequently (i.e. whether to change the description code or the client code). **(Action: AC/KL/GH/JA)**

**c) Threats to Independence Annual Return 2018**

CMT went through the paper SW had prepared based on the annual declarations of interest / ethics forms returned by OAG staff. GH made an additional declaration that the Board of Elders at his church also oversee the church school board and the school receive grant funding from CIG. CMT agreed that the only voluntary / charitable declarations that would be recorded would

be where the organization receives a grant or other funding from CIG or the wider public sector. The basis for KA's teaching for UCCI to be added.

SW to finalise the return and circulate with the minutes for final CMT agreement. **(Action: SW)**

**A motivated, high performing & skilled workforce:**

d) Following on from the excellent response to the **Professional Audit Trainee advertisement** reported to the last CMT and the agreement to a two stage process of testing 23 applicants before proceeding to interviews with a final shortlist, SW updated that 11 people had been interviewed last Monday and Tuesday. Interview questions were split between two panels comprising AC & AM and SW & GF and following deliberation amongst all four interviewers, the final decision which the panel would conclude tomorrow was between five candidates. (Note: there is an additional confidential minute on this matter for CMT members only).

It was also agreed that SW would consult with other CMT members to develop a progression policy for the trainee posts and this would need to be capable of being broadly consistent for those studying for either CPA or ACCA. **(Action: SW)**

**SW left the meeting at this point.**

4. Any Other Business

a) There was a discussion about adding a further PA consultant to the OAG consultant call-off list. AC had reviewed the past tender evaluation and bid documents and CMT agreed that GH would contact the next two best scoring individuals in order for AC & GH to conduct a skype interview to determine whether to add one or both to the list (assuming both were still interested in this work which they may not now be) (Action: GH)



Sue Winspear, CPFA  
Auditor General

24<sup>th</sup> April 2018

Date