

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

6th November, 2018

Proposition No. P.2018/108

POLICY & RESOURCES COMMITTEE

THE STATES OF GUERNSEY ANNUAL BUDGET FOR 2019

AMENDMENT

Proposed by: Deputy G A St Pier

Seconded by: Deputy L S Trott

1. In proposition 42 delete the words in italics *“to note that the Policy & Resources Committee has approved”* and substitute in italics: *“to agree with the Policy & Resources Committee’s approval of”*;
2. In proposition 43 to insert “and agreement” after “consultation.”
3. To substitute proposition 44 as follows:

“44. To amend part (b) 10. of the “Duties and Powers” contained within the mandate of the Policy & Resources Committee to read: “recommending the appointment of external auditors to the States.””
4. To add a new proposition after proposition 44:

“44A. To direct the Policy & Resources Committee to recommend to the States, at the earliest opportunity, the establishment, constitution and terms of reference of an Audit Committee which shall, inter alia, advise the Policy & Resources Committee on the appointment of external auditors.”

Explanatory Note

THE POLICY & RESOURCES COMMITTEE WILL BE SUPPORTING THIS AMENDMENT

This amendment is in response to the amendment numbered 9 submitted by Deputies Merrett and Yerby. It retains the helpful suggestion from that amendment to ask the States to agree with the approval of the accounts rather than note that they have been approved.

In addition, the amendment requires the Policy & Resources Committee to recommend the appointment of the external auditors to the States until such time as an alternative governance model is approved by the States. The current auditors were appointed for the 2017 accounts and the contract is for a period of five years.

In line with the commitment given during the President's speech on the 2017 Accounts, the Policy & Resources Committee, in seeking to improve the governance of audit matters, is exploring the establishment of an audit committee. Such a committee would be independently chaired and its purpose would be to provide independent assurance to the Policy & Resources Committee, the Scrutiny Management Committee and the States on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. It would oversee internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Policy & Resources Committee intends to finalise the terms of reference for the proposed Audit Committee; and consult with the States Assembly & Constitution Committee regarding the appropriate mechanism for establishing such a Committee under the rules; before reporting back to the States