

# STATES OF JERSEY



## COMPTROLLER AND AUDITOR GENERAL BOARD OF GOVERNANCE: APPOINTMENT OF CHAIR AND MEMBERS

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Lodged au Greffe on 3rd February 2021  
by the Chief Minister  
Earliest date for debate: 23rd March 2021

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

in accordance with Article 3 of the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015, to appoint Mrs. Grace Nesbit as Chair and Robert Tinlin and Professor Russel Griggs as members of the Board of Governance of the Office of the Comptroller and Auditor General for a period of 4 years with effect of the 14<sup>th</sup> March 2021.

**CHIEF MINISTER**

Note: In accordance with Article Article 2(3) of the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015, this proposition has the support of the Chief Minister and Chair of the Public Accounts Committee.

## REPORT

### Background

The [Comptroller and Auditor General \(Jersey\) Law 2014](#) establishes the role of Comptroller and Auditor General (“C&AG”) to provide independent assurance that the public finances of Jersey are regulated, controlled, supervised and accounted for in accordance with the [Public Finances \(Jersey\) Law 2005](#) and other relevant legislation.

Following recommendations from the C&AG in her 2013 Report ‘Public Audit in Jersey’ ([R.77/2013](#)), the States adopted the Comptroller and Auditor General (Jersey) Law 2014, Article 15 of which provided for the establishment by Order of a Board to perform functions in connection with the Office of the C&AG. The [Comptroller and Auditor General \(Board of Governance\) \(Jersey\) Order 2015](#) (“the 2015 Order”) was made under this Article, and established the Board of Governance for the Office of the C&AG to scrutinise the use of resources by the C&AG and the governance arrangements of the Office.

The Order provides for the membership of the Board to comprise a Chair and 2 or 3 independent members appointed by the States, plus the C&AG, with a quorum of the C&AG and at least 2 independent members. In 2016, the States appointed a Chair and one other independent member to the Board. The Board, after a period of initial operation, formed the view that it would be beneficial if a third independent member was appointed to –

- reduce the risk of the Board being unable to operate as a result of iniquity; and
- increase the breadth of skills and experience on the Board.

The previous Chief Minister and Chair of the Public Accounts Committee agreed with the Board’s recommendation.

Following a formal recruitment process an additional independent member was recruited to the Board which was approved by the States Assembly on the 6<sup>th</sup> December 2018. The term of office for the Chair and two independent members were due to complete in September 2020 but due to the impact of Covid-19 and the impact on the new recruitment process, they were extended by six months - Comptroller and Auditor General (Board of Governance) (Amendment) (Jersey) Order 2020 - to the 13<sup>th</sup> March 2021

### The recruitment process

The recruitment process was undertaken in accordance with Article 24 (Guidelines for recruitment of States’ appointees) of the [Employment of States of Jersey Employees \(Jersey\) Law 2005](#), following the guidance issued by the Jersey Appointments Commission.

Through a competitive procurement process a specialist recruitment search firm (The Whitehall Industry Group) were appointed to support in the identification of suitable qualified (on and off-island) candidates for the positions of Chair and two independent

members. In addition, an advertisement was placed on the States of Jersey and Jersey Audit Office websites and on the Whitehall Industry Group website.

On island candidates were actively sought as part of the search process and through the widely published recruitment advertisements. However, it should be noted that the statutory restrictions on appointments contained in Article 2(7) of the Comptroller and Auditor General (Board of Governance) (Jersey) Order 2015 significantly restricted the potential pool of Jersey applicants.

Following the closing date, a total of 12 applications were received for the Chair and 12 for the member roles. As a result of the process, the Panel comprising the Chair of Jersey Appointments Commission (Chair role only), the Chair of the Public Accounts Committee, Assistant Chief Minister Rowland Huelin (on delegated authority from the Chief Minister) and the Greffier of the States undertook a shortlisting of the 24 candidates and selected 5 candidates to be interviewed for the Chair position and 5 for the independent member roles.

## **Recommendation for the appointment of Chair**

Following the interview, the Panel unanimously recommended the appointment of Mrs. Grace Nesbit as Chair of the Board of Governance. Mrs. Nesbit is a current serving independent member of the Board of Governance and is not disqualified from serving as Chair by virtue of Article 2(7) of the 2015 Order.<sup>1</sup> A short biographical note for Mrs. Nesbit is set out below.

### **Mrs. Grace Nesbitt, O.B.E.**

Mrs. Nesbitt holds a Bachelor of Arts Degree in English and History and a Master of Business Administration. She is a Fellow of the Chartered Institute of Personnel and Development.

Mrs. Nesbitt joined the Northern Ireland Civil Service through a graduate entry scheme and has held a number of senior positions including HR Director in the Department for Social Development. In the Department of Finance, she has been responsible for a range of Human Resource areas including: Policy, Pay, Pensions, Occupational Health and Welfare. From the autumn 2018, Mrs. Nesbitt's remit has been Public Service and Civil Service Pensions with 100 staff and a budget responsibility of £350 million.

Mrs. Nesbitt is an independent member of the Audit Committee for the Northern Ireland Department for Economy and was independent member of the Oversight Board in the Department for the Economy for Northern Ireland for the Renewable Heating Incentive, RHI Scheme.

She was appointed to the Oversight Board for the RHI when the Oversight Board was established in February 2017, twelve months after the Scheme was closed to new entrants and also after the events that were the subject of the Independent Public Inquiry into the Scheme. The role of the Oversight Board was to provide constructive challenge on how the Northern Ireland Department for Economy dealt with issues that arose following the concerns which became apparent about the RHI Scheme 2016. The Board's purpose was specifically to provide advice to the Senior Responsible Owner of the RHI Task Force (at Permanent Secretary level who chaired the Board), through the provision of an external, independent, perspective challenge role. The role of the RHI Task Force is to "bring the Non-Domestic RHI Scheme back in line with policy, budgetary and governance requirements and in doing so help to restore public confidence." Membership included another independent member of the Audit Committee, Senior Civil Servants from across the Northern Ireland Civil Service who provide legal and procurement advice, officials from the Department for the Economy and an energy expert from the Republic of Ireland. Updates are provided from the Oversight Board to the Audit Committee by the Independent Members.' The Oversight

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1 An individual cannot be appointed under paragraph (2)(a) if –

- (a) he or she is or, during the period of 5 years preceding the date of the proposition recommending his or her appointment, has been, a States' employee;
- (b) he or she is a member of the States; or
- (c) he or she is an officer of, employed by, or engaged under a contract for services by, any States funded body (including any non-Ministerial States funded body) or independently audited States body.

Board functions were merged with the Project Board in summer 2019 and the focus now, following the restoration of devolution to Northern Ireland in January 2020, is to close the RHI scheme. Mrs Nesbitt is also an independent member of the Audit and Risk Committee of Antrim and Newtownabbey Borough Council. As the independent member of a Local Authority's Audit and Risk Committee, she brings a fresh perspective to the agenda, given that she is the only non-political member. Her approach has been welcomed by all the political parties and the Council collectively has voted twice to extend her tenure. Specific improvements which she has influenced include implementation of audit recommendations: the culture has changed and only by exception are they not completed by the due date since additional reporting regarding non-compliance was introduced at her request.

Mrs Nesbitt has served as a Director of a number of regional and national charities dealing with learning disability and mental health. She has been a Director from 2014 to date of a Social Enterprise Company in Northern Ireland, Access Employment Limited, AEL, which provides training and work opportunities for disadvantaged adults, primarily those with learning difficulties. As vice-chair (since 2019) she led, in determining redundancy criteria in light of the downturn in work from Covid 19. She drew on her extensive HR experience, advising some immediate actions regarding voluntary redundancy. Swift action enabled the organisation to benefit from the furlough scheme in terms of notice costs. This also made it more palatable for the employees concerned, by removing uncertainty.

Mrs. Nesbitt also has extensive experience of working at Board level in the public sector. She leads on the policy and reform agenda on public sector pensions and consults with the respective Trade Unions/member representatives for Fire, Police, Health, Local Government, Civil Service and Teachers. In this role she regularly has been called on to provide evidence at the Department of Finance's Committee (made up of elected political representatives) on matters relating to Public Service Pensions and is Chair of the Collective Consultative Working Group which includes all the Public Service Trade Unions in Northern Ireland.

She is familiar with the requirements of public audit from working in the public sector, having to publish the accounts and from her current role on Audit and Risk Committees.

### **Financial and manpower implications**

The post carries a stipend of £2,000 per annum. In addition, where necessary, reasonable expenses for travel and accommodation will be paid for attendance at meetings in London and Jersey. These are estimated not to exceed £1,000 per annum which are within agreed budgets.

## **Recommendation for the appointment of independent members**

Following the interviews, the Panel unanimously recommended the appointment of Robert Tinlin and Professor Russel Griggs (who is a current serving independent member of the Board of Governance). Both are not disqualified from serving as members by virtue of Article 2(7) of the 2015 Order.<sup>1</sup> Short biographical notes for Robert Tinlin and Professor Russel Griggs is set out below.

### **Robert Tinlin, M.B.E**

Robert Tinlin's principal career and professional experience has been in local government. For almost 20 years he held the post of chief executive, firstly of a Northamptonshire district council and latterly, for 12 years, leading Southend-On-Sea unitary council. Before that he spent 8 years as East Lothian Council's most senior corporate advisor on strategy and performance.

Fundamental to each of these roles was his commitment to the delivery of high-quality services for the communities they served, delivered as efficiently and effectively as possible whilst making every public pound count. During his time in Southend-On-Sea he delivered year on year improvements to public and staff satisfaction whilst addressing significant annual savings requirements, by innovating and refining services and learning from other councils, agencies, staff and citizens. The success of this delivery was recognised by numerous national awards, including UK Council of the Year and UK Senior Leadership Team of the Year.

This record required leadership, sound judgement, the ability to listen and hear good advice, and an innate ability to influence and advise colleagues, politicians of most hues, agencies and government. This achieved the likes of the only truly integrated public, university and college library in the country, the only city deal in the south, and mediating across multiple health and social services partnership plans. Each of these, and many other examples required him to balance challenge, suggestion, support and mediation in diverse amounts.

His local government career, especially at senior levels, has provided him with, and required him to have, an excellent understanding of corporate governance. He has a passion for good governance practices and supports the Nolan principles. At the heart of his career has been advising and supporting the governance arrangements of councils, serving on, and chairing, boards and committees. These have included the Association of Local Authority Chief Executives, the Essex Asset Management Partnership and the Department of Health National Information Board, providing challenge and support through numerous corporate peer reviews, acting as lead regional advisor on planning and on health and social care, and through Council of Europe missions.

Since 2017 he has held non-executive director roles on the boards of both NHS Digital and the Crown Office & Procurator Fiscal Service. In NHS Digital he serves on its Audit & Risk Committee and its Talent, Remuneration and Management Committee, as well as being the lead NED for organisational change. In the Crown Office he sits on its Business Improvement Committee and has chaired its Audit & Risk Committee since 2017.

## **Professor Russel Griggs O.B.E**

Professor Griggs has extensive experience of Board level working in complex organisations. Lenlyn Holdings, where he currently sits on the Board and is Chair of the Audit Committee, is a large financial institutional group owning foreign exchange bureaux all over the world and separately a private bank in the UK.

In the early 1980s Professor Griggs joined the then Scottish Development Agency as a business adviser working with medium-sized businesses before joining Fothergill & Harvey plc, an industrial textiles group based near Manchester. Initially he worked in a strategic role with the group and then as CEO of one of its subsidiaries, manufacturing laminates and advanced industrial textiles for everything from electric motors to body shells for formula 1 racing cars. The group became part of Courtaulds and he created a new strategy for the business which allowed the Courtaulds Board to fund its relocation from two sites in London to a single site in Merseyside.

Having established the business successfully there, he was headhunted by Scottish Enterprise as a senior business adviser working with larger companies in Scotland. He became Director of Business Development for Scottish Enterprise, part of its senior management team, in charge of all business support matters plus its then merchant bank, Scottish Development Finance. Before moving to the US in the mid-1990s for Scottish Enterprise to look at outward investment, he created, led, and implemented the first public/private equity fund in Scotland for Scottish Development Finance, raising £25 million from the private and public sectors alongside a guarantee which he created and negotiated with the European Investment Fund. Before moving to the USA, he started the process of the privatisation of Scottish Development Finance which became Scottish Equity Partners and today is one of Scotland's leading private venture capital companies.

Returning from the USA he spent time sorting out some major projects for Scottish Enterprise, including creating and implementing a Scottish presence at the Millennium project for Disney at Epcot in Florida, until he retired to move to a more portfolio-based career. Over the last 20 years he has served on the Boards on a number of private, public, and third sector companies:

- Imes Group – Crane monitoring and engineering project management.
- Pure LiFi – start up University tech business using light to send wifi signals.
- BE Group – Government Business support providers.
- Scottish Government – various including chair of the Audit Committee of one of the biggest portfolios.
- Visit Scotland – Board member and Chair of Audit Committee.
- Scottish Enterprise – Board and Economics Committee.
- Audit Scotland – Board and Audit Committee.
- Regulatory Review Group – Chair and independent adviser to Scottish Government on Better Regulation.
- HMRC - Oversight Committee for Digital VAT.
- Marie Cure Cancer Care UK - Main Trustee UK Board and Chair of Scottish Board.
- Member of the Board of Governance of the Office of the Comptroller and Auditor General since 2016.

**Financial and manpower implications**

The posts are unpaid. Where necessary, reasonable expenses for travel and accommodation will be paid for attendance at meetings in London and Jersey. These are estimated not to exceed £1,000 per annum which are within agreed budgets.