

GOVERNANCE CHECKLIST & GRANT APPLICATION for

The overriding consideration in any Arm’s Length Organisation arrangement is the achievement of the States’ Strategic Priorities in the most effective, efficient and economic manner, ensuring the imposition of robust controls over governance including probity and regularity in the use of public funds. Accountable Officers of sponsor departments can elect to treat a grant receiving body as an Arm’s Length Organisation and apply the stricter requirements of the Public Finance Manual even if the body does not meet the full definition of an Arm’s Length Organisation.

PART 1 - Safeguarding

Please complete the following as fully as possible.

Safeguarding	Y/N	Comments
Do you acknowledge that vulnerable people have a right to be safe and that adults have a responsibility to protect them, and do you acknowledge and confirm that where your organisation has any involvement with children and or vulnerable adults that you have a direct responsibility in respect to the safeguarding of those individuals and that you take appropriate actions to ensure those responsibilities are met?		<i>Outline specific steps that the organisation has taken (e.g. % of staff completed safeguarding training).</i>
Do you confirm that where your organisation has any involvement with children and or vulnerable adults that you have adopted appropriate safeguarding policies and procedures and that staff are appropriately vetted and trained in respect to safeguarding, and that designated safeguarding lead(s) have been appointed?		<i>Evidence – named safeguarding lead, embed copies of policies and procedures here. Please confirm the level of vetting that staff undergo and provide evidence that this is up to date.</i>

Guidance on safeguarding (including procedures and the reporting of concerns) can be found by visiting safeguarding.je or by contacting the Safeguarding Partnership Board.

PART 2 – Organisation Governance and Controls

Please complete the following as fully as possible and where a control is not in place, please add a comment.

Internal Controls	Y/N	Comments
Do you have documented policies and procedures with regard to financial controls?		<i>Embed copies of policies and procedures here (e.g. Travel policy).</i>
Do you have regular financial and objective performance reporting – if so – who to?		<i>Explain what happens monthly, annually and quarterly. Who has responsibility and accountability? Please attach latest report.</i>
Do you carry out an annual review of the internal financial controls?		<i>How is this review conducted? By whom? What changes were made following the last review? Please attach any ISA260 or similar reports.</i> <i>If an annual review is not carried out, please indicate how you gain assurance that internal financial controls are reliable.</i>
Managing Risk		
Do you maintain a list of the risks that could prevent your objectives being met? Do you provide quantification of risk? Do you consider reputational risk to the Island from the operations of your company?		<i>Insert latest Risk Register.</i>
Do you mitigate the risks in order to prevent or minimise likelihood or outcome –if so – how? Do you review how your risks have changed over time?		<i>Insert latest Risk Register with mitigations. If you are unable to share a copy of your Risk Register with GOJ, please explain rationale.</i>
Is Risk covered in your Annual Report?		
Do you have a risk committee reporting to the Main Board and meeting at least once per year?		<i>If yes please provide details of the committee, what it includes and how often it meets per year.</i>

		<i>If no please provide details of how the main Board has considered risk during the year.</i>
Does your organisation have insurance for its employees and activities?		<i>If yes please enclose details of your Employees insurance, Public Liability Insurance, Product / Service Specific Insurance, General Insurance.</i>
Do you currently borrow money?		<i>If yes, please provide the details of this borrowing. This should include any other monies in the form of loans to the organisation.</i>
Do you have income from any other source – Investment, commercial activities income etc.?		<i>Please provide details.</i>
What percentage is your grant income from Government of Jersey (GoJ) as a percentage of your total income?		<i>Please provide details for the past 12 months and explain any material increases or decreases in the proportion of your income derived from grants.</i>
Do you receive grant gifting from more than one department in Government of Jersey?		<i>If yes please list.</i>
Do you have policies and controls over access to and storage of electronic information? Do you hold cyber essentials as a minimum level of control?		<p><i>Explain/insert records management and retention policy. Insert copy of Cyber Essentials Certification.</i></p> <p><i>Summarise mandatory data protection training that staff have undertaken. Explain company awareness of Data Protection Impact Assessments etc.,</i></p> <p><i>Please provide evidence about how your organisation ensures GDPR compliance for all data not just electronic data.</i></p>
Do your staff members receive regular training on data security / GDPR?		<i>If yes please list the training as well as the dates and frequencies of the training.</i>
What policies do you have in place to maximise your cyber security?		
Do you have someone who you have nominated as your Data Protection Officer?		
Are you registered with the Data Commissioner?		<i>Registration Number?</i>

Do you have a whistle blowing policy in place, is it understood by all staff and board members?		<i>Explain/insert policy. Please demonstrate how this policy is being applied in practice.</i>
How do you promote diversity and equal opportunities within your organisation?		
Do you promote & record social value within your organisation?		
During the course of 2022 have you had reason to respond to Scrutiny Panels?		<i>If yes please provide the reason for your involvement with the Scrutiny panel, dates and details of your response.</i>
An Effective Board		
Can you provide the details of your beneficial owner?		
Does each board member understand their duties and have a statement defining them?		<i>Insert evidence.</i>
Does each board member give adequate time to their duties?		<i>For example, are meetings quorate, is a record maintained of board members' attendance?</i>
How is the performance of board members evaluated?		<i>Please provide details of who reviews the board members' performance (including that of the Chair) and how frequently this review is carried out. Please also indicate if this process is up to date. How often is this independent review of performance undertaken?</i>
Does your board include someone with recent and relevant financial management experience?		<i>Who is this person? Can you please specify the nature of their experience, for example are they a qualified accountant?</i>
Does your organisation provide suitable training to support your executive and non-executive directors?		
Does the finance-lead (e.g. Financial Controller or Financial Director) sign an annual statement of internal control (that outlines the control processes and their management processes)?		<i>Insert most recent evidence.</i>

<p>Does every board member declare personal conflicts or conflicts of interest? Or Directorships of other State-Owned Entities? Is this regularly reviewed?</p>	<p><i>Please provide details – for example, how frequently are board members required to make declarations, who reviews the declarations to confirm that there are no conflicts which cannot be mitigated?</i></p>
<p>Does the Board meet at least quarterly?</p>	<p><i>Provide dates of all yyyy main Board meetings.</i></p>
<p>Does the Board receive well prepared, concise, timely papers that include recommendations for decision making purposes?</p>	<p><i>Do the Board minutes state who was in attendance (and in what capacity e.g. voting member or attending to present / observe)?</i> <i>Are Board agendas and papers clear about what the Board is being asked to do – e.g. make a decision or just note an item?</i> <i>Are all actions logged and minuted and signed off as being accurate and dated?</i> <i>Are Board minutes clear about what decisions the Board has made and the basis for these decisions?</i></p>
<p>Does the board have the appropriate mix of skills to deliver its objectives?</p>	
<p>Does the Board have formal process for evaluating the performance of its executive?</p>	<p><i>Provide evidence of when the last Board Review was carried out.</i></p>
<p>Does the Chief Executive Officer sign off on the annual performance report?</p>	
<p>Does the Board formally review its own performance at least annually?</p>	<p><i>Provide evidence of the yyyy review of the organisations performance. Is this self assessed or independently reviewed?</i></p>
<p>Does the Board formally review the performance of the CEO (or equivalent) at least annually?</p>	
<p>Does the Board review its terms of reference annually?</p>	<p><i>Provide evidence of the latest terms of reference.</i></p>
<p>Does the Board have guidelines regarding receiving gifts or hospitality?</p>	<p><i>Explain if a gifts and hospitality register is kept for the Board and how this is reviewed.</i></p>

Does the Board have a formal process for setting remunerations and expense allowances?		<i>Explain the process.</i>
Has the Board implemented the C&AG recommendations (R6. R7) as outlined in the Remuneration of Board Members report (October 2019)?		<i>Insert latest Board membership (including date of appointment, renewal dates).</i>
Business Plan		
Does the Organisation formally approve an annual business plan (including financial and resource plans) that is aligned to the priorities of the States of Jersey and the sponsor department?		<i>Insert a copy of the draft or final approved yyyy business plan.</i>
Does it contain a statement of aims?		
Does it contain measurable outputs / outcome / success criteria?		
Are the outputs / outcomes costed and timetabled?		
Is progress assessed against the business plan at least quarterly?		
How aligned is the business plan with your governmental department's objective from GoJ?		<i>Please provide evidence.</i>
Customer Feedback		
Does the organisation have a customer feedback policy? Does the policy cover agreed standards for: <ul style="list-style-type: none"> • quality and speed of response; 		<i>Insert policy. If no policy exists, do customers know how to provide feedback?</i>

<ul style="list-style-type: none"> • identifying, recording and analysing complaints; and • co-ordinating service improvement. 	<p><i>Effective management of complaints from members of the public can:</i></p> <ul style="list-style-type: none"> ✓ provide valuable information about weaknesses in programmes of work, policies and service delivery; ✓ stimulate improvement; ✓ reassure the public that an organisation is committed to resolving problems; and ✓ enhance accountability and transparency <p><i>It would be useful for the organisation to review the C&AG report HANDLING AND LEARNING FROM COMPLAINTS 08 JULY 2020.</i></p>
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PART 3 - Financial Controls

Please complete the following as fully as possible and where a control is not in place, please add a comment.

Expenditure	Y/N	Comments
Do you have a scheme of delegation listing persons who are approved to carry out financial transactions, for example raise orders and make payments, and the amounts they are allowed to spend?		<p><i>Please provide your current scheme of delegation or similar record and confirm:</i></p> <ul style="list-style-type: none"> ✓ how this is approved and kept up to date; ✓ that bank mandates (online and cheque payment) and online purchasing permissions reflect the scheme of delegation.

How is access to online banking and ordering controlled?		<i>Please explain your processes for managing access to online functions e.g., good password management, documented approval that staff can have access, prompt removal of access when people leave.</i>
Does your organisation have a formal tendering procedure for procurements of products or services over a particular value?		<i>Is yes please provide details of the procedures in place, for example thresholds for obtaining multiple quotations or carrying out a public tendering exercise?</i>
Are orders raised for all purchases made by your organisation?		<i>Please state any circumstances where orders would not be used, and the rationale for these exceptions.</i>
Is there segregation of duties between individuals approving orders and those checking goods and services received and arranging payment?		<i>Please explain how the organisation prevents one individual from raising an order, checking goods and services received and approving payment.</i>
How does your organisation ensure that requests received to change supplier bank account details are genuine?		<i>Are requests for changes to bank details or contact details checked directly with a trusted contact at the supplier?</i>
Does your organisation use company credit cards or purchase cards?		<i>If so, please explain how these are managed: ✓ the purpose for which they are used; ✓ controls in place to prevent misuses.</i>
Do you keep invoices for all purchases for at least 3 years?		<i>Explain financial retention schedule.</i>
Do you have qualified finance people who are employed within your organisation?		<i>Please explain their roles and responsibilities and give details of the qualifications that they hold.</i>
Do you have a detailed budget for the coming year?		<i>Insert budget forecast for yyyy.</i>
Is your annual budget allocated to monthly spend?		
Do you report on actual v budget at least quarterly – if so to who?		
Does your organisation still make payments by cheque?		<i>If yes is there an approved bank mandate for cheque signatures?</i>

		<i>Is access to blank cheques restricted?</i>
Are cheque books stubs retained for 10 years? Or electronic payment records retained for 10 years? (QuickBooks, SAGE or on-line Bank Account payments and transactions)?		<i>Explain financial retention schedule.</i>
Do you have a maximum limit for cash purchases, if so, what is it?		
Are bank account reconciliations undertaken regularly and are discrepancies or queries investigated in a timely manner to conclusion?		<i>If yes are these independently checked?</i>
Do you have a fixed asset register? And it is reviewed (how often and by whom)?		<i>Insert asset register. Please provide details of independent reconciliations and physical verification checks.</i>
Do you perform a quarterly stock take? (evidence)		
Cash Transactions are high risk and should be discouraged. Do you seek to reduce cash transactions?		
Income		
Do you have debt recovery procedures in place?		<i>Please provide evidence.</i>
Is there a formal process for approving debt write offs?		<i>If yes please provide evidence, including details of who is authorised to write off debt, how this approval is evidenced and whether the Board (or Audit Committee where applicable) receives regular reports of write offs.</i>
Do you undertake sales ledger reconciliation?		<i>If yes please provide evidence.</i>
If you receive income by post do two people open the mail?	Y/N	<i>Comments.</i>
Is the receipt date and name of payee for all incoming funds recorded and verified by two persons?		

Do you bank cash with 3 days of receipt?		
Do you rotate income receipting staff every quarter?		
If you sell tickets – are they pre numbered and reconciliations made of income to tickets?		
Is a record kept of who holds and distributes which tickets?		
Is cash kept in a secure environment?		
Is income banked gross – i.e. without petty cash deductions?		
Where the organisation receives a significant proportion of income in cash, what controls are in place to ensure cash income is banked completely and accurately?		<i>This may include spot checks on cash records and paying in slips, checking paying in slips against bank statements to ensure these reconcile and cash is fully accounted for.</i>
Do you have a policy detailing your cash and banking procedures – have all staff and board members seen it?		<i>Insert policy.</i>
Outline anti-corruption arrangements that exist within the organisation.		<i>Please specify arrangements for staff to make regular declarations of potential conflicts of interest e.g. if they work in high risk areas such as procurement, and how such declarations are reviewed and signed off.</i>
Does the organisation have any of these: Fraud Policy Statement, a Fraud Risk Strategy and a Fraud Response Plan?		<i>Insert details of your AML policy and Fraud Risk Policy and how these are resolved.</i>
How does the organisation exercise due diligence over donations to ensure the source of this funding is legitimate?		<i>If you do receive donations what checks are undertaken?</i>
Has the organisation received any allegations of fraud in the past 12 months?		<i>Confirm how many (number rather than details of the case which may be confidential) and whether these cases were</i>

		<i>managed in accordance with the fraud response plan or similar process.</i>
Does the organisation maintain a record of losses at all times? Does the record show: <ul style="list-style-type: none"> • the nature and gross amount (or estimate where an accurate value is unavailable) • cause of each loss • the action taken, total recoveries and date of write-off were appropriate • the annual accounts in which each loss is to be noted 		<i>Please provide details of your write off policy.</i>
Reserves		
Does your organisation hold reserves?		
If so, what is the reserves policy?		<i>Please provide details.</i>
Is this reviewed regularly by the Board to ensure that this is in line with the organisational strategy and risk profile and agreement with sponsor department agreements (if applicable)?		
What percentage of your total turnover is your reserves?		<i>Please provide details of your year forecast against actual level of reserves for each year long period.</i>
Staff		
How many full-time equivalents do you have in your organisation?		
Does your organisation have an Employee Handbook accessible to all employees and does this include a formal Code of Conduct?		<i>If yes please provide details.</i>
Are your salary payments made with cash? If so, why?		

What controls are in place to ensure that only bona fide payments are made in relation to salaries, overtime (if applicable) and expenses?		
Do you monitor annual leave and absence? How do you account for accrued, but untaken annual leave at the end of the financial year?		
Do you have an expenses policy?		<i>Insert policy. Example of GOJ is here.</i>
What other staff related policies do you have in place? How often are they reviewed to ensure they are fit for purpose (best practice and legally compliant)? Who reviews them? Does the Board or sub-committee review staff related policies?		
What assurance does the Board receive that the organisation complies with employment law?		
How are annual salary increase/ pay awards agreed and approved (including performance related pay)?		
Accounting and Annual Reporting		
Do you prepare internal and statutory accounts every year?		
Are the statutory accounts prepared by a qualified accountant? What accounting framework is adopted? (e.g. FRS102)		<i>Who will prepare the final yyyy accounts?</i>
Are the accounts audited by qualified persons (not necessarily an audit firm)?		<i>Who will prepare the final yyyy audited accounts?</i>
Are Annual Reports published online on your organisation website? If not, why not?		<i>Insert hyperlink to the yyyy Annual Report. What date do you expect the yyyy Annual Report to be available online? GOJ and C&AG believe that good practice is to publish a document containing performance reporting, accountability</i>

	<p><i>reporting and financial statements online so that members of the public can review.</i></p>
<p>Is the organisation aware that the Annual Accounts of those organisations which receive grant funding in excess of £75,000 from the States of Jersey are published as a report to the States Assembly?</p>	
<p>High quality annual reports are fundamental to effective accountability. Will the organisation be implementing the C&AG recommendations from her Good Practice Guide in the XXXX Annual Report? See C&AG best practice principles in corporate reporting (p. 44)</p>	<p><i>Explain which recommendations will be implemented in the yyyy Annual Report and which will not. Provide rationale for non-adherence with the Good Practice Guide. Whether the yyyy report will include the overarching content C&AG would expect in terms of best practice in public reporting, namely:</i></p> <ul style="list-style-type: none"> <i>• a commentary on performance;</i> <i>• relevant accountability reports and statements (including remuneration and workforce reporting); and</i> <i>• relevant financial performance data;</i> <p><i>Grants Governance Checklist Page 8 of 10 Economy</i></p> <p><i>Whether the report will encompass a commentary on the following good practice elements:</i></p> <ul style="list-style-type: none"> <i>• strategy;</i> <i>• risks;</i> <i>• operations;</i> <i>• governance; and</i> <i>• measures of success; and</i> <p><i>Whether the report will meet best practice in terms of:</i></p> <ul style="list-style-type: none"> <i>• accountability;</i> <i>• transparency;</i> <i>• accessibility; and</i> <i>• understandability.</i>

	<p><i>Will your yyyy Annual Report provide greater weight to sustainability reporting in terms of climate change impact. See C&AG best practice principles in corporate reporting (p.44)</i></p>
<p>Does the organisation produce an Accountability report? Does the report exhibit best practice as per the C&AG report? (p.37)</p>	<p><i>Insert latest Accountability report. Explain which elements of best practice will be implemented in the yyyy Accountability Report and which will not. Provide rationale for non-adherence with the C&AG best practice. To note – when Partnership Agreements are next reviewed, a requirement for the organisation will be to have an annual report to include best practice accountability reports including a directors’ (or equivalent) report, a statement of responsibilities, a governance report and a remuneration and staff report.</i></p>

<p>2022 ongoing checks</p>	
<p>1. Final review of XXXX business plan (inc. KPIs) due by 1st January XXXX. 2. Agreed XXXX business plan with KPIs aligned to Common Strategic Priorities due by XXXX. 3. Governance checklist (this document) for 2021 due by 1st January XXXX. 4. Grant Assurance Statement for XXXX grant received due on or before 31 January XXXX. 5. Draft unaudited accounts for XXXX due on or before 31 January XXXX, or soon thereafter. Once documents for 1-5 above have been received, the invoice as per Schedule can be submitted.</p>	<p><i>Please ensure that these dates are shared with relevant internal colleagues within your organisation. Failure for the organisation to meet these deadlines will delay payment of grants.</i></p>

<p>The assessment of need by XXXX officials must be carried out in sufficient time to enable the relevant Minister or Accountable Officer approving the grant to be provided with the results of assessments. Organisations are reminded that the standard payment terms are 30days and invoices that are sent to government should reflect this.</p> <p>6. Quarter 1 XXXX financial report due on or before 30 April XXXX.</p> <p>7. Quarter 2 XXXX financial and operational report due on or before 31 July XXXX.</p> <p>A half-year assessment of operational and financial performance of the organisation. This should focus on the aims and priorities of the organisation and how these are being met, whether the standards set by the government have been met, other key performance measures and targets and (where applicable) disclosure of future Arm's Length Organisation's planning initiatives and how they are likely to impact upon the achievement of the Common Strategic Priorities.</p> <p>8. Final Audited accounts and (where applicable) associated ISA 260 report for XXXX due on or before 31 July XXXX or soon thereafter.</p> <p>9. Quarter 3 XXXX financial report due on or before 31 October XXXX.</p> <p>10. Draft review of XXXX business plan and KPIs due by 1st December XXXX.</p>		
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Government officer involved in developing policy with the organisation:

Government officer tasked with monitoring the relationship with the organisation:

The Office of the Chief Executive confirm that the Accountable Officer shall not be a member of any Arm's Length Organisation Board (if applicable) or decision-making forum within an Arm's Length Organisation or other organisations who receive a grant from the Sponsor department. This reduces the conflict of interest between those representatives of the Government of Jersey involved in decision making and Arm's Length Organisation/other organisations performance management. Government of Jersey would though expect a member of a sponsor's department to be able to observe board meetings.

Organisation confirmation and sign-off

To be completed by a Trustee / Director to state that this document (Parts 1-3) is a true reflection of the governance and control processes that are in place in the organisation.

Organisation:

Signed: Date:

Name:

Capacity:

Grant Sum Requested

DRAFT