

## Finance Isle of Man - Executive Agency – Terms of Reference

### Context

“Finance Isle of Man” will be established as an Executive Agency of the Department for Enterprise (“DfE”, “the Department”) to act as a key decision making and advisory body supporting the Government’s ambition for long term economic prosperity for the sector.

The Agency is not a separate legal entity but will instead operate using delegated powers from the Minister for Enterprise and, as such, ultimate authority for the agreement of government policy remains the responsibility of the Department, guided by the Agency.

### Department for Enterprise’s Vision, Mission and Values

The Department for Enterprise has a Vision and Mission. Its Executive Agencies should ensure that their priorities and activities are aligned with the achievement of the Mission and the fulfilment of the Vision.

Vision: *To be a forward thinking, valued partner, supporting Island businesses and people to fulfil their potential.*

Mission: *To create an environment through innovation and collaboration, where the economy thrives.*

In addition, the Department has a set of Values, which are integrated into the Department’s processes and the behaviours and attitudes of its staff and leaders. The Executive Agencies should embody the values within all discussions, actions and decisions.

Department for Enterprise Values: ***Respect, Integrity, Collaboration, Innovation***

### Finance Isle of Man Purpose

To promote and develop the Isle of Man’s significant financial and professional services industry and ensure its recognition as an international financial centre of excellence, in turn delivering long term sustainable economic growth to the Isle of Man.

### Finance Isle of Man Objectives

The Agency will specifically pursue the following objectives:

- To create a shared vision and strategy for the Isle of Man’s financial services industries and the Isle of Man as an international finance centre in order to promote it both internally and externally, in discussion with the Department, other Government Departments and the relevant regulators;
- To liaise with the finance sector, agree priorities, help drive new ideas, determine and allocate appropriate resources for agreed actions, including the utilisation of private sector funding and secondees, in pursuit of the Agency’s strategic outcomes and the execution of the Agency’s business plan;



- To set clear and measurable targets for success, agreed with the finance sector, and be transparent in reporting progress, including regular reporting to the sector, the Department and Tynwald;
- To act as the primary conduit between government and industry – helping to create the right environment for the sector to achieve sustainable growth, facilitating feedback to the Department and exchanging views with the regulatory bodies regarding opportunities, challenges and risks to the future success of the sector;
- To act as a forum that proactively considers finance-sector related strategic and policy issues, prepares and plans for short, medium and the long-term industry growth with advice up to the Department and the Economic Advisory Board more generally.

## Scope and Responsibilities

### Scope

The Agency’s scope will focus on the following sector clusters :

Banking	Insurance	Funds & Wealth Management
Fiduciaries	Pensions	Professional Services

Under delegated authority, the Executive Agency Chair and Chief Executive will ensure that the Agency’s work is defined by the agreed needs of the finance sector clusters, aligned with the Government’s strategic aim to be an Island of Enterprise and Opportunity and underpinned by robust corporate governance. The Agency will be cognisant of the broader set of objectives/outcomes within the Programme for Government and will ensure that the Agency’s activities and initiatives do not contradict or undermine the other objectives/outcomes.

The Agency will have the authority to pursue the Department’s relevant strategic outcomes. The role of the Agency’s employed staff is to ensure the fulfilment of the agreed Agency strategy and work programme. The Agency’s Chief Executive will sit on the Department’s Executive Board and attend Departmental meetings.

### Responsibilities

The Agency’s board will be responsible for the effective oversight and direction of the Agency, based on clear and measurable objectives. The Agency will have responsibility for:-

- **Product** – The Agency will become the central focal point for the sector’s broad proposition, technical direction, strategy and vision input to Government.
- **Promotion** – The Agency will become the natural entity responsible for coordinating the promotion of the sector, on and off the Island, by having clear unique selling propositions (USPs) and a targeted marketing strategy and plan.
- **Policy input** – The Agency will assess, develop and propose ideas and initiatives to help the sector sustain and grow its proposition for the benefit of the broader economy. Localised policies, determined within the Department and not linked to government legislation, regulation or statutory requirements are within the board’s remit and powers for review and change.



The Department’s Chief Executive will provide guidance to the Agency board in defining local policies vis-à-vis Governmental policies.

The Agency board may also develop robust business cases, with the active engagement of the sector, through sub-committees, where Governmental policies, legislation or statutory requirements are deemed by the board to be in need of revision or repeal or where new, innovative policies are required to assist the sector’s growth and prosperity. Such proposals will be presented to the Department’s Minister and Political Members at the Departmental meetings as a starting point for wider political, cross-governmental consideration and sector/public consultation, if required.

## Executive Agency Governance & Departmental Resources

<p><b>AGENCY BOARD</b></p>	<p><b>Board Members:</b></p> <p><b>Non-executive Chair of the Board</b> (part time private sector two year position with a possible two year extension), open recruitment process, minimum of four days per month, nominal remuneration.</p> <p><b>Political Member</b> (attendance at Board meetings)</p> <p><b>Non-Executive Agency Board Members</b> (by nomination; voluntary basis): All Agencies will have a minimum of 6 sector board representatives</p> <ul style="list-style-type: none"> <li>1 representative from the banking cluster</li> <li>1 representative from the life insurance cluster</li> <li>1 representative from the CSP cluster</li> <li>1 representative from the Isle of Man Law Society</li> <li>1 representative from the Chamber of Commerce</li> </ul> <p>Plus a maximum of 4 additional board members, with experience across finance sectors not already represented (e.g. Pensions, Accountancy, General and Captives Insurance, Funds and Wealth)</p> <p><b>Chief Executive – Finance Isle of Man</b> open recruitment process, Government employee, limited term appointment (LTA) for four years</p>
<p>ATTENDEES AT BOARD MEETINGS WITHOUT VOTING RIGHTS</p>	<ul style="list-style-type: none"> <li>• Department for Enterprise Chief Executive or Deputy Chief Executive</li> <li>• The marketing partner working within the Department will also attend to provide marketing expertise.</li> </ul>
<p>DEDICATED RESOURCES FOR THE AGENCY</p>	<ul style="list-style-type: none"> <li>• Chief Executive Finance Agency (as above)</li> <li>• 2 Senior Business Development Managers (Head of Banking &amp; Fiduciary, Head of Insurance and Pensions)</li> <li>• 1 Executive Officer and 1 Senior Secretary</li> </ul>
<p>DEPARTMENTAL GOVERNANCE</p>	<ul style="list-style-type: none"> <li>• Department for Enterprise Chief Executive / Deputy Chief Executive</li> </ul>

## Board Working Arrangements

Sector representatives and other professionals may also be invited to attend and contribute to board meetings.

The private sector representatives are required to commit to an average of six days per year to the Agency, on a voluntary basis. In the Agency's initial six month start-up period, it is anticipated that board meetings may take place monthly, and last up to three hours per meeting. It is envisaged that the periodicity would then drop down to quarterly.

The term of appointment for Executive Agency board members is three years. A person may be nominated for a second term or the cluster may wish to nominate a different person. A board member's tenure will not, ordinarily, exceed six years in total.

The board's strength and stability will be derived from the consistency of attendance by Agency board members. Therefore, substitutions will not ordinarily be accepted and agreement must be reached with the Chair in advance of the meeting.

At least five persons appointed to the board must be in attendance for the meeting to be considered quorate. The number is based on the need to ensure that departmental staff board members with voting rights will never be in majority attendance and able to outvote non-departmental members. Informed discussion and consensus-reaching will form the basis of the work of the board. However, on those occasions where the board is unable to reach consensus on a proposed decision, the Chair will exercise the casting vote.

### **Board Meetings and Minutes**

Secretariat services will be provided by the Department for Enterprise for Agency board meetings. All minutes and other meeting/Agency related documents may be subject to a Freedom of Information (FOI) enquiry.

Action points and decisions will be circulated to the responsible officers and identified on the relevant minute of the paper to which it relates, copied to the Chief Executive of the Department.

A request for an item to be included on the agenda should be sent to the Chair at least one week before the meeting. There will be set items including business activity progress and performance reports but the agenda will also be sector issue-centric, responding to new strategic and operational challenges as they emerge. Discussions and decision-making will take place within an environment of reaching informed consensus.

Formal minutes of the board meetings will be prepared, with records of meeting dates, attendees and actions agreed and circulated to board members within five working days of the meeting. Particular care must be taken to ensure compliance with relevant statute, as amended from time to time.

In addition to the engagement of board members at board meetings, there may be occasions where board members will be included in Agency conversations in between board meetings, where it is imperative to have a board position on a specific departmental item.

### **Budgets**

The Agency will have an annual budget and the board has financial authority delegated from the Minister. The Agency's Chief Executive will manage the budget on behalf of the board and will be required to comply with the government's financial regulations and policies. He or she will alert the Agency Chair and Department's Chief Executive to any risk of contravention. The board will

have delegated authority to commit spend within pre-defined monetary levels, set to ensure that the board can be agile and responsive to new requirements. Decisions to commit financial resources will follow the normal board decision-making process described under the “Board Working Arrangements” in this document.

### **Reporting**

The Agency board should ensure reporting mechanisms are in place, which enable quarterly finance and performance reporting to the Departmental meetings. The Agency will be required to deliver an annual report to the Island’s finance sector as well as to the Chief Executive for the Department for Enterprise, Minister and Tynwald members and other reports for government bodies, such as the Economic Policy Review Committee (EPRC), on an ad-hoc basis.

### **Sub-Committees**

Agency sub-committees may be appointed by the Agency to focus on the development of business cases, strategic projects and ensure that there is an inclusive approach to the finance sector’s engagement, taking account of the varied needs of the Island’s finance clusters. Sub-committee members are voluntary contributors offering specific expertise. In some cases, the private sector or other government departments may provide resource through a secondment of a professional to the Agency to work on a specific project or business proposition. In all circumstances, the sub-committee members and secondees will be asked to adhere to the same code of conduct as the board members.

### **Update Forums**

The Agency will ensure that all stakeholders in the finance sector have the opportunity to participate in discussions with the Agency and more broadly with the Department via regular update forums.

### **Corporate Governance, Confidentiality and Conflicts of Interest**

The Terms of Reference are written with reference to the Isle of Man Government Corporate Governance Principles 2005. The Government’s Code of Conduct can be found in Appendix 1, including the seven principles of corporate governance, which will apply to the Executive Agencies.

It is Government policy to be as open as possible in providing information publicly about its activities. There are nevertheless, circumstances in which, for good reasons, confidentiality must be observed. Whilst board members are encouraged to explain and discuss openly the decisions of the board, it is important for the effective working of the Agency board that board members be sensitive to communication protocols and disclosures and confirm with the Chair the timing and nature of information to be shared collectively, as an Agency.

The Agency will also be subject to the Freedom of Information Act 2015 and Manx data protection laws, complying with the General Data Protection Regulation (GDPR) requirements enforced on the Isle of Man.

Nominated board members will be required to make a full disclosure of interests prior to their appointment. Upon appointment, board members will be required to fill in a register of interests, which will be updated on a regular basis. In addition to the filing of disclosures, where members see a potential or recognised conflict of interest, they should make a disclosure, at the first opportunity, to the Chair and the other board members. Should a potential conflict be identified by a third party (e.g. another member of the board), this situation must be brought to the



attention of the Chair for due consideration. If the conflicted member is the Chair, as perceived by a third party, the matter must be raised with the Department's Chief Executive and the Minister for Enterprise.

The Department reserves the right to make and invoke a standing order in the unlikely event that it is necessary to request a board member to leave the board, should a situation arise where a board member's continued attendance will bring the reputation of the board, the Department or the Government into disrepute. This includes potential disqualification if he or she is convicted of a criminal offence at the time of joining or serving on the board or if found to have avoided disclosure of a previous offence, in accordance with the Rehabilitation of Offenders Act 2001. Each case will be considered by the Minister for Enterprise and, in all cases, the Minister has the power, without appeal, to remove a board member.

A board member is at liberty to tender his or her resignation at any time and, in such circumstances, it is requested that the relevant groups within the finance sector work with the Chair to identify a suitable replacement.

### **Liability and Indemnity**

The Department for Enterprise is keen to create conditions that are conducive to potential board members joining the Agencies and this includes the provision of public liability and professional indemnity cover. The extent of that cover will be determined by the scope and nature of delegations from the Minister for Enterprise and, these, in turn are based on the purpose, objectives and working arrangements set out in the Terms of Reference.

### **Amendment, Modification or Variation**

The contents of this Terms of Reference document may only be amended, varied or modified after consultation and agreement by the Agency Board and the Department for Enterprise.



## **APPENDIX 1 Department for Enterprise Executive Agencies Code of Conduct**

### **Background**

The Department for Enterprise ('DfE') asks all Agency members to adhere to the highest personal and professional standards.

In support of this, all members of the board must be prepared to abide by the principles set out in this code of conduct.

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## CODE OF CONDUCT FOR AGENCY MEMBERS

### 1. INTRODUCTION

1.1 As a member of the Agency board, your behaviour and actions are governed by the principles set out in this code of conduct. It is your responsibility to ensure that you are familiar with, and comply with, all the relevant provisions of the code.

### 2. KEY PRINCIPLES

2.1 The key principles upon which this code of conduct is based are as follows:

#### **Selflessness**

You should take decisions solely in terms of the Agency's interest. You should not do so in order to gain financial or other material benefits for yourself, your family, your friends, your business or your employer.

#### **Integrity**

You should not place yourself under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence you in the performance of your Agency board activities.

#### **Objectivity**

In carrying out Agency business, including awarding contracts and recommending individuals for rewards and benefits, you should make choices on merit.

#### **Accountability**

You are accountable for your decisions and actions to the Agency board.

#### **Openness**

You should be as open as possible about the decisions and actions that you take.

#### **Honesty**

You have a responsibility to declare any private interests relating to your Agency board activities and to take steps to resolve any conflicts arising in a way that protects the Department's interest.

#### **Leadership**

You should promote and support these principles by leadership and example. These principles should inform your actions and decisions as an Agency board member.





## **1. GENERAL CONDUCT**

### **Use of Agency funds**

- 1.1 You have a responsibility to ensure the safeguarding of Agency funds and the proper custody of assets.
- 1.2 You must take appropriate measures to ensure that the Agency uses resources efficiently, economically and effectively, avoiding waste and extravagance.

### **Gifts and hospitality**

- 1.3 When acting as an Agency board member, you must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement or integrity or place you under an improper obligation.
- 1.4 You must never canvass or seek gifts or hospitality.
- 1.5 You should inform the Chair of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in a register.

### **Use of official resources**

- 1.6 You must not misuse official resources for personal gain or for political purposes.

### **Use of official information**

- 1.7 You must not misuse information gained in the course of your Agency board activities for personal gain, business gain or for political purpose.
- 1.8 You must not disclose any information which is confidential in nature or which is provided in confidence, without authority. This responsibility continues to apply after you have left the board.
- 1.9 On matters directly related to the activities of the Agency board, you should not make statements on behalf of the board without first requesting permission from the Chair. In the case of the Chair, he or she should seek clearance from the Department's Chief Executive.
- 1.10 You should inform the Chair and the Department's Chief Executive before undertaking any significant political activity.

## **2. BOARD MEMBERS' INTERESTS**

- 2.1 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your board activities and your private interests.
- 2.2 You must comply with the Terms of Reference in respect to the handling of conflicts of interest. You will be required to file disclosures at the time of being appointed to the board and to declare to the Chair any private interests which may, or may be perceived to, conflict with your board activities.



### **3. RESPONSIBILITIES AS A BOARD MEMBER**

- 3.1 You should play a full and active role in the activities of the Agency board. You should fulfil your responsibilities responsibly and, at all times, act in good faith and in the best interests of the board.
- 3.2 You must comply with any statutory or administrative requirements, including the financial directives issued by Isle of Man Treasury
- 3.3 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the board has made a decision, you should support that decision.
- 3.4 You must not use, or attempt to use, the opportunity of board service to promote your personal interests or those of any connected person, firm, business or other organisation.
- 3.5 In addition to the filing of disclosures, where members see such a potential conflict of interest for themselves they should declare the potential conflict at the first opportunity to the Chair and the other members (or Department Chief Executive and Minister in the case of a conflicted Agency Chair).
- 3.6 You must alert the Chair where you identify a potential conflict for another board member, which has not been raised with the Chair.
- 3.7 You must not bring the reputation of the board, Department or Government into disrepute.
- 3.8 You must inform the Department if you are convicted of a criminal offence at the time of joining or serving on the board or if found to have avoided disclosure of a previous offence, in accordance with the Rehabilitation of Offenders Act 2001. Each case will be considered by the Minister for Enterprise. The Department reserves the right to make and invoke a standing order in the unlikely event that it is necessary to request a board member to leave the board.

### **4. RESPONSIBILITIES TOWARDS EMPLOYEES**

- 4.1 You will treat other members of the Agency, Department for Enterprise staff and any other government employee with whom you engage as a board member with courtesy and respect and understand the constraints and legal parameters under which government staff operate.

It is expected that Agency and government employees will show you the same consideration in return.

- 4.2 You will not ask or encourage employees to act in any way which would conflict with their own code of conduct.