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**FISCAL RESPONSIBILITY OVERSIGHT COMMITTEE**

**CHARTER AND GUIDELINES**

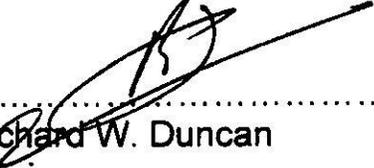
## Foreword

This document establishes the framework, procedures and guidelines by which the Fiscal Responsibility Oversight Committee (FROC) exercises its authority and responsibilities as enshrined in the Fiscal Responsibility Act (Act 29 of 2015), as amended.

The FROC is independent in the discharge of its responsibilities.

The FROC consented to the making of this Charter and approved same at a meeting held on

.....  
SEPTEMBER 20<sup>TH</sup> 2017.....

.....  
  
Richard W. Duncan  
Chairman  
Fiscal Responsibility Oversight Committee

## **Fiscal Responsibility Oversight Committee Charter**

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### **Guidelines**

#### **A. PURPOSE**

1. The Fiscal Responsibility Oversight Committee (FROC) has been established to help ensure transparency and accountability in the effective implementation of Government's fiscal policy in accordance with the fiscal rules and targets.
2. This Charter elaborates and clarifies the role and responsibilities of the FROC in accordance with best practices, while complying with the Fiscal Responsibility Act 29 of 2015, as amended.
3. It therefore sets out the framework, procedures and guidelines by which the FROC exercises its authority and responsibilities as enshrined in the Fiscal Responsibility Act (Act 29 of 2015) as amended.

#### **B. AUTHORITY**

The Fiscal Responsibility Oversight Committee is authorized by the Fiscal Responsibility Act (Act 29 of 2015) as amended to:

1. Monitor compliance with the fiscal rules and targets
2. Prepare an Annual Report
3. Prepare an Assessment Report, if required
4. Incur expenses in fulfilment of its responsibilities and obligations
5. Request information

#### **C. COMPOSITION**

1. The FROC consists of five (5) members appointed by the Governor General.
2. The Governor General appoints the FROC Chairperson.

#### **D. COMMITTEE SECRETARY**

1. The FROC shall appoint a Secretary to the FROC.

2. The Secretary shall be responsible to the Committee and shall provide administrative support and advise the Committee on all aspects of its work save and except where a conflict of interest arises.
3. The Secretary shall minute the proceedings and decisions of meetings, including attendance.
4. The Secretary shall consult with the Chairperson of the FROC in undertaking the following:
  - a. Notification of meeting dates, time and venue to Committee members at least two weeks in advance of the meeting date.
  - b. Booking the appropriate venue for the meeting, ensuring that there is either video or teleconference equipment to facilitate participation of Committee members not physically present at a meeting.
  - c. Preparation and circulation of the agenda and supporting documentation for meetings to Committee members at least five (5) days before the meeting date.
  - d. Preparation and circulation of Draft minutes at least (7) days after each meeting.
  - e. As necessary, ensure that arrangements and amenities are made for the adequate participation of Committee members at a meeting.
  - f. Ensure that all travel, accommodation and transportation arrangements are made for the Committee member travelling into Grenada for meetings.
  - g. Track and record the expenses incurred by the FROC.
5. The Secretary would also undertake other duties as assigned by the Chairperson of the FROC.

#### **E. MEETINGS**

1. The FROC will meet at least four (4) times a year or as necessary to permit prompt deliberations on matters under its purview. Special meetings may be convened by the Chairman as required.
2. Meetings may include a physical gathering of members or a gathering via video or telecommunication channels to conduct the affairs of the Committee.
3. The majority of Committee Members, including the Chairperson shall constitute a quorum at a meeting for the transaction of any business.

4. The Policy Unit of the Division of Economic Management and Planning of the Ministry of Finance and Energy shall support the work of the FROC by
  - a. *Providing data and pertinent information and*
  - b. *Acting as liaison between the FROC and other public sector agencies, departments and units.*
5. The Committee may invite other technical personnel to attend meetings and provide pertinent information as required.
6. As may be appropriate or necessary, matters may be decided upon by a vote where the majority of votes will rule the decision. In the case of a tie, the Chairperson of the FROC shall have a second vote in addition to his original vote.
7. Committee Members are expected to prepare adequately, attend and participate at FROC meetings.
8. Documents for meetings can be sent via email
9. The Chairperson of the FROC should ensure that clear and complete minutes of Committee meetings are maintained and circulated to members and that the minutes accurately and adequately reflect the deliberations, decisions and actions taken at these meetings.
10. The Chairperson should ensure that documents circulated for meetings are accurate, sufficiently detailed and logically presented.
11. The Chairperson of the Committee is to be notified of the absence of a Committee member from a meeting. The Chairman will, in turn, notify the Chairperson of the Committee of Privileges .
12. A member may be terminated if he or she is absent from three (3) consecutive meetings without the permission of the Committee of Privileges pursuant to the provisions of the second schedule 2(4)(e) of the Fiscal Responsibility (Amendment) Act 11 of 2017<sup>1</sup>.

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<sup>1</sup> The Second schedule of Act 29 of 2015(principal Act) as amended by Act 11 of 2017.

## **F. RESPONSIBILITIES**

The FROC will carry out the following responsibilities:

### **1. Monitor Compliance**

Monitor and review the Government's compliance with the fiscal rules and targets under Sections 7 and 8 of Act 29 of 2015.

### **2. Prepare and Lay Reports**

- a. Prepare an annual report on the status of implementation of the Act. (See Appendix I for format).
- b. Lay the report before the House of Representatives no later than three (3) months after the end of the fiscal year. A hard copy of the report shall be sent (accompanied by an electronic copy) to the Speaker of the House of Representatives, and sixty (60) hard copies made available to Parliament.
- c. Prepare an assessment report on compliance of the annual budget or a supplementary budget, if requested by the House of Representatives (See Appendix II for format).
- d. In preparation of its reports the Committee must rely only on the Policy Unit for data and any other pertinent information.
- e. The Foreword of all reports shall be signed by each Committee member.
- f. The Chairman and at least two (2) other members may discuss the Annual report with the Minister of Finance or the Permanent Secretary at least two (2) weeks before submitting to Parliament.
- g. The Annual Report shall be published on the Ministry of Finance's website within three (3) days of publication in the Gazette.
- h. The Committee, represented by the Chairperson and at least one (1) other Member, shall hold an Annual Press Conference within two (2) weeks of submitting the Annual Report to Parliament.
- i. Any public relations engagement with the media outside of the Annual Press Conference will be done by the Chairperson or his designate.

### **3. Other Responsibilities**

- a. Prepare and submit to the Ministry of Finance its annual Operating Budget by July 31, for the ensuing year.
- b. Ensure that the activities of the FROC are within the remit of the stipulated budget.
- c. Prepare annual audited financial statements for the expenses incurred in the exercise of its responsibilities.
- d. Review, at least annually, this Charter and guidelines to ensure continued adequacy and effectiveness.
- e. Confirm annually that all responsibilities outlined in this Charter have been carried out.
- f. Evaluate the Committee's and individual members' performance annually.

### **G. MATTERS NOT COVERED BY THE CHARTER**

Matters not covered in this Charter will be addressed and resolved through a meeting of the Committee.

### **H. MODIFICATION**

This Charter may be modified at any time, before the annual review, on the decision of all Committee Members.

# ***Appendix I - Annual Report Format***

Foreword

Executive Summary

Section 1: Macroeconomic Context

Section 2: 2016 Budget Assessment

Section 3: Assessment of Compliance with Fiscal Rules

Section 4: Findings

Section 5: Recommendations

Section 6: Appendices

## ***Appendix II- Assessment Report Format***

<b>Item</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>	<b>MOF's Explanations</b>	<b>FROC's Comments</b>	<b>MOF's Responses</b>
Revenue (various tax and non-tax categories)							
Expenditure (various current and capital expenditures; primary expenditure growth; wage bill to GDP)							
Other Macroeconomic Ratios (primary balance to GDP; debt to GDP; PPP contingent liabilities to GDP)							

### ***Appendix III- Timelines for Reports***

15 <sup>th</sup> November 2017	Report on 2016 fiscal year to be submitted to the Macroeconomic Policy Unit for submission to Parliament
23 <sup>rd</sup> November 2017	Report on 2016 fiscal year to be laid before the House of Representatives
31 <sup>st</sup> March 2018	Report on 2017 fiscal year to be laid before the House of Representative