Appendix A:TAG's recommendations arranged by theme

This appendix sets out all of the recommendations and areas for consideration suggested by the TAG. For ease of reference, they have been arranged by theme and includes the classification referred to in the Council of Ministers' Response to the Standing Committee of Tynwald on Public Accounts Third Report for the Session 2024-25.

This classification is based on 3 separate categories:

- **Tynwald**: recommendations requiring further Tynwald debate
- **Consultation**: recommendations subject to further consultation before being considered for legislative implementation
- **Technical**: recommendations which might be described as technical in nature and which do not make any changes to existing policies.

Theme 1: Enhanced Independence of Auditor

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R3	Remove powers of direction and requirements for consent that constraint the functional and operational independence of the Tynwald Auditor General.	yes			
R4	Include an explicit provision that the Tynwald Auditor General cannot be directed in the discharge of his functions.	yes			
R5	Provide for a fixed non-renewable term of office for the Tynwald Auditor General.	yes			
R6	To protect the independence of the office of Tynwald Auditor General, place restrictions on the activities of a former office holder for a period after they have left office.	yes			
R17	To protect the independence of the office of Tynwald Auditor General, place restrictions on the activities of a former office holder for a period after they have left office.	yes			
R20	Introduce an explicit duty to provide sufficient resources to the Tynwald Auditor General to enable him to carry out his functions.	yes			
R21	Introduce an explicit power for the Tynwald Auditor General to make representations to Tynwald on the proposed financial limits for his office.	yes			

Theme 2: Review of remit of Tynwald Auditor General

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R12	Ensure that all bodies carrying out public financial operations are within the remit of the Tynwald Auditor General and inspectors appointed by him.			yes	
R13	Ensure that, where a body is exempted from a requirement for inspection of accounts under the Audit Act 2006, it remains subject to the wider discretionary powers of the Tynwald Auditor General.			yes	
R14	Empower the Tynwald Auditor General to review the activities of bodies that receive significant public funding.			yes	
R15	Extend the Tynwald Auditor General's powers to cover all companies controlled by Government and their subsidiaries.			yes	
R16	Introduce an explicit power for the Tynwald Auditor General to audit subsidies granted from public funds, including 'following the public pound' to the recipients of subsidies.			yes	

Theme 3: Right of access to information & enhancement of inspectors appointed by TAG

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R7	Give the Tynwald Auditor General a general power of access to information relating to a person's tax and customs affairs for the purposes of his functions.			yes	
R28	Confer an explicit duty on specified bodies and those holding documents and records to provide explanations to the Tynwald Auditor General.			yes	
R29	Empower the Tynwald Auditor General to access to information held by the Clerk of Tynwald in his capacity as Accounting Officer.			yes	

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R30	Widen the scope of the bodies and persons who have a duty to provide information to the Tynwald Auditor General			yes	
R31	Amend legislation to correct the cross reference in section 13(7) of the Tynwald Auditor General Act 2011.			yes	
R32	Prohibit the Tynwald Auditor General or those working for him from disclosing information obtained under their statutory powers other than for the purposes of their functions.			yes	
R47	Confer an explicit duty on specified bodies and those holding documents and records to provide explanations to an inspector.			yes	
R48	Widen the scope of the bodies and persons who have a duty to provide information to an inspector.			yes	

Theme 4: Enhancement of powers & duties in respect of performance audit

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R1	Empower the Tynwald Auditor General to undertake investigations of their own volition as well as in response to a referral.	yes			
R2	Explicitly empower the Tynwald Auditor General to review internal audit.			yes	
R18	Introduce a wide scope for the performance audit powers of the Tynwald Auditor General, consistent with Principle 3 of the Mexico Declaration on SAI Independence.	yes			
R19	Specifically prohibit the Tynwald Auditor General from questioning the merits of policy.	yes			

Theme 5: Amendment of legislation relating to financial statements of public sector bodies

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R34	Adopt consistent criteria for the forms of inspection applied to different bodies.		Yes	yes	Primary
R55	Introduce a wider definition of 'proper practices' for financial reporting.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R56	Reconsider the responsibilities of the Responsible Financial Officer in the context of companies subject to audit under the Audit Act 2006.		Yes	yes	secondary
R57	If legislation is amended to require certain bodies to prepare accounts on a receipts and payments basis, amend legislation to align the requirements for the maintenance of accounting records to the financial reporting regime adopted.		Yes	yes	secondary
R58	Define the terms 'gross income' and 'gross expenditure' in legislation in relation to the requirement to maintain an adequate and effective internal audit function.		Yes	yes	secondary
R59	Remove detailed financial reporting requirements from legislation.		Yes	yes	secondary
R60	Empower the Treasury to direct accounting policies to be adopted, the form and content of accounts and information to be published with accounts.			yes	secondary
R61	Adopt consistent practices on accounting policies, disclosures and other information to be published with accounts unless there is a clear rationale for different treatments for different classes of bodies or bodies of a different scale of operations.		Yes	yes	secondary
R62	Amend the requirement for consolidated accounts of central government to include the General Revenue, Reserve Fund, the Isle of Man Loans Fund and other reserves.			yes	secondary

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R63	Remove the power to permit the elimination of balances between bodies in preparing the consolidated accounts of central government and group accounts.			yes	secondary
R64	Adopt consistent requirements for remuneration reporting.		Yes	yes	secondary
R65	Amend legislation so that the requirements for inclusion of entities in group accounts reflect the principle of control in proper practices.		Yes	yes	secondary
R66	Adopt a consistent framework for reporting on controls in place within a body for publication alongside accounts.			yes	secondary
R67	Remove the statutory requirement that the accounts of the Manx Utilities Authority and Isle of Man Post Office include 'any notes required to explain the accounts'.			yes	secondary
R68	Require the Responsible Financial Officer to recertify the accounts prior to an inspector issuing their report.		Yes	yes	secondary
R79	Remove template accounts from legislation.		Yes	yes	secondary
R80	Ensure that any statutory or non-statutory wording of the Statement of Responsibilities reflects the full range of statutory responsibilities of the Responsible Financial Officer.		Yes	yes	secondary
R82	Amend legislation to bring the General Revenue and Reserve Fund within the Consolidated Accounts of Central Government and Group Accounts.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R84	Amend legislation to bring the Isle of Man Loans Fund within the Consolidated Accounts of Central Government and Group Accounts.			yes	Primary
R85	Determine whether there is a continuing need for preparation and inspection of accounts specified in the Collection of Finances Etc. Act 1985 and, if so, the basis of preparation.			yes	Primary

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R86	As necessary, amend legislation to permit: • preparation of accounts on a receipts and payments basis; and • reporting by the inspector on accounts that does not require giving a 'true and fair' view.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R87	Determine whether there is a continuing need for preparation and inspection of the accounts of funds in the High Court and, if so, the basis of preparation.			yes	Possibly Primary
R88	As necessary, amend legislation to permit: • preparation of accounts on a receipts and payments basis; and • reporting by the inspector on accounts that does not require giving a 'true and fair' view.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R89	Determine whether there is a continuing need for preparation and inspection of accounts of the Chief Registrar and, if so, the basis of preparation.			yes	Possibly Primary
R90	As necessary, amend legislation to permit: • preparation of accounts on a receipts and payments basis; and 9 • reporting by the auditor on accounts that does not require giving a 'true and fair' view.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			

Theme 6: Amendment of legislation relating to inspection of financial statements of public sector bodies

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R22	Ensure that provisions relating to who is to undertake audits and assurance reviews are consistent throughout legislation.			Yes	Possibly both
R23	Create a consistent framework for the preparation and inspection of accounts of public sector bodies in the Isle of Man.			Yes	secondary
R35	Clarify that the decision on appointment of assurance reviewers rests with the Tynwald Auditor General.			Yes	Primary

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R36	If bodies are to retain the responsibility for the appointment of independent examiners, transfer the responsibility for the approval of independent examiners to the Tynwald Auditor General.			Yes	Primary
R37	Exempt companies subject to inspection under the Audit Act 2006 from any duty to appoint an auditor under the Isle of Man Companies Acts.	yes	Yes		
R42	Remove any duty on an auditor to include in an auditor's report details of any but the most significant failures identified.			yes	
R43	Reword legislation to reflect the level of assurance inherent in an assurance review or independent examination.			Yes	
R45	Remove any requirement for an assurance reviewer or independent examiner to 'satisfy' themselves in respect of the matters in section 4A of the Audit Act 2006.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R46	Remove any duty on an assurance reviewer or independent examiner to include in an inspector's report details of any but the most significant failures identified.			yes	
R54	Remove the provision requiring inspection of officers' accounts.			Yes	
R70	Update the statutory requirements for the auditor's report to align with professional requirements.		Yes		
R71	If the power to issue a Special Report is retained, require an inspector to take into account, in relation to a body having responsibilities relating only to part of the Island, whether a matter is of significance to a substantial part of the population of that part of the Island.	yes	Yes		

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R76	Adopt statutory wording for the responsibilities of an assurance reviewer consistent with the level of assurance provided by an engagement under ISRE 2400.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R77	Explicitly require assurance reviewers to comply with ISRE 2400.	The wording of the Regulations is such this is already the case.			
R78	Ensure that the statutory responsibilities of an independent examiner are consistent with the nature of an agreed upon procedures engagement.			yes	
R81	Remove the requirement for separate audited accounts for the General Revenue and the Reserve Fund.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R83	Remove the requirement for separate audited accounts for the Isle of Man Loans Fund.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R91	Remove the requirement for separate inspection of the accounts of allotments committees.	This has already been effected by the Treasury (Miscellaneous Provisions) Act 2025.			
R92	Reframe the audit requirements for Industrial and Building Societies to bring them up to date and remove reference to an auditor appointed under the Audit Act 2006.		Yes		

The TAG also highlighted the following areas for consideration in respect of this particular theme:

A3	Consider vesting the power of appointment of independent examiners in the Tynwald Auditor General.
A4	Consider whether to make provision for giving a regularity opinion: • by the auditor of the consolidated accounts of central government; and • the auditor of any other body funded from General Revenue that is required to prepare annual accounts.
A8	Consider whether any assurance is required over the statistical statement for the Isle of Man Loans Fund and, if so, make appropriate statutory provision specifying the nature of assurance required.
A9	Consider whether a separate audit of the accounts of the Information Commissioner is required and, if not, amend legislation accordingly.

Theme 7: Amendment of roles of TAG & inspectors of accounts of public sector bodies

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R38	Remove the requirement for the Tynwald Auditor General to issue certificates in respect of audit engagements.	Yes			
R39	Impose on the Tynwald Auditor General a duty to take reasonable steps to obtain assurance about the quality of the work undertaken by the inspectors that he appoints.			yes	
R40	Replace the duty under Section 4(3) of the Audit Act 2006 with a duty on auditors to report to the Tynwald Auditor General, having regard to guidance issued by the Tynwald Auditor General, matters or material concern identified in the course of their audit.			yes	
R41	Give the Tynwald Auditor General powers: • to consider whether to investigate matters referred by inspectors; and • to report the results of such investigations to Tynwald.	Yes			
R42	Remove any duty on an auditor to include in an inspector's report details of any but the most significant failures identified.		Yes	yes	
R44	Replace the duty under Section 4A(3) of the Audit Act 2006 with a duty on assurance reviewers and independent examiners to report to the Tynwald Auditor General, having regard to guidance issued by the Tynwald Auditor General, matters or material concern identified in the course of their audit.		Yes	yes	
R50	Replace the duty on inspectors to consider whether to issue a special report under Section 8 of the Audit Act 2006 with a duty on inspectors to report to the Tynwald Auditor General, having regard to guidance issued by the Tynwald Auditor General, matters or material concern identified during their inspection.		Yes		

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R52	Replace the power of auditors to issue a Warning Notice under Section 9 of the Audit Act 2006 with a duty on inspectors to report to the Tynwald Auditor General, having regard to guidance issued by the Tynwald Auditor General, matters or material concern identified in the course of their audit.		Yes		
R53	Replace the power of auditors to make an application to court under Section 10 of the Audit Act 2006 with a duty on inspectors to report to the Tynwald Auditor General, having regard to guidance issued by the Tynwald Auditor General, matters or material concern identified during their audit.		Yes		
R69	Require inspectors to have regard to guidance issued by the Tynwald Auditor General in undertaking inspections under the Audit Act 2006.		Yes		

The TAG also highlighted the following areas for consideration in respect of this particular theme:

A5	Consider whether to grant the Tynwald Auditor General a power to issue a Warning Notice.
A6	Consider whether to grant the Tynwald Auditor General a power to make an application to court.

Theme 8: Enhancement of reporting framework of TAG & inspectors of accounts of public sector bodies

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R8	Make provision for bodies to respond to reports containing recommendations made by inspectors appointed by the Tynwald Auditor General.	Yes			
R10	Ensure that inspectors' reports for all bodies subject to inspection under the Audit Act 2006 are laid before Tynwald.	Yes			

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R11	If the power to issue a Special Report is retained, amend legislation to provide for such a report for a local government body to be laid before Tynwald.	Yes			
R24	Require the Tynwald Auditor General to make a recommendation to address any weakness identified.			Yes	
R25	Replace the existing provisions relating to preparation of performance plans contained in Sections 7(6) and 11(6) of the Tynwald Auditor General Act 2011 with a duty on specified bodies to submit performance plans in response to finalised reports when requested to do so by the Public Accounts Committee.	Yes			
R29	Require inspectors to send a copy of any report issued under section 6 of the Audit Act 2006 to the Tynwald Auditor General.			Yes	
R72	If the power to issue a Special Report is retained, allow publication of a notice on a body's website in place of publication in one or more newspapers.			Yes	
R73	If the power to issue a Warning Notice is retained, allow publication of any notice on a body's website in place of publication in one or more newspapers.			Yes	
R74	Allow publication of a notice of an Inspector's Report on a body's website in place of publication in one or more newspapers.			Yes	
R75	If the power to direct an Extraordinary Audit is retained, allow publication of any notice on a body's website in place of publication in one or more newspapers			Yes	

The TAG also highlighted the following areas for consideration in respect of this particular theme:

A1	Consider an explicit power for the Tynwald Auditor General to follow-up the implementation of previous audit recommendations.

Theme 9: Changes to the framework for public audit

Recommendation Name		Tynwald	Consultation	Technical	Primary/ Secondary
R9	Impose a statutory duty on the Treasury to consult the Tynwald Auditor General on any proposed Regulations, Orders and Directions under public audit legislation.			Yes	
R26	Amend legislation to: • impose a duty on the Tynwald Auditor General to co-operate with 'relevant persons'; and • empower the Tynwald Auditor General and relevant persons to share information for the purposes of their respective functions.	Yes	Yes		
R27	Provide for a consistent timetable for the Tynwald Auditor General laying his annual report and annual accounts before Tynwald.	Yes			
R33	Empower the Public Accounts Committee to direct a different form of inspection of the accounts of the Office of the Tynwald Auditor General.	Yes			
R51	Remove the power to direct an audit in place of an assurance review or independent examination where a Special Report has been issued.			Yes	
R93	Include the Tynwald Auditor General in Schedule 1 of the Freedom of Information Act 2015.	Yes			

The TAG also highlighted the following areas for consideration in respect of this particular theme:

A2	Consider whether any further mechanism for oversight of the governance of the Office of the Tynwald Auditor General is required.
A7	Consider whether to retain the requirement for the Audit (Consultative) Committee.
A10	Consider granting a power to the Tynwald Auditor General to provide services to public bodies that are not inconsistent with their powers and duties and are on mutually agreed terms.