**Managing Risk and Internal Controls Sub-Com Board Meeting:**

**8 November 2016**

**MINUTES**

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| **Present:** |  | **Also Attending :** |  |
| David Butcher (Employer Representative) | DB | Keith Barker (Capita, TP – Senior Finance Manager) Guest Speaker, agenda item 6. | KB |
| Jerry Glazier (Chair – Member Representative) | JG | Sue Crane (DfE - Senior Contract Manager) - Observer | SC |
| Lee Probert (Employer Representative) | LP | David Heslop (Capita TP, Director) | DH |
| Alice Robinson (Member Representative) | AR | Deborah Knight (DfE – Finance Manager) | DK |
| David Wilkinson (Employer Representative) | DW | Fiona Laundy (DfE – Secretariat) | FL |
|  |  | Peter Springhall (DfE Senior Finance Manager) | PS |
| **Apologies :** | | | |

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|  | **Item** | **Action** |
| Agenda item 1 | **Attendance / apologies**  The Chair welcomed the Board and thanked TP / DfE colleagues for arranging the meeting.    The Chair expressed a preference to oversee and consider agenda items individually by discussing and determining responsibilities between Board members and TP. |  |
| Agenda item 2 | **Review Finance, Risk and Audit Narrative Report**  The Chair requested TP colleagues to highlight risk areas of the report. PS highlighted that the outstanding debt owed by scheme members has increased due to the ongoing re-marriage declaration exercise.  PS assured Board members that there are no concerns regarding wider debt control as a result of this specific exercise, and that TP is actively working with members to recover the monies outright or via repayment plans. |  |
| Agenda item 3 | **Review Scheme Strategic Register**  DH advised that the new structure and design of the register has been developed to improve and focus thinking on risk-specific mitigation. The feedback from the sub-committee is that this approach had resulted in a very clearly documented control framework which improves horizon scanning.  The Chair suggested linking risks to sub-groups (for example the sub-committees, Service Delivery Board, TPSPB, etc.) for clarification of where each issue is linked.  LP queried how TP determine actions / owners between DfE and TP. DH assured the committee that risks are collective and are dealt with by a joined-up approach.  The Chair emphasised the importance of communication strategies between DfE and TP outside of monthly and quarterly meetings. TP colleagues assured the Board that discussions and 1:1 meetings are carried out between colleagues as business required, and this was sometimes daily.  The Board asked for clarification on how TP establish risks and what protocols are in place to tackle these. DH confirmed that fundamentally TP determine the cause, what the risk is and consequence before implementing the control framework and actions to resolve.  AR queried whether TP record and categorise internal and external risks. DH confirmed that internal and external is not categorised because of elements of risks linking the two.  The Board challenged TP on the risk register content and whether all risks had been included. PS explained that Second Bite PI has not yet been included on the register because TP has not yet determined how this assignment will be implemented. DH assured the Board that workshops are taking place to determine how to proceed and will inform the Board at the next meeting. | **Action**  **MR1/081116**  **Action**  **MR2/081116** |
| Agenda item 4 | **Detailed Consideration of One Risk: - ‘Qualification of Accounts’**  PS explained the systematic approach the risk committee had taken to understand the component events which may result in qualification of accounts. Bringing other expertise into the discussion, and reviewing the rationale as to why other schemes accounts had been qualified, resulted in a small list of events which may result in qualification. This had been used as the foundation for the scheme’s approach to mitigation of this specific risk.  LP queried what consequences qualification of accounts may have on members. DH advised that at a member level qualification of accounts may erode confidence in the scheme and impact member behaviours.  The Board accepted that there are no financial concerns which have a direct impact on members due to how the scheme is funded. |  |
| Agenda item 5 | **Accounts timetable and forward look on scheme accounts**  PS outlined the accounts timetable with the sub-committee and explained that interim accounts papers are likely to be produced in late January which is out of sync with meeting schedules. PS indicated his intention to engage with sub-committee members via an extraordinary meeting. Sub-committee members welcomed this. A conference call (likely late January) would be scheduled to discuss the interim Governance Statement. Date to be agreed with Secretariat.  PS notified the Board that the account auditors, Deloitte, have successfully extended their contract for another three years and the formal project to prepare the 2017 accounts was starting on 16 November. | **Action**  **MR3/081116** |
| Agenda item 6 | **OBR financial forecasting / reporting**  KB joined the meeting and provided a verbal update on the Autumn OBR process which had been successful. KB advised that the focus was now on lessons learned from the exercise and horizon scanning is now underway to consider future enhancement to the OBR Model.  TP assured the Board that interactions between other schemes, OBR and GAD are regular occurrences.  The Chair noted the work undertaken on OBR. |  |
| Agenda item 7 | **Agree actions and owners**  The Board were content with actions and owners. |  |
| Agenda item 8 | **AOB**  **Teacher leavers and potential impacts**  LP queried potential impacts for teacher leavers and whether there is an increase in member deferment; if so what controls are in place? DH advised that the Deferred Project covers member activity which enables TP to ‘horizon scan’ and oversee potential risks.  AR queried whether gender and geographical demographics (specifically, women staying on later in order to make up for earlier career breaks) were captured. PS advised that OBR does not look at member statistics / demographics as this was part of wider DfE workforce planning. That said, the OBR submission did include workforce demographic information where that reinforced the narrative or supported an assumption that had been made.  DW shared concerns regarding teachers with short service, and with whom TP do not communicate.  The Board discussed a shared interest regarding trends around new teachers leaving the profession completely within first 5 years, the consequential increase in the deferred population (and associated concerns around staying in contact) and the impact on income.  The Chair speculated as to whether senior teachers leaving later would have an impact on volumes of new teachers.  TP agreed to look at a range of demographics. | **Action**  **MR4/081116** |
| Next meeting | Interim meeting via conference call to take place at the end of January 2017.  The next Sub-Committee meeting will take place on 29 March 2017 in Darlington | Date/time TBC  Room TBC |

Minutes agreed (Chair):



Date: 17 November 2016