

**Teachers' Pension Scheme Pension Board (TPSPB)**  
**Managing Risk and Internal Controls: Sub-Committee Meeting**  
**12 June 2019 – MINUTES**


<b>Present:</b>		
Jerry Glazier (chair)	Member Representative	JG
Susan Anyan	Independent Pension Specialist	SA
David Butcher	Employer Representative	DB
Chris Jones	Member Representative	CJ
Simon Lowe	Employer Representative	SL
Lee Probert (dialled in)	Employer Representative	LP
Dave Wilkinson	Member Representative	DW
Keith Barker	TP Finance Manager	KB
Neil Crombie	TP Deputy Client Director	NC
Anna Alderson	DfE TPS Contract (Risk) Manager	AA
Richard Lees	DfE TPS Contract (Finance) Manager	RL
Kathryn Symms	DfE Senior Policy and casework manager	KS
Helen Dady	DfE TPSPB Secretariat	HD
<b>Apologies:</b>		
Sue Crane	DfE Senior Contract Manager	
Ian Payne	Employer Representative	

	Item	Action
Agenda item 1	<p><b>Welcome / Apologies</b></p> <ul style="list-style-type: none"> <li>The Chair welcomed attendees. Sue Crane and Ian Payne were noted apologies.</li> <li>The Chair acknowledged SA's appointment as vice chair of the MR&amp;IC sub-committee.</li> </ul> <p><b>Review previous minutes:</b></p> <ul style="list-style-type: none"> <li>The sub-committee agreed that the previous minutes were an accurate record of the meeting held on 13 March 2019.</li> </ul>	
Agenda Item 2	<p><b>Actions from the previous meeting</b></p> <p><b>Action MR4/130319</b></p> <ul style="list-style-type: none"> <li>AA explained that there had been internal discussions around the descriptors for the cohort currently identified as 'independent' schools, and whether 'accepted schools' was more appropriate. It was agreed that both terms would be used for clarity.</li> </ul>	
Agenda Item 3	<p><b>Audit and accounts</b></p> <ul style="list-style-type: none"> <li>RL provided an update on progress of the Scheme audit and accounts, outlining the next steps and timetable to the final laying of the accounts.</li> <li>At the audit 'close' meeting on 6 June, scheme auditors provided positive feedback on the progress of the accounts, confirming that they had identified no misstatements or</li> </ul>	

	<p>adjustments, or major control failings. The Management letter is expected to mention a few minor findings and recommendations but identify no major concerns.</p> <ul style="list-style-type: none"> <li>• The Permanent Secretary is scheduled to sign off the Accounts on 4 July. They will then be passed to NAO to finalise their opinion and certification. RL explained that the timetable could be affected if NAO will not sign off the accounts if the position on the appeal against the McCloud judgment remains unresolved. It is also possible, though less likely, that the change of PM w/c 22 July may affect the timing too.</li> <li>• RL to circulate a copy of the audit Management letter and final Governance Statement to sub-committee members when sharing with the Audit and Risk Committee.</li> <li>• JG suggested that the sub-committee continue to monitor progress on how the recommendations and findings are being resolved. RL confirmed that related actions will form part of the SDB reporting going forward and will be visible to the sub-committee.</li> <li>• Spending Review: DW expressed concerns that any delay (which could be caused by the UK leaving the EU) would lead to uncertainty in schools.</li> </ul>	<p>MR1/120619</p> <p>MR2/120619</p>
<p>Agenda Item 4</p>	<p><b>Review of Dashboard and supporting papers</b></p> <ul style="list-style-type: none"> <li>• No comments or challenges were offered in relation to the Dashboard.</li> <li>• CJ requested additional information on the 44k backlog of cases: what are the associated risks; what exposure do these cases receive; are there any financial implications?</li> <li>• JG asked if the cases had been prioritised - identifying 'event' cases - and if there was a profile of the expected recovery of the position.</li> <li>• AA confirmed that many of the cases related to 'housekeeping' and the taking of final action to close cases.</li> <li>• NC added that a large proportion of the backlog related to correspondence from members, where we simply need more information from members or where a systematic chaser/reminder process is in place (eg remarriage declarations). He reassured the sub-committee that a "key-word" IT scan helps identify any correspondence that must be prioritised. This reduces the likelihood of any delays in dealing with payment issues.</li> <li>• More comprehensive manual checking will be completed in respect of the backlog correspondence cases once additional resource has been recruited to this area.</li> <li>• CJ asked what improvements had been put in place to improve and future-proof the process.</li> <li>• Recovery actions and progress on outstanding cases will be reported to the monthly Service Delivery Board and will be subject to appropriate challenge.</li> <li>• SA recognised that any output from the McCloud ruling would drive additional contact from members, putting further pressure on an already taut process. AA provided assurance that performance against SLAs will be monitored</li> </ul>	

	<p>closely and that the TP resource position would be under constant review.</p>	
Agenda Item 5	<p><b>Review of Strategic and Operational Risk Registers</b></p> <ul style="list-style-type: none"> <li>• There were no challenges of the existing risks, controls and mitigations from the committee members. No emerging risks were identified.</li> </ul>	
Agenda Item 6	<p><b>Forward Work Plan</b></p> <p><b>Monthly Contribution Reconciliation:</b></p> <ul style="list-style-type: none"> <li>• NC – TP has received positive feedback from stakeholders on the draft user guidance, and the proposed return template has received ‘user acceptance’. The next phase of the project will be to undertake live system testing with a small cohort of employers.</li> <li>• In terms of business requirements, TP are taking an agile approach to development of the IT functions to link together multiple changes and deliver efficiencies where possible.</li> <li>• An engagement plan is in place, and this is being supported by an MCR webpage which is attracting a high level of visits, demonstrating that employers are engaged in the development of the solution. An MCR-specific mailbox has also been established to give employers a single point of contact for queries.</li> <li>• The initial plan to reject contribution payments from employers where the value of the payment failed to reconcile with the supporting service/salary data had had to be revisited. The revised proposal means that the payment will be retained in a suspense account until salary/service queries have been resolved with the employer. This revision may delay delivery of the project by up to three months as the guidance and process will need to be reviewed and amended.</li> <li>• JG queried what impact the revised process would have on resource. NC – testing of the validation procedures would be critical in informing the new process and would help inform the final communications as the initiative is rolled out to employers.</li> <li>• DB asked about the timeline for the project. NC – process development was anticipated to be completed by the end of 2019, with a pilot being undertaken in the first quarter of 2020. The project is currently due to be completed by September 2021.</li> <li>• DW stressed the need to effectively engage Local Authorities and WLGA in managing data, citing recent examples where gaps in Monthly Data Collection (MDC) data had prompted members to contact him with concerns about the quality of TP records because their status in the scheme had been questioned. This was supported by a further example from CJ.</li> <li>• NC – suggested that in the cases raised, this was likely to have been triggered by the requirement for TP to issue ‘Leaver packs’ in instances where employer data suggests</li> </ul>	MR3/120619

<p>Agenda Item 6a</p>	<p>that a member has left pensionable service. He agreed to look into the cases referenced, and more generally whether there had been an increase in leaver packs being sent out.</p> <ul style="list-style-type: none"> <li>• NC acknowledged that missing service is an issue that has been discussed recently with the Pensions Regulator as they are also experiencing an increase in member contact around missing contributions (likely to actually relate to missing service). To address this, TP are in the early stages of developing an 'Employer checklist' which is designed to bridge any gaps in member service back to 2014 (i.e. the launch of MDC). Development is underway, but at this stage it is not possible to determine the scale of the project, resource requirements or the potential burden this may place on employers.</li> </ul> <p><b>Topics for 2019:</b></p> <ul style="list-style-type: none"> <li>• AA confirmed that 'Fraud prevention in the IT environment' had been provisionally identified as the discussion for the next sub-committee meeting in September.</li> <li>• After discussion around the scope of the topic, it was agreed that this should be a generic overview of how TP is 'horizon scanning' to stay ahead of - and responding to - the challenges of a continually evolving fraud environment.</li> <li>• DfE – secretariat to commission TP to provide presentation/associated papers in advance of the September 2019 meeting.</li> <li>• DfE – secretariat to circulate to new committee members, the 'Cyber security' presentation from a previous sub-committee.</li> <li>• CJ suggested that a review of the position on McCloud should be added to the list of future topics, to promote discussion on scenario planning; risks around any potential solution etc.</li> <li>• DfE - secretariat to add 'McCloud' to the list for future discussion (potentially at either the December 2019 or March 2020 meeting).</li> </ul>	<p>MR4/120619</p> <p>MR5/120619</p>
<p>Agenda item 7</p>	<p><b>Agree Key Issues from the Meeting / Report to highlight at the next TPSPB meeting</b></p> <ul style="list-style-type: none"> <li>• Provide an update on the scheme audit and accounts, including observations/recommendations from the audit management letter.</li> <li>• Monthly Contribution Reconciliation project progress.</li> <li>• Update on the 44k backlog cases.</li> </ul>	
<p>Agenda Item 8</p>	<p><b>AOB</b></p> <ul style="list-style-type: none"> <li>• No matters arising</li> </ul>	
<p>Next meeting</p>	<p>25 September 2019, TP, Lingfield Point, Darlington</p>	

Minutes agreed (Chair): 

Date: 17 June 2019

Confirmed by circulation to sub-committee members on: 17 June 2019  
Ratified at sub-committee meeting on 25 September 2019