

Managing Risk and Internal Controls Sub-Com Board Meeting:

20 June 2018 - MINUTES


Present:		
Jerry Glazier (chair)	Member Representative	JG
Geoff Ashton (guest)	Independent Pension Specialist	GA
Neville Mackay (guest)	TPSPB Chair (Guest)	NM
Chris Jones (dialled in)	Member Representative	CJ
Lee Probert (dialled in)	Employer Representative	LP
Dave Wilkinson	Member Representative	DW
Sue Crane	DfE Senior Contract Manager	SC
Anna Alderson (observer)	DfE Contract Manager	AA
Kathryn Symms	DfE Policy & Governance team leader	KS
Fiona Laundry	DfE Secretariat	FL
Neil Crombie	Head of Policy and Technical Team	NC
Keith Barker	Head of Scheme Finance	KB
Amy Gibbs	TP Analytics and Risk Manager	AG
Apologies :		
David Butcher	Employer Representative	DB
Neneh Binning	DfE Senior Risk and Finance Manager	NB

	Item	Action
Agenda item 1	<p>Attendance / Apologies</p> <ul style="list-style-type: none"> The Chair welcomed all in attendance and accepted apologies from Neneh Binning and David Butcher. 	
Agenda Item 2	<p>Actions from the previous meeting</p> <ul style="list-style-type: none"> MR5/210318 – NC advised that conversations are still ongoing with HMT and HMRC about support for the GMP reconciliation exercise later this year. An update will be given at the next sub-committee meeting. 	MR5/210318
Agenda Item 3	<p>Review of Dashboard, Overview and Finance, Risk and Audit Report</p> <ul style="list-style-type: none"> The Chair invited the sub-committee to comment on the Dashboard. CJ highlighted that any increase in the State Pension Age may lead to an increase in member engagement – for example, more may opt for phased retirement. CJ emphasised that communications and educating the membership is very important. NC assured the sub-committee that the website already provides information on phased retirements and that TP monitor the volume of different retirement types. DW observed that opt-outs remain high and that an increase to State Pension Age may increase the risk of a higher level of opt-outs. JG queried the timescales for the Restricted Managed 	

	<p>Hosted (RMH) environment replacement. NC advised that QSB will assess business readiness, but that it is likely that the move to the new environment will be deferred until the summer retirements have been completed to mitigate the risk of delaying pension payments. It was confirmed that the current platform is stable and progressing well and there are no operational concerns.</p> <ul style="list-style-type: none"> • <u>MR1/210318</u> - SC mentioned that the exit transition plan was discussed at the previous sub-committee meeting. Concern about Capita's financial viability was discussed at April's TPSPB, and the Board was reassured. • <u>Monthly Contribution Reconciliation</u> - SC mentioned that this continues to be monitored and that the project is progressing well. 	
Agenda Item 4	<p>Issues Log</p> <ul style="list-style-type: none"> • No comments 	
Agenda Item 5	<p>Telephony Update</p> <ul style="list-style-type: none"> • <u>AP05/180418</u>: NC confirmed that there was a peak in phone calls during April and that answer rates broadly remained unchanged due to the forecasting and resource planning work that had taken place prior to April. • NC confirmed that out of 34k callers there were 16 specific complaints about the call centre during May. Overall satisfaction levels are good. • JG queried whether the nature of the complaints were substantial. NC did not have the information to hand but advised that all complaints will be investigated and responded to. 	
Agenda Item 5a	<p>Consideration of what determines a 'good standard service' in context to telephony.</p> <ul style="list-style-type: none"> • NC noted that, in his view, customer satisfaction and the level and nature of complaints are the key indicators. Volumetrics are also measured, and forecasting is very worthwhile in terms of retaining a good service. • No comments from the sub-committee. 	
Agenda Item 6	<p>Review of Strategic Risk Register</p> <ul style="list-style-type: none"> • AG referred to the Risk Register and gave assurance that appropriate controls are in place and that the audit of the TPS accounts is on track. • AG mentioned that operational and business continuity is amber and will remain so until the transition from RMH is completed. • It was highlighted that no new risks were added to the risk register during the quarter. • NM queried how risks are prioritised and mitigated. AG confirmed that all red and amber risks are reviewed in detail 	

	<p>at each Risk Committee meeting. There is a monthly Risk KiT which is used to discuss any emerging risks and review the risk registers in more detail. Furthermore, a formal review of all risks (including closed risks) takes places, as a minimum, on an annual basis.</p> <ul style="list-style-type: none"> • It was also highlighted that some risks remain amber, after allowing for any controls that are in place. For example, the risks relating to the Firefighters and Judiciary legal cases and any further challenge following the Walker judgement. For these risks, it is a case of waiting for further legal opinions – no additional controls would mitigate the risks at the current time. 	
<p>Agenda Item 6a</p>	<p>Emerging Risks</p> <ul style="list-style-type: none"> • AG advised that the Risk Committee is monitoring Analytics - Phase 1 and that Deloitte have not submitted any new queries or issues. Phase 2 will be scoped with Deloitte, taking account of the impact of any proof of concept. • NC confirmed that the level of opt-outs continue to be monitored. <p>Emerging risk 25:</p> <ul style="list-style-type: none"> • PRC - NC advised that this should be a low risk for TP as the DfE have confirmed that TP involvement in the calculation of any maximum payments should be minimal. The area that does require further consideration will be around communications, as and when further information becomes available. <p>Emerging risk 26:</p> <ul style="list-style-type: none"> • NC advised that the risk relating to the GMP reconciliation exercise was mainly around the communication exercise for members affected by overpayments. Whilst we have estimated how many members might be affected, it is very difficult to estimate with any degree of certainty how many members may contact TP following any communication. In addition, any queries received are likely to be complex given the subject matter. • DW raised concerns regarding a potential increase in member complaints, noting that the complaints may lie with HM Treasury and not TPS. • NM stipulated that due to the complex nature of GMP, TP staff will need to be thoroughly trained and clear communications to members are required. • NC advised that the impact on members will be limited however; some will be more impacted than others. TP will provide further information showing estimates of numbers and amounts to the next sub-committee meeting. <p>Emerging risk 29:</p> <ul style="list-style-type: none"> • University Superannuation Scheme - the volume enquiring about joining TPS is low, but is being monitored. NC advised that up to around 5k staff at post- 92 universities could be eligible to join the TPS and transfer their benefits. <p>Emerging risk 30:</p> <ul style="list-style-type: none"> • NC advised that a policy on teacher sabbatical leave has 	<p>MR1/200618</p>

	been published. However, following further investigation by the DfE, it has been determined that the impact on TPS should be low as any such teachers will become deferred members of the TPS whilst on sabbatical leave.	
Agenda Item 7	<p>Overview of Operational Risk Process</p> <ul style="list-style-type: none"> AG assured the sub-committee that there are many different mechanisms in place for identifying and monitoring operational risks. For example, member feedback, regular KiTs, Risk Committee meetings, DfE's central risk management meetings, SDB meetings, GIAA. NM conveyed the usefulness of seeing how risks are managed and suggested the sub-committee report back to the Board that operational risk controls are in place and handled appropriately. NM would like to revisit this, in particular including sight of the Operational Risk Register. JG and DW agreed, but asked that the operational risk register was presented to this sub-committee on a quarterly basis. NM confirmed that he had met with Iain King (DfE) and Nigel Johnson (ARC) and that it has been agreed for NM to see the agenda of the ARC meeting which will enable him to input to items or add pensions matters if appropriate. NM will attend an ARC meeting and he will invite Nigel to attend TPSPB, subject to TPSPB approval. It was agreed that the Board should input into the Audit Programme – both the timetable and the priorities. 	<p>MR2/200618</p> <p>MR3/200618</p> <p>MR4/200618</p> <p>MR6/200618</p>
Agenda Item 8	<p>Update on NAO report and mid-year review of internal audit.</p> <ul style="list-style-type: none"> KB highlighted that a telekit had taken place with Nigel Johnson to discuss the final accounts and that only minor drafting changes were required. The Management letter will be presented to the ARC meeting in July. The sub-committee requested that they have sight of the final letter. 	MR7/200618
Agenda Item 9	<p>Agree Key Issues from the meeting / report to highlight at the next TPSPB meeting.</p> <ul style="list-style-type: none"> The Chair agreed to raise two items at the next TPSPB meeting which are GMP Communications Strategy and Operational Risk paper (Item 7). 	MR8/200618
Agenda Item 10	<p>AOB</p> <ul style="list-style-type: none"> No further comments. 	
Next meeting	26 September 2018, TP, Lingfield Point, Darlington	

Minutes agreed (Chair): 

Date: 26/06/2018

Confirmed by circulation to sub-committee members on: