

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

**21 March 2018 - MINUTES**

<b>Present:</b>		
Jerry Glazier (Chair)	Member Representative	JG
Geoff Ashton (Observer)	Independent Pension Specialist	GA
David Butcher	Employer Representative	DB
Chris Jones	Member Representative	CJ
Lee Probert (dialled in)	Employer Representative	LP
Dave Wilkinson	Member Representative	DW
Neneh Binning	DfE Senior Risk and Finance Manager	NB
Sue Crane	DfE Senior Contract Manager	SC
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
<b>Apologies :</b>		

	<b>Item</b>	<b>Action</b>
Agenda item 1	<p><b>Attendance / apologies</b></p> <ul style="list-style-type: none"> <li>The Chair welcomed Neneh Binning on her first official sub-committee meeting as DfE lead.</li> </ul>	
Agenda Item 2	<p><b>Actions from the previous meeting</b></p> <ul style="list-style-type: none"> <li>(MR3/131217) SC advised that there are currently five outstanding EoYC's from employers from the year 2015/16 and that the tPR have agreed to contact these employers on TP's behalf.</li> <li>The sub-committee agreed that there are no outstanding actions from previous meetings.</li> </ul>	
Agenda Item 3	<p><b>Review of Dashboard, Overview and Finance, Risk and Audit Report</b></p> <ul style="list-style-type: none"> <li>SC highlighted the Financial Distress Event that took place in January 2018. It was confirmed that controls to mitigate this are in place and are being reviewed continuously (ref Strategic Risk ST002).</li> <li>GA queried time frames for potential events. SC advised that financial ratios set out in the contract were currently being satisfied so the net risk is assessed as green. The current Exit Transition Plans is formally reviewed every six months and covers all scenarios for exit. DH is assisting the Department to prepare more detailed plans in scenarios including Capita Employee Benefits going into administration or other parts of Capita group on which there is a dependency doing so.</li> <li>SC also reminded the subcommittee regarding the Step in and Step Out rights set out in the contract, which are a key control.</li> <li>CJ queried the position of staff in these circumstances. SC advised that TUPE was expected to apply in this scenario.</li> </ul>	

	<ul style="list-style-type: none"> <li>• DB suggested that it would be useful for the sub-committee to have sight of the scenario work linked to the Exit Transition Plan – this will be provided to the next meeting of the subcommittee.</li> <li>• SC advised that she had a direct relationship with Cabinet Office’s Strategic Supplier Manager for Capita and the Crown Representative. They have assured DfE that the ratios used are appropriate and provided advice regarding frequency of reporting.</li> <li>• SC advised the sub-committee that Capita’s Annual Accounts are due to be published before the next meeting of the Board, so an update will be appropriate at that meeting.</li> </ul>	<p>MR01/210318</p> <p>MR02/210318</p>
<p>Agenda Item 4</p>	<p><b>Issues Log</b></p> <ul style="list-style-type: none"> <li>• SC advised that the Issues log was specifically discussed by the Service Delivery sub-committee but was shared with this sub-committee for background and interest.</li> <li>• The sub-committee had no further comments.</li> </ul>	
<p>Agenda Item 5a</p>	<p><b>Review Strategic Risk Register</b></p> <ul style="list-style-type: none"> <li>• NB advised that the risk register has been improved over the last quarter and all risks captured have been fully reviewed to ensure all mitigating actions are still effective and have been captured.</li> <li>• NB informed that she has presented the risk register to GIAA (Government Internal Audit Agency) and the DfE Risk Management Teams to seek feedback and capture developing good practice. As such the risk register now focuses by business area which generates focussed and constructive risk discussions.</li> <li>• NB invites all DfE Grade 7’s (strand leads) to ensure a holistic approach to discussion on the risk register.</li> <li>• NB highlighted that the risk register will continue to further improve over the coming months as best practice is identified and applied inline with continuous improvement.</li> <li>• JG mentioned that the new version will ensure all risks are being reported on and will be monitored more efficiently.</li> <li>• JG invited the sub-committee to feedback on the new risk register and conveyed that he felt a fresh pair of eyes on the register has improved the tool significantly.</li> <li>• Share the Risk Register with the TPSPB ahead of the next meeting.</li> <li>• AG gave an overview of the risk register.</li> <li>• AG highlighted the disaster recovery risk being changed from red to amber due to mitigating controls.</li> <li>• SC referenced the action point from the Board 3/170118 and sought the sub-committee view whether the approach set out in ST0003 was suitable to share with the Board, confirmation was given that the sub-committee were content.</li> <li>• NC highlighted that for policy risks TP has proactive conversations with with external organisations i.e. MOCOP and HM Treasury to keep on top of emerging</li> </ul>	<p>MR03/210318</p>

	<p>developments.</p> <ul style="list-style-type: none"> <li>• AG confirmed that three additional risks are included on the risk register which are the Walker legal case, GDPR and RMH.</li> <li>• In reference to Strategic Risk GO002, AG advised regular meetings of the TPS Security Working Group were taking place. DfE's IT Security Specialist attend this meeting, working with Capita specialists. The remediation plan resulting from the recent IT Health Check is progressing well and is monitored by this sub-committee.</li> <li>• JG expressed that he felt confident that risks are being identified and addressed correctly.</li> <li>• DB agrees with the robust approach of capturing and monitoring risks.</li> </ul>	
Agenda Item 5b	<p><b>Emerging Risks</b></p> <ul style="list-style-type: none"> <li>• NC highlighted that previous discussions on emerging risks did not highlight the next steps. To build clarity on this, more information has been included in the register.</li> <li>• NC confirmed that the potential 1% pay cap on public sector employees has been included on the log and that state pension age and research around life expectancy will be reviewed by the Government. NC stated that state pension age has not increased as much as anticipated.</li> <li>• NC advised that legal information is still outstanding on the Walker case. DW stated that HM Treasury re-laid the decision and that discussions continue to take place. DfE to touch base with John Brown.</li> <li>• NC advised that the inheritance tax risk has now been closed off and that PRC exit payments are still waiting for legal information.</li> <li>• NC highlighted that GMP reconciliation is being reviewed HMRC are taking actions forward and an update on this will be given at the next sub-committee meeting.</li> </ul>	<p>MR04/210318</p> <p>MR05/210318</p>
Agenda Item 6	<p><b>Update on Spring OBR 2017-18</b></p> <ul style="list-style-type: none"> <li>• NB notified the sub-committee that the WOBR exercise was a success and that HMT cancelled the challenge meeting due to their confidence in the submission.</li> <li>• NB also highlighted preparation for the Autumn OBR is underway and the OBR tracker is being reviewed for improvement.</li> <li>• KB confirmed that GAD gave positive feedback and that their proposed improvements have been implemented in the current model for assurance purposes.</li> <li>• JG advised that he was impressed with the handling of this years OBR exercise.</li> </ul> <p><b>Update on Annual Accounts</b></p> <ul style="list-style-type: none"> <li>• NB confirmed that interim audit is currently underway and final audit will be taking place over May and June.</li> <li>• NC informed that Deloitte were made aware of increase in leavers and joiners on the membership reconciliation. This is due to the 6 month gap between EOYC and MDCboarding. NC advised that a data cleansing exercise</li> </ul>	

	<p>will be undertaken to apply confident narrative around leavers and joiners.</p> <ul style="list-style-type: none"> <li>• NB highlighted the Teachers Pensions Board section of the annual resource accounts report and invited the sub-committee to comment on the report.</li> <li>• DB suggested that the Commercial sub-committee needs to be explained more clearly in the report.</li> <li>• LP agreed that the Commercial sub-committee will look at the draft text and provide a line.</li> </ul>	MR06/210318
Agenda Item 7	<p><b>Monthly Data Collection 2</b></p> <ul style="list-style-type: none"> <li>• KB notified the sub-committee that MDC2 is now progressing and a monthly project meeting is underway, The project group are looking at a number of measures such as the type of information to collect, the opportunity for direct debit payments, possible employer assurance methods. The sub-committee will receive an update on progress and timeline at the next meeting.</li> <li>• SC observed that progression of MDC2 is key to managing the strategic risk around proliferation of employers risk and the impact on the quality of data provided by employers(HR0003)</li> </ul>	MR07/210318
Agenda Item 8	<p><b>Agree Key Issues</b></p> <ul style="list-style-type: none"> <li>• Discussion of Capita's financial ability to deliver contract.</li> <li>• The Chair noted that the report is comprehensive and will be discussed further at the next TPSPB meeting in April.</li> <li>• Sub-committee review of risks</li> <li>• MDC2</li> </ul>	MR08/210318
Agenda Item 9	<p><b>AOB</b></p> <ul style="list-style-type: none"> <li>• No other business</li> </ul>	
Next meeting	20 June 2018, TP, Lingfield Point, Darlington	

Minutes agreed (Chair):



Date: 28 March 2018

Confirmed by circulation to sub-committee members on: 29 March 2018