

**Teachers' Pension Scheme Pension Board (TPSPB)**  
**Managing Risk and Internal Controls: Sub-Committee Meeting**  
**23 September 2020 (by Teams Teleconference)**

<b>Present:</b>		
Susan Anyan	Independent Pension Specialist - Chair	SA
Kate Atkinson	Member Representative	KA
David Butcher	Employer Representative	DB
Chris Jones	Member Representative	CJ
Simon Lowe	Employer Representative	SL
Richard Giles	Head of Teachers' Pensions	RG
Keith Barker	TP Head of Scheme Finance & Payroll	KB
Amy Gibbs	TP Analytics & Risk Management	AG
Matthew McNaughton	TP Employer Portfolio Manager	MM
Sue Crane	DfE Senior Contract Manager	SC
Kathryn Symms	DfE Policy Team Leader Casework & Correspondence & TPSPB	KS
Anna-Marie Alderson	DfE Programme Management Officer	AMA
Richard Lees	DfE Finance Manager	RL
Andrew Sayer	DfE Contract Manager	AS
Ann Ratcliffe	DfE TPSPB Secretariat	AR
Helen Cowan	DfE TPSPB Secretariat designate (observer)	HC
<b>Apologies:</b>		
None		

	Item	Action
Agenda item 1	<b>Introduction, attendance, apologies:</b> <ul style="list-style-type: none"> <li>SA welcomed those in attendance.</li> </ul>	
Agenda Item 2	<b>Actions from the previous meeting:</b> <b><u>AP6/250320</u></b> <b>Update on the Annual Report &amp; Accounts and Audit Report:</b> <ul style="list-style-type: none"> <li>KB advised that the working group continue to meet to conclude work on the Annual Report and Accounts – and will next meet on 25 September.</li> <li>AG stated that additional testing relating to IT developer access, requested by Deloitte, has been carried out and feedback given. TP is finalising the final extract providing evidence of segregation of duties in respect of benefit payments, before issuing it to Deloitte.</li> <li>SA explained that the Accounts are normally laid in July. However, as a consequence of the additional actuarial work required to update the accounts as a result of the Goodwin case - and subsequently to allow Deloitte time to assure themselves around the findings from the Capita group AAF report - the aim is now to lay the accounts at the end of October.</li> <li>RL explained that the Accounts would be presented to the department's Audit and Risk Committee on 14 October, before being laid at the end of October, ahead of the statutory deadline of 31 January 2021.</li> <li>KB confirmed that the Acclink accounts/HartLink pension database reconciliation is in place, with all underpinning reconciliation complete. Some minor 'housekeeping' activity is</li> </ul>	

	<p>being completed, but a regime of improved controls has also been successfully implemented.</p> <p><b><u>MR4/111219</u></b></p> <p><b>Employer Portal Functionality:</b></p> <ul style="list-style-type: none"> <li>• SC confirmed that pro-active risk management is taking place in relation to OP08 (Data Privacy). TP is considering what can be done quickly and what future service improvements can be made. An update will be provided at the subcommittee in December 2020.</li> <li>• SC assured the sub-committee that the system is compliant, but there would be a continued focus to determine where tighter controls can be made so that TP remain on the front foot.</li> </ul>	<p>MR1/230920</p>
<p>Agenda Item 3</p>	<p><b>Forward Work Plan Topic:</b>  <b>Business Continuity and Risk Management – How it helped through COVID-19</b></p> <ul style="list-style-type: none"> <li>• AG summarised her paper, explaining initial discussions between DfE and TP had taken place in February/March about the serious impact COVID-19 could potentially have on the service. A robust governance framework, agreed between TP and DfE, was already embedded and ensured that focus was on the right risks.</li> <li>• In early March, DfE outlined their key continuity requirements. A mini business continuity paper and associated risks were agreed and discussed daily – and continue to be – between SC and AG. Although it was helpful to prioritise, it soon became clear that a full service to members was required.</li> <li>• Lessons Learnt: SC noted that remote working is both possible and successful, but a quicker solution was needed for the Employer Helpline.</li> <li>• AG reported that employer webinars were particularly successful and have captured a larger demographic. Employers and members have had to use the website more (for example, online forms) so there has been a positive impact on the digital strategy.</li> <li>• However, there were issues with remote printing, for example, errors in printing P60s, and so additional quality checks have been put in place to mitigate this in future.</li> <li>• The future Operating Model is still to be fully defined. Capita continue to survey staff - and have had a good response rate. Employee needs and preferences will be taken into account including childcare, mental wellbeing and physical improvements such as desks and monitors being supplied to homes. TP will continue to support staff working from home and any return to the office will be on a phased approach.</li> <li>• SC assured KA and sub-committee members that Capita GIA continue to test the robustness of the home-working arrangements.</li> <li>• In response to CJ’s query, SC explained that members’ views of the quality of TP’s service were closely monitored through Outcome Measures. AG added that daily verbatim feedback is taken from members who contact TP which is relayed to senior management.</li> <li>• RG stated the core service is working effectively and</li> </ul>	

<p>Agenda Item 3a</p>	<p>communication with staff has improved. Capita has taken a “Safety First” approach and staff will not be returning to the office until 2021. As COVID-19 is likely to be a longer term issue, opportunities and risks are being considered.</p> <ul style="list-style-type: none"> <li>• SA invited the sub-committee to consider how well the risk framework supported the process, adding that her perception was that it had captured the main issues. The other sub-committee members concurred.</li> <li>• SC agreed and confirmed that she and other stakeholders were pleased that key documents and existing reporting had proved fit for purpose.</li> <li>• CJ commented that the process had been well-managed and he agreed with the way staff are being considered, especially with regard to mental wellbeing; but that he has concerns about the longer term.</li> <li>• RG explained that TP is supporting staff, for example, by virtual coffee mornings and other events. A number of staff who want to work in the office have been allowed to so. There are also plans to design a “safe space” where teams can get together periodically. This will help staff wellbeing but will also facilitate work-related “idea generation”.</li> <li>• KB advised that he is considering the impact of possible staff illness (absence) on his team’s work and ensuring that his team is multi-skilled in order that they can cover one another’s roles.</li> <li>• RG said this is an emerging issue across TP alongside considering which teams will see an increase in activity e.g. bereavements and/or retirements.</li> <li>• KB highlighted that resilience for employers is a concern. He noted that in August, 36 (up from 21) employers had been reported to the Pensions Regulator for non-payment of contributions. KB reassured the sub-committee that his team support and work closely with these employers. RL confirmed this has not significantly impacted on scheme finances, and now that schools have returned, TP is beginning to re-engage with employers such as arrears, outstanding EOYC returns etc.</li> <li>• KB confirmed to KA that employers only became reportable to the Regulator after 150 days (up from 90 days) for late payment of contributions. He also confirmed that although older EOYCs are outstanding, building a requirement into the MCR on-boarding process to ensure that assurance documentation is up-to-date will help secure that information.</li> <li>• SA commented that the risk register did help support DfE and TP, and that the sub-committee appreciated the ongoing planning with regard to health, resilience and idea generation. She offered the sub-committee’s congratulations on maintaining good service levels and completing the Accounts.</li> </ul> <p><b>New Topics</b></p> <ul style="list-style-type: none"> <li>• KA enquired whether Brexit had been considered as a risk. KB advised the risks had been discussed and were low – but quite some time ago. There are no issues with Deutsche Bank continuing to pay overseas pensions, and because there are so few overseas schools, manual data collection is possible as a contingency.</li> <li>• As it was some time since this had been discussed, the sub-committee asked that Brexit preparation be added to the December agenda.</li> </ul>	<p>MR2/230920</p>
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	<p><b>Next topics</b></p> <ul style="list-style-type: none"> <li>• Autumn OBR Model and Forecasting</li> <li>• Brexit</li> </ul>	
Agenda Item 4	<p><b>Review of Papers 3, 4, 5</b></p> <p><b>Review of Dashboard and supporting papers:</b></p> <ul style="list-style-type: none"> <li>• SC noted movement on the top five risks between January and July. For example, ST01 (effective contract management) has moved from red in January to green. This reflects her confidence that senior managers in wider Capita value the relationship and that is reflected in OM16 (Partnership Working).</li> <li>• HR01 was amber in January but is now green. There was significant senior management churn in early 2020, but RG's arrival as Head of TP has settled the situation. SC reported that the contract has been strengthened in that the key personnel contract schedule has been extended so DfE has more control over recruitment into those positions.</li> <li>• SA commented on the value of paper 3, especially the tracker which illustrates how service delivery is progressing. No other comments were raised on papers 3, 4 and 5 as they had been covered earlier in the agenda.</li> <li>• SA noted that the Chair of the Board had commented on the lack of consistency in the presentation of the top five risks and the red rated risks in the risk register, quarterly report and dashboard. It was agreed that AG, SC and SA would meet separately to agree a better format for this.</li> <li>• SA did however point out that the top risks reported in the dashboard need not be red rated – they were the ones that must be closely monitored.</li> </ul>	MR3/230920
Agenda Item 5	<p><b>Review of Operational &amp; Strategic Risk Registers</b></p> <ul style="list-style-type: none"> <li>• This item was covered in several other discussions throughout the meeting.</li> </ul>	
Agenda Item 6	<p><b>Programmes and projects</b></p> <ul style="list-style-type: none"> <li>• SA invited MM to present paper 9 (Programmes and Projects, preparedness for a period of significant change).</li> <li>• MM summarised the management of programme work over the next two years which includes large scale legislative work, Transitional Protection, Immediate Detriment, Goodwin, MCR, Pension Dashboard and consideration of the reaction to COVID-19. All this work takes place alongside BAU, which must not suffer as a result.</li> <li>• MM acknowledged that there was a risk that current resources do not have the capacity to deal with so much change, and TP need to mitigate against programme saturation.</li> <li>• MM explained that there are two key boards that have an executive overview - Capita Senior Leadership Team and the Internal Programme Board. The boards identify pinch points where resource might be an issue and can re-order programmes. There is also a programme board with DfE that takes a shared approach reprioritising.</li> <li>• The next risk – insufficient accommodation – has been mitigated to a large extent because of remote working being successfully implemented.</li> <li>• MM explained that there is a risk IT resource currently in place,</li> </ul>	

	<p>is not capable of delivering on business requirements, therefore resulting in potential failed delivery. However, it is expected that the resource issue can be reviewed and re-prioritised accordingly.</p> <ul style="list-style-type: none"> <li>• MM highlighted the risk that there may be a lack of knowledge, and the risks around maintaining the right level of experience in the project team. Immediate Detriment accelerated the need for policy team staff recruitment – which is already beginning in the form of a Subject Matter Expert and a training manager being appointed</li> <li>• Finally, MM highlighted the risk to BAU, but reassured the sub-committee that the programme is mindful of resources required to deliver and work. Management Information – for example, a decline in SLA performance - means that TP can ensure that the programme does not take too much away from BAU.</li> <li>• The Programme Plan allows MM to plan impacts across the business. It plots resource requirements for each piece of work which feeds into the resource plan, allowing MM to see clear pinch points. This in turn prompts board discussion to re-prioritise the programme if necessary – this happens for both resource and IT.</li> <li>• The sub-committee requested sight of a list of projects and programmes with timelines for assurance purposes. MM agreed to supply a redacted version of his plan.</li> <li>• SA highlighted the link between the presentation and ST03 (Risk Management Framework). SC reassured the sub-committee that this risk is always discussed at the Quarterly Strategy Board to ensure visibility. To mirror this, the sub-committee agreed that this should be a standing agenda item for them too.</li> </ul>	<p>MR4/230920</p> <p>MR5/230920</p>
Agenda Item 7	<p><b>Agree Key Issues from the Meeting / Report to highlight at the October TPSPB meeting:</b></p> <p>The sub-committee agreed that the top three issues to take to the next TPSPB would be:</p> <ul style="list-style-type: none"> <li>• How the Risk Management Framework helped with COVID-19 arrangements (agenda item 3)</li> <li>• Programmes and projects (agenda item 6)</li> <li>• Update and assurance on the scheme Accounts</li> </ul>	
Agenda Item 8	<p><b>Agree whether any individual papers or presentations should be shared with remaining Board members:</b></p> <ul style="list-style-type: none"> <li>• It was agreed that Paper 7 and 8 should be shared with the Board.</li> </ul>	MR6/230920
Agenda Item 9	<p><b>AOB</b></p> <ul style="list-style-type: none"> <li>• There were no items of other business.</li> </ul>	
Next meeting	9 December 2020 via Teams	

Minutes agreed by Chair: *Susan Anyan*

Date: 30 September 2020

Confirmed by circulation to sub-committee members on: 1 October 2020

Ratified at sub-committee meeting: 9 December 2020