

Teachers' Pension Scheme Pension Board (TPSPB)
Managing Risk and Internal Controls: Sub-Committee Meeting

DATE: 25 September 2019

Present:		
Jerry Glazier	Member Representative - Chair	JG
Chris Jones	Member Representative	CJ
David Butcher	Employer Representative	DB
Simon Lowe	Employer Representative	SL
Lee Probert (dialled in)	Employer Representative	LP
Neil Crombie	TP Head of Teachers' Pensions	NC
Keith Barker	TP Head of Scheme Finance & Payroll	KB
Amy Gibbs	TP Analytics & Risk Manager	AG
Kathryn Symms	DfE Policy Team Leader Casework & Correspondence & TPSPB	KS
Anna-Marie Alderson	DfE Contracts Manager	AMA
Richard Lees	DfE Finance Manager	RL
Helen Dady	DfE TPSPB Secretariat	HD
Peter Springhall (Observer)	DfE Head of Commercial, Contracts & Finance	PS
Apologies:		
Susan Anyan	Independent Pension Specialist	
Ian Payne	Employer Representative	
Dave Wilkinson	Member Representative	
Sue Crane	DfE Senior Contract Manager	

	Item	Action
Agenda item 1	<p>Introduction, attendance, apologies:</p> <p>Welcome and Apologies:</p> <ul style="list-style-type: none"> JG welcomed those in attendance, and accepted apologies from Susan Anyan, Ian Payne, Dave Wilkinson and Sue Crane. <p>Review of previous minutes:</p> <ul style="list-style-type: none"> The minutes from the sub-committee meeting of 12 June 2019 were agreed as an accurate record. 	
Agenda Item 2	<p>Actions from the previous meeting</p> <p><u>MR1/120619 – Audit & Accounts</u></p> <ul style="list-style-type: none"> RL gave an update on the scheme audit and 2019 annual report and accounts, which are now complete. There were no major findings and any lessons learned from delivering the exercise will be fed into the next audit cycle, the timetable for which will be discussed and agreed with NAO in October. <p><u>MR3/120619 – TP update re: increase in distribution of leaver packs</u></p> <ul style="list-style-type: none"> NC explained that on review of the volume of leaver packs being distributed, only May 2019 showed a slight increase 	

	<p>and the remaining months remained broadly consistent.</p> <ul style="list-style-type: none"> • CJ queried if there was a statute of limitation on the data retention policy for TP. NC confirmed that due to the nature of the scheme, data is held indefinitely, and that HMRC data also helps on older cases. 	
Agenda Item 3	<p>Forward Work Plan – Responding to challenges of a continually evolving fraud environment</p> <ul style="list-style-type: none"> • NC gave a verbal overview, with reference to the Cyber Security presentation at the March 2019 sub-committee, which detailed the Capita and TP governance structure that remains relevant in relation to both cyber security and fraud prevention. • TP has a number of controls in place and a central team that monitors live risks. For example, NC highlighted that a couple of months ago, TP introduced an enhanced version of DDRI that more accurately identifies deceased members, including partner beneficiaries. • TP are reviewing their control checks, for instances where personal member details are updated through MPO. Control checks such as alerts to members when their passwords are changed are being considered. • JG queried how many cases TP had experienced in relation to fraudulent activity on member accounts and was given assurance by both AG and NC that they were aware of only one recent case which was not a TP related breach; this was swiftly dealt with. • Overall, the sub-committee was assured that opportunities for fraud are being reduced, continual review and development is ongoing, and Deloitte provide independent assurance as part of the annual audit and accounts process. <p>OBR model and forecasting - next topic</p> <ul style="list-style-type: none"> • RL advised that, due to the light-touch changes to the forecasting model used in preparing the 2019 Autumn OBR forecast, the scope of the Forward Look item should be revised for the December sub-committee meeting. He proposed that this should instead provide a presentation of the existing model; the changes applied this year; and proposed and further changes we would like to make once there is sufficient MDC data available to support appropriate analysis. This will give the sub-committee the opportunity to feed in their thoughts and ideas. 	
Agenda Item 4	<p>Review of Papers 4,5,6,7</p> <ul style="list-style-type: none"> • JG highlighted the number of independent schools leaving the scheme due to the increase to employer contributions, raising concern that out of the 1100 independent schools, 70 employers are leaving with this number likely to increase. AMA gave assurance that this issue is being closely monitored. NC confirmed that schools may re-join in 	MR1/2509 19

	<p>the future, if they wished to do so.</p> <ul style="list-style-type: none"> • CJ stated that he had heard Post '92 Universities may want to leave the scheme and queried what information was available. It was noted that these institutions have a statutory obligation to remain in the scheme. • JG observed from the Information to Members and Communications sub-committee that there is a positive development in the relationship with ESFA, and it is anticipated that this new relationship could be used to review the impact of schools' engagement with the scheme. 	
Agenda Item 5	<p>Review of Operational & Strategic Risk Registers</p> <ul style="list-style-type: none"> • AG highlighted the update to the operational risk register for McCloud, and the HR strategic risk which has now increased to (net risk) medium due to the challenges of recruiting to TP. • AG informed the sub-committee that a full annual review of the risk register is scheduled for October 2019, where it will be scrutinised, and the results will be shared at the next sub-committee. • The sub-committee confirmed they were content with the risk registers and that they demonstrated that sufficient, appropriate controls were in place. 	MR2/2509 19
Agenda Item 6	<p>Agree Key Issues from the Meeting / Report to highlight at the next TPSPB meeting</p> <ul style="list-style-type: none"> • Cyber security and fraud prevention • Independent schools leaving the scheme 	
Agenda Item 7	<p>Agree whether any individual papers or presentations should be shared with remaining Board members:</p> <ul style="list-style-type: none"> • None 	
Agenda Item 8	<p>AOB</p> <ul style="list-style-type: none"> • There were no items of other business. 	
Next meeting	11 th December 2019, TP, Lingfield Point, Darlington	

Minutes agreed by Chair: 

Date: 26 September 2019

Confirmed by circulation to sub-committee members on: 01 October 2019

Ratified at sub-committee meeting on: 11th December 2019