

**CONFIRMED MINUTES OF THE 114<sup>TH</sup> BOARD MEETING  
WEDNESDAY 22 JUNE 2016 AT HOLLY WALK, LEAMINGTON SPA**

**Present:** Dr Ann Limb CBE DL (AL) (Chair)  
Anna East (AE)  
Jon Carlton (JC)  
Justin McCracken (JM)  
Gerry McCormack (GM)  
Christopher Welford (Chief Executive)

**In attendance:** Alison Bennett (Deputy Chief Executive Officer)  
Jess O'Brien (Communications Manager)  
Daniel Taylor (HMRC)

**Board secretary:** Helen Maccallum (HM)

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**1. Introduction**

1.1 The Chair welcomed everyone to the 114<sup>th</sup> Board meeting.

**2. Apologies**

2.1 No apologies were received.

**3. Declaration of Interests**

3.1 The Chair reminded Board Members that if a topic was discussed during the meeting and they had an interest in it then they should declare this to the Chair.

**4. Minutes of last meeting**

4.1 It was noted that the wording in paragraphs 9.5 and 9.6 of Appendix A was not clear, the Chief Executive (CEO) will review the wording.

4.1 **Action:** The CEO will review the wording of the relevant paragraphs.

**5. Action points**

5.1 There were two issues that the CEO brought to the Board's attention as **Addendum items for the Board**.

**6. HMRC Update**

6.1 Daniel Taylor (DT) provided an overview of HMRC's work over the last quarter. In particular, he informed the Board that HMRC is committed to ensuring that EBs in Scotland get the LCF monies spent before the end of March 2017.

**7. Enrolment and Revocations**

7.1 The Deputy Chief Executive (DCEO) informed the Board that there had been a large number of EBs seeking voluntary revocation this quarter, in particular from organisations based in Scotland.

7.2 The Board formally noted the list of enrolments and approved the list of voluntary revocations between 1 March and 31 May 2016.

## **8. 2015/2016 Annual Accounts – ENTRUST**

8.1 The CEO presented the 2015/2016 Annual Accounts to the Board. He informed the meeting that the Accounts had been reviewed by the Audit Committee at their meeting on 22 June 2016 and that the Accounts were being submitted to the Board for approval.

8.2 The Chair of the Audit Committee explained that these were the first set of Accounts completed using Financial Reporting Standard (FRS) 102. The Board thanked both the CEO and Chair of the Audit Committee for their briefings and it was agreed that the Accounts could be approved and signed then submitted to the Annual General Meeting (AGM).

8.3 **Action:** The 2015/2016 Accounts to be signed and submitted to the AGM.

## **9. 2015/2016 Annual Accounts – ENTRUST Ltd**

9.1 The CEO presented the 2015/2016 Annual Accounts for ENTRUST Ltd. The dormant company Accounts were approved by the Board for signature.

## **10. 2016/2017 Annual Report**

10.1 The Communications Manager introduced this paper and explained as in previous years that there were two versions of the Annual Report, a full version which would be on our website and a small four page summary leaflet, which would be sent to key stakeholders.

10.2 The Chair thanked Jess O'Brien (JO'B) for producing the report and summary and requested Board members to forward any drafting comments to JO'B by the 29 June 2016.

10.3 **Action:** Board Members to submit any proposed changes on the Annual Report, or summary to JO'B by the 29 June 2016.

10.4 The Chair requested that all the previous Annual Reports were pulled together and brought to the June 2017 Board meeting.

10.5 **Action:** The Communications Manager to collate all previous Annual Reports for the June 2017 Board meeting.

## **11. ENTRUST Regulator Standards**

11.1 The CEO introduced the paper and explained that we use the ENTRUST Regulator Standards (ERs) to objectively assess our regulatory approach against the key elements of the Regulator's Code.

11.2 Overall, the Board considered that the assessment demonstrated that we were complying with best regulatory practice and subject to one minor amendment, they agreed the assessment should be published on our website.

- 11.3 **Action:** The Communications Manager to amend the assessment as requested prior to publication on the website.

## 12. Corporate Support

- 12.1 The CEO introduced this paper which gave the Board an update on our financial position and income received during the year. He informed the Board that the Strategic Risk Register would be taken to the December 2016 Board meeting for a formal review following work on this document which is scheduled for October 2016. The Board noted our current position on the Key Performance Indicators and that there were no Health & Safety issues raised in this quarter.

## 13. Compliance

- 13.1 The DCEO introduced this paper. The Board was updated on the delivery of the inspection programme for 2015/2016 and noted that the target for the year had been achieved. It was reported that we are on track to meet the target for inspections in 2016/2017. The EB assessment of our compliance inspection process satisfaction score had fallen in May 2016. She informed the Board that the satisfaction surveys are reviewed at monthly meetings and any issues are addressed. It was noted that data relating to the findings of compliance inspections and corrections made for 2015/2016 have been published on our website.

## 14. Enforcement

- 14.1 The DCEO gave an update on enforcement issues and described the current closed and ongoing cases which were being managed.

### 14.2 to 14.12 Addendum items for the Board

- 14.13 Form 4s – the paper showed a comparison for submitted Form 4s. Where EBs have failed to submit a Form 4 they are placed on the Frozen list which is published on our website. The EBs are then unable to register projects until the status is changed following receipt of a completed Form 4.
- 14.14 Forcible revocation – 19 EBs were referred to HMRC following the Board in March 2016. Two EBs challenged the decision taken by HMRC. In one case the decision was upheld. In the second instance, it was concluded that the EB had already been dissolved as an entity and therefore revocation was not possible. It was noted that HMRC has now put systems in place to get these matters dealt with promptly.

## 15. Registrations

- 15.1 The DCEO introduced this paper which gave an overview of the work of the Registrations Team. Enrolments are at a similar number to last year and have all been completed within five working days. It was noted that many EBs struggle to get through the enrolment process first time and reviews of Form 1 have been carried out.
- 15.2 99% of project approvals have been completed within five working days. The Board noted that online project approval was at 95%, in line with the level achieved last year. We contact EBs who complete paper forms to encourage use of Entrust on Line (EOL) where possible.

We continue to monitor any overrunning projects and review any spend taking place outside of the prescribed period.

## 16. Regulations

- 16.1 The DCEO advised the Board that following their March 2016 meeting, we had published our guidance following the Reform of the LCF. We have received some positive feedback on the new guidance and we are maintaining a log of all feedback and queries raised, and will review whether any further clarification of the guidance is needed in September.
- 16.2 No formal consultations are currently planned for 2016/2017.
- 16.3 Training – One basic training event has been held so far and good feedback was received. An Open Day is being held on 30 June 2016 with a further basic training event planned for 13 September 2016. The Board asked whether there was a requirement for EBs to undertake training. It was confirmed there is currently no requirement for EBs to complete training before or after enrolment.
- 16.4 A brief discussion was held as to whether an online training module should be created before enrolment for EBs to know what is expected of them. The Chair offered to speak to a firm she is aware of to contact us so that we can get more information.
- 16.5 **Action:** The Chair to get in touch with a firm which could help produce an online training module.

## 17. Communications

- 17.1 The Communications Manager introduced this paper which set out the communications activity over the past quarter. The website has been updated by changing navigation, amalgamating training and by sub-categorising FAQs in line with the Guidance Manual.
- 17.2 The change to a new bulk email provider has allowed us to develop a more targeted approach, which has helped to increase the Form 4 return rate this year. The next Communications Forum is due to take place in the next quarter.
- 17.3 The Board asked whether the update reports produced for Board can now be set out to provide information separately on activities in Scotland and the rest of the United Kingdom (UK), which would provide greater clarity on our ongoing and discontinuing work. The CEO confirmed this could be done and would be available for the next Board.
- 17.4 **Action:** Separate reports for the Continuing and Discontinuing businesses to be prepared.

## 18. Audit Committee update

- 18.1 GM provided an overview of the items discussed by the Committee at its meeting, including:
- Annual Accounts 2015/2016 – the Committee approved that the accounts of both companies be sent to the Board and recommend that they are approved;
  - 2016 External Audit report;
  - Management Assurance – this paper gave a SATISFACTORY level of assurance;

- Quality Assurance Review on Human Resources which provided a LIMITED level of assurance;
- Risk Management issues; and
- Committee's 2015/2016 Self Assessment report.

**19. Human Resources Committee update**

19.1 Minutes will be circulated after the meeting.

**20. Any other business**

20.1 The Board approved a resolution to make changes to our Barclays bank mandate following staff changes.

20.2 The Chair requested that dates for 2017 Board meetings are scheduled in the near future.

20.3 **Action:** Board Secretary to schedule dates for the 2017 Board meetings.

**21. Date of next meeting**

21.1 The next meeting will be held on 19 September 2016, at 60 Holly Walk, Leamington Spa.

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CHAIR'S SIGNATURE

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DATE