

**CONFIRMED MINUTES OF THE 116TH BOARD MEETING
WEDNESDAY 7 DECEMBER 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)
Apologies:	None
Board secretary:	Helen Maccallum (HM)

1. Introduction

- 1.1. The Chair welcomed everyone to the 116th 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 which they had an interest in, that this should be declared to the Chair.

4. Minutes of last meeting

- 4.1. The minutes of the 115th meeting held on 19th September 2016 were approved as being an accurate record and were signed by the Chair.

5. Action points

- 5.1. The Board noted that the action points for the last meeting had been completed and cross referenced to Board papers as necessary.
- 5.2. There was one issue regarding the ownership of the LCF logo that was outstanding. The Chair asked that the Communications Manager (CM) and Daniel Taylor (DT) from HMRC discuss this and come to an agreement as to who owns the rights to this.
- 5.3. **Action:** The CM and DT to research ownership of the LCF logo and determine and confirm who owns the rights to the logo.

6. HMRC Update

- 6.1. DT advised that HMRC had received a letter from ADEB regarding ENTRUST's role, which HMRC had responded to and that he was in discussions with the Chief Executive (CEO)

regarding a number of the points. He also made it clear that HMRC would not be undertaking any formal review of ENTRUST's role. HMRC was extremely satisfied with the quality of ENTRUST's work and ENTRUST's performance against the Terms of Approval and Corporate Plan.

- 6.2 However, DT explained that one of the points that ADEB had raised related to ENTRUST's compliance work and the volume and coverage of inspections and the compliance risk model. To address this matter, he had been working with the CEO on reviewing the future coverage of ENTRUST's risk activities and the risk model.

Addendum item 6.3 to 6.10 for the Board

- 6.11 The Chair informed DT that the Board had met with the Top Ten EBs Chairs group in September 2016 and that there will be another meeting in the Spring of 2017.

7. Audit Committee

- 7.1. GM provided an overview of the items discussed by the Committee at its meeting, including:
- Quality Assurance programme – this is changing due to the circumstances of the Quality Assurance and Performance Officer (QAPO) post not being recruited;
 - Cyber Security arrangements were again updated and reviewed;
 - Penetration testing will be carried out in February 2017;
 - To obtain Operational assurance we need to look at a combination of Quality Management; Risk Management and the Strategic Risk Register. To partially account for the lost QAPO role, Audit Committee members had agreed to perform an assurance overview function and report back to each Committee and the Board; and
 - Hospitality and Senior Staff Travel registers.

8. Human Resources and Remuneration Committee

- 8.1. The Committee discussed at the meeting:
- The Health & Safety (H&S) policy which was approved by the Committee;
 - Human Resources update;
 - Remuneration Policy; and
 - H & S update.

9. Enrolment and Revocations

- 9.1. The Deputy Chief Executive (DCEO) informed the Board that there have been a small number of enrolments during the last quarter. It is not known why there was a significant dip in numbers this quarter.
- 9.2. Voluntary Revocations are shown separately for Scotland, England, Wales and Northern Ireland. It was noted that a large volume of requests are from Scotland which is as expected with the Fund closing in March 2017.

- 9.3. The Board formally noted the list of enrolments and approved the list of voluntary revocations between 1 September and 30 November 2016.

10. Referral of Scottish EBs who have not returned a Form 4

- 10.1. The DCEO explained the process of referring EBs to HMRC where the EB has failed to submit a Statutory Form 4. Scottish EBs have received all their communications regarding the closure of the Fund and as noted above, are requesting voluntary revocation from the scheme.
- 10.2. There are five Scottish EBs who we have failed to return a Form 4 and failed to respond to our repeated requests for information and the Board agreed that these organisations should be referred to HMRC for enforced revocation.
- 10.3. **Action:** The DCEO to refer the EBs to HMRC for enforced revocation within five working days following the agreed procedure.

11. 2016/2017 Form 4 Strategy

- 11.1. The DCEO introduced this paper which has the proposed communication plan for January through to the end of April 2017. Scottish EBs are being requested to return their Form 4s by the 31 March 2017 which is the end of the transition of the Fund in Scotland. We have a larger number of EBs on the Frozen list than in previous years as we have taken limited chase up action with those organisations who previously reported Nil returns. At the current time, 25 of these EBs will be presented to the Board in March for referral to HMRC for forcible revocation.
- 11.2. The Board was content with the plan and the current enforcement work.

12. 2016/2017 ENTRUST Regulator Standards (ERS)

- 12.1. The Communications Manager (CM) introduced this paper which set out the work that has been completed, or is ongoing over the period April to September 2016. It was noted that the two items that are ongoing will be completed by the end of the reporting period.
- 12.2. The Board was informed that we have changed the EOL software suppliers and all planned updates to the system will be delivered by the end of the year. The 12 month ERS assessment is published on our website and it was agreed that in the next quarterly update to the Chairs of the Top Ten EBs we should include an item on ERS.
- 12.3. **Action:** The CM to include an item on ERS in the next quarterly update to the Chairs of the Top Ten EBs.
- 12.4. The Chair requested that her thanks were given to the staff in recognition of their hard work in helping ENTRUST meet the standards.

13. Corporate Support

- 13.1. The CEO introduced the paper which gave the Board an update on our financial position and income received during the year to date.

- 13.2. He reminded the Board of discussed in updating the Strategic Risk Register at the Strategy Planning day in October 2016. He also advised that the Health & Safety policy has been revised and updated to comply with the Health and Safety Executive's (HSE) latest guidance.
- 13.3. The CEO also reported that he receives weekly reports on IT incidents and informed the Board that there have been no attempted cases of cyber attacks. It was noted that in September 2016 we became Cyber Security Certified through an independent accreditation provider. The Board noted and thanked the IT Team for their work in this area.

14. Compliance

- 14.1. The DCEO introduced this paper and informed the Board that with the planned inspections and closure work in Scotland we will exceed our target for the year. It was noted that the compliance inspections satisfaction survey score remains high and all comments and feedback is reviewed at monthly team meetings where any issues are addressed.
- 14.2. The Risk Model was discussed at the Board's Strategy Planning day in October 2016 and some of the staffing and operational changes that have been made will impact on the Quarter 1 and 2 inspection programmes. The Board asked about the feedback to our inspections and the DCEO advised that some EBs did not find them a burden as errors can be pointed out during the visit and advice given.
- 14.3. The Board noted that GM would be attending a compliance inspection during the week of 12 December 2016.

Addendum item 14.4 for the Board

15. Enforcement

- 15.1. The DCEO gave the Board an update on enforcement issues and described the ongoing cases which were being managed.

Addendum items 15.2 to 15.5 for the Board

- 15.6 Form 3s and 7s – the Board noted that the number of late forms received to date is slightly lower than for the same period last year.

16. Registrations

- 16.1. The DCEO reported that there has been a downturn in enrolments during the previous quarter, which could be as a result of the reduction in the Fund and the Fund closing in Scotland. We did not receive any applications from Scottish EBs, although there we are still some receiving project applications. The DCEO confirmed that EBs are asked whether their projects will end by 31 March 2017 and this situation is being closely monitored.
- 16.2. The figures on over running projects were presented in the update paper, as requested at the previous Board meeting. The figures were broken down by duration of over run and by country, excluding projects in Scotland which are now been monitored separately.

- 16.3. Review panel – The last meeting was held in November 2016 with a representative from HMRC. The two projects which were being reviewed were concerned with the purchase of equipment. One project was approved and further information was requested from the other project and has been pended until this has been supplied.
- 16.4. The Board asked whether in general if Scotland closure work was taking up significant time for staff. The DCEO confirmed that the planning for the work has worked well and timesheets were being kept to ensure that costs were accounted for and charged correctly.

17. Regulations

- 17.1. The DCEO advised the Board that on the progress on the closure of the LCF in Scotland there are no issues. The CEO has been giving DT the figures on the level of unspent and allocated funds, which are going in the right direction.
- 17.2. Training module – an online training module has been created for new EBs. It takes them through their obligations and signposts information on our website so they know what is expected of them. The module is currently being tested by some recently enrolled EBs and some of the larger EBs. If the Board would like the link for the module they should let the DCEO know.

18. Communications

- 18.1. The CM introduced this paper which set out the communications activity over the past quarter. The Board was informed that the ENTRUST website has moved to the new server.
- 18.2. Communications Forum – the next meeting is to be held in January 2017.
- 18.3. Scotland – an updated communications plan timetable showing the completed action was attached.

19. Any other business

- 19.1. No items were raised.

20. Addendum Item for Board

21. Date of next meeting

- 21.1 The next meeting will be held on 15 March 2017, at 60 Holly Walk, Leamington Spa.

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CHAIR'S SIGNATURE

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DATE