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STUDENT LOANS  COMPANY LIMITED

**Finance & Governance Board**  
**Held at 3.00pm on Tuesday 10<sup>th</sup> June 2008**  
**Boardroom**

<b>Present:</b>	Les Campbell	Finance Director	<b>Chair</b>	LC
	Chris Andrew	Company Secretary	<b>Vice-Chair</b>	CA
	Christine McConnell	Legal & Compliance Manager		CMcC
	Louise Love	Internal Audit Manager		LL
	John Rae	Facilities Manager		JR
	Michael Mullin	Procurement Manager (on behalf of Iain Steel)		MM
	Fiona Calder	Human Resources Manager (on behalf of Steve Simpson)		FC
	Jennifer Anderson	Senior Executive Secretary	<b>Minutes</b>	JA
<b>By Invitation:</b>	John Maynard	Corporate Assurance Manager		JM
	Robert Hurt	Information Security Manager		RH
	Alan Dickson	Head of Finance		AD
	Fiona Smith	Project Manager – Accounting Systems		FS
<b>Apologies:</b>	Ralph Seymour-Jackson	Chief Executive		RSJ
	Wallace Gray	ICT Director		WG
	Martin Herbert	Customer Services Director		MH
	Derek Ross	Deputy Chief Executive		DR
	Chris Harrison	Head of Processing Services		CH
	Steve Simpson	Head of Human Resources		SS
	Iain Steel	Senior Procurement Manager		IS
	Stephen Watt	Financial Accounting Manager		SW
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**1. Chairman's Opening Remarks**

LC welcomed the Board and noted Apologies from RSJ, WG, MH, DR, CH, SS, IS and SW. FC was welcomed on behalf of SS and MM on behalf of IS.

**2. Finance & Governance Board Minutes & Matters Arising**

**2.1 Minutes of Previous Meeting held on 6<sup>th</sup> May, 2008**

The Minutes were noted and approved subject to the removal of the last section of the first sentence in the discussion of Finance & Governance Board Risk 4. **ACTION(FGB068) – JA.**

**2.2 Rolling Action Plan – 6<sup>th</sup> May, 2008**

Refer to separate outstanding Action Plan.

**3. Audit & Risk**

### **3.1 Finance Risk Report & Management of Company Wide Risks**

JM presented the Risk Management Report incorporating the risks captured by the Finance & Governance Board at the recent Risk Workshop, noting action updates are required on a number of risks and all new strategic risks are yet to be incorporated. JM queried whether or not the level of detail within the report is adequate and suggested the Board review and discuss. The Board agreed focus should be given to key milestones achieved and issues potentially hindering progression on a cover sheet at the beginning of the report.

CMcC queried the fraud investigation reported within Appendix 1 of the report and JM explained this was detailed as it is deemed to be a corporate risk derived from the Statement of Internal Control two years ago. CMcC noted the fraud investigations are still ongoing, however, felt the update provided too much detail.

The Board continued to discussion Appendix 4 of the Report which derived from a previous Action from the Finance & Governance Board, providing the Board with a summarised position of all risks across all divisions and forums. JM queried if the Board were content with this format or suggested the full registers from each forum and division could be presented for visibility and discussion on a rotational basis. LC reminded the Board the role of the Board is to ensure a proper process is in place in terms of managing risks and therefore do not require in depth detail, however, should be made aware and involved if areas are not managing risks properly.

The Board noted there is currently no risk register for the Health & Safety Forum and questioned JM if this was adequate. JM advised each division should have their own register covering their own areas. When questioned if any divisions are not taking updating their risk registers regularly, JM advised this was not the case, however, the Customer Services area is not as up to date as it should be, but this is primarily due to the recent re-structures and a risk workshop has now taken place with Operational Delivery Board members and a rolling risk refresh will be undertaken every 3 months to ensure processes are complied with, to which the Finance & Governance Board agreed would be useful to have sight of.

JM continued his update by highlighting the recent recommendation highlighted by an audit stating there is lack of ownership in terms of risk management and the process is primarily driven by the Corporate Assurance team. The Finance & Governance Board agreed LL and JM should focus on providing the Board with an update on this recommendation at the next meeting and agreed a quarterly summarised risk register should be presented for information. **ACTION(FGB069) – LL/JM**. The Board also agreed it would be up to each forum and division to decide whether or not their risk registers should be presented to the Finance & Governance Board.

The Board went on to discuss Corporate Risk 20 in further detail agreed the risk of damage to SLC's reputation should information be provided to funding bodies incorrectly. CMcC suggested at this point an additional column should be inserted to the table presented identifying the dates of when the new risk is added, to which the Board agreed would be useful. **ACTION(FGB070) – JM**.

### **3.2 Finance & Governance Board Risk 5 Discussion**

RH provided the Board with an update on the treatments allocated to FG(5), (There is a risk that access levels to certain SLC systems is not controlled appropriately and could expose SLC to fraud), highlighting feasibility work is now planned and is scheduled to commence within the ICT department in September 2008 before being rolled out to the remainder of the company. The Board discussed whether or not the work is required to go through an internal change process and discussed ownership of the required business case. It was agreed Martin Herbert, Customer Services Director would be the most appropriate sponsor due to the size of the customer services remit and CA reminded the Board both targets dates and key milestones are required to be identified.

## **4. Policy & Procedures Approvals**

### **4.1 Procurement Update - Verbal**

MM provided the Finance & Governance Board with a verbal update on the current key activities of Procurement highlighting Iain Steel, the new Senior Procurement Manager is currently undertaking a review of all Procurement policies and processes. MM noted once this has been completed, a new streamlined version of the Procurement Manual will be issued which will be linked to AIMs updates. The Board went on to discuss the recent revised

tender thresholds and agreed there is misunderstanding as to what these are and it was agreed the correct figure should be communicated to staff. **ACTION(FGB071) – MM.**

#### **4.2 Staff Ex-Gratia Payments**

AD attended the meeting to present the Staff Ex-Gratia Payment procedure for approval by the Finance & Governance Board. AD explained the requirement for a separate procedure to be put in place for staff ex gratia payments derived from a recent internal audit exercise. The Group discussed the proposed procedure and agreed there appears to be a distinct overlap with the Right Reward system and agreed AD, SS and CA should review the procedure further to formalise the process and provide an update at the next meeting. **ACTION(FGB072) – AD/SS/CA.** JA was reminded to ensure the report was incorporated into the Internal Board Schedule on a quarterly basis going forward. **ACTION(FGB073) – JA.**

### **5. Governance & Management Reports**

#### **5.1 Oracle Funds Checking Follow Up Report**

FS and AD presented a follow up paper providing the Board with an update after their decision at the last Finance & Governance Board to switch off the funds check control function within the Oracle e-business system. FS explained the new risk which has arisen as a result of the decision, being the budget holder using the lack of system warning or requirement to over-ride as an excuse for believing that funds are available for the transaction. The Board discussed the risk in detail and FS reminded the Board of the benefit of switching off the control function, allowing greater flexibility in terms of forecasting. The Board agreed the Non-Compliance report would highlight instances where orders have been placed with no funds available and also noted the availability of standard reports which are available on the system are adequate mitigating actions to ensure budget holders are aware of funds available. FS sought agreement from the Board that budget holders are made aware of repercussions from being non-compliant and it was agreed budget holders would be made aware that the Finance & Governance Board would be made aware of their non compliance and the Finance Director would be ultimately responsible for giving consideration to the removal of their budget holder responsibilities.

#### **5.2 Assurance Framework – Verbal**

CA provided the Board with a verbal update on the Assurance Framework highlighting after 2 workshop sessions, the document is still in the review process and the draft version will be available for next month. CA advised he and LL met with DIUS Internal Audit department recently and received excellent feedback on the diagram used by SLC, which is used as good practice and shared with other NDPBs. CA reminded the Board the document is required to be signed off by DIUS also.

### **6. Departmental/Treasury Guidance Update**

#### **6.1 Standard Monthly Update – Verbal**

CA presented a DAO letter outlining recommendations for Accounting Officers to set in place mechanisms for tracking compliance with PAC recommendations and arrangements for public reporting on progress for information. MM queried if there are other live DAO letters which SLC should be complying with, to which CA agreed to bring forward a list of what these reports cover to the next Finance & Governance Board. **ACTION(FGB074) – CA.**

### **7. Minutes**

#### **7.1 Security Forum Update – Monday 9<sup>th</sup> June (Verbal)**

CMcC provided the Finance & Governance Board with a verbal update from the Security Forum held on 9<sup>th</sup> June. CMcC summarised the key discussion being the review of the Acceptable Use Policy which Robert Hurt is reviewing again and will be presented to the next Finance & Governance Board alongside the last 2 sets of Minutes. **ACTION(FGB075) – CMcC.**

## **7.2 Fraud Management Steering Group Minutes – 22<sup>nd</sup> May, 2008**

CMcC also presented the Fraud Management Steering Group Minutes from the 22<sup>nd</sup> May 2008 highlighting the key discussion focused on the pilot of a Whistleblowing hotline within SLC. CA noted a paper will be produced to the next Finance & Governance Board containing recommendations in line with the Bentley Jennison report. MM queried if there would be an adverse affect bringing information into the public domain and CA noted a discussion is required to be held with External Affairs to prepare a Q&A. Other key discussions focused the number of fraudulent childcare applications.

## **7.3 Business Continuity Working Group Minutes – 14<sup>th</sup> May, 2008**

JR presented the Minutes from the Business Continuity Working Group held on 14<sup>th</sup> May 2008 advising there are no key issues to note this month. JR reminded the Board a contractor is now in place reviewing business continuity/disaster recovery processes for Lingfield Point and Hillington and a report will be presented to the Finance & Governance Board in September detailing recommendations. MM noted Scott McLeish was not in attendance at the meeting and asked JR to remove his name from the attendee list. **ACTION(FGB076) – JR.**

## **7.4 Information & Data Management Minutes – 8<sup>th</sup> May, 2008**

JM and PR presented the Information & Data Management Minutes from 8<sup>th</sup> May, 2008 and drew the Board's attention to the governance framework document. JM and PR summarised the document and referred the Board to section 5 of the Minutes outlining the IDMG's recommendations. The following was agreed:

- As the Finance & Governance Board felt they had not had enough time to review the document thoroughly, it was agreed the document should be issued via the Document Review System and comments should be submitted by close of business on 18<sup>th</sup> June, to allow the IDMG to finalise and acknowledge next steps on 19<sup>th</sup> June, prior to publishing on 30<sup>th</sup> June. **ACTION(FGB077) – JM/PR.**
- The Finance & Governance Board noted SLC are still awaiting on final guidance on the Hanningan Report from DIUS, which will be incorporated into the framework, as and when received.
- It was agreed the framework document should be submitted to the next Executive Management Meeting to introduce the Directors to the framework. **ACTION(FGB078) – CA.**
- PR agreed to prepare a proposal of how the IDMG will continue going forward after the implementation of the governance framework. **ACTION(FGB079) – PR.**

## **8. FOI Minutes – 6<sup>th</sup> May, 2008**

The FOI Minutes were noted and approved subject to the following being italicised:

- paragraphs containing updates on FG(4), FG(5) and FG(6) within section 3.1.

## **9. Key Messages for All Staff Communication**

The Board discussed this process and agreed the process is not working as it was originally intended to. FC and LC agreed to liaise with SS to discuss and JA agreed to forward the original document setting out the process which was submitted to and approved by the Operational Delivery Board. **ACTION(FGB080) – FC/LC/JA.**

## **10. Any Other Business**

LC withdrew the mileage rates agenda item.

After the appointment of the new Senior Procurement Manager, Iain Steel, the Finance & Governance Board formally thanked MM for his contribution to the Board.

## **11. Date of next meeting**

- Tuesday 8<sup>th</sup> July, 2008

**Meeting Closed 5.00pm**

**NB: Where asterisks appear these items have been excluded from the minutes before placing on the website as the subject under discussion falls within one or more of the exemptions contained in Part II of the Freedom of Information Act, 2000 and can be reasonably withheld.**

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