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STUDENT LOANS  COMPANY LIMITED

**Finance & Governance Board**  
**Held at 9.30am on 13<sup>th</sup> February 2008**  
**Boardroom**

<b>Present:</b>	Les Campbell	Finance Director	<b>Chair</b>	LC
	Chris Andrew	Company Secretary		CA
	Ralph Seymour-Jackson	Chief Executive		RSJ
	Derek Ross	Deputy Chief Executive		DR
	Michael Mullin	Procurement Manager		MM
	Christine McConnell	Legal & Compliance Manager		CMcC
	Louise Love	Internal Audit Manager		LL
	John Rae	Facilities Manager		JR
	Caroline McGill	Financial Accounting Manager	(Delegated by S Watt)	CMcG
	Loretta Williamson	Human Resources Manager	(Delegated by S Simpson)	LW
	Jennifer Anderson	Senior Executive Secretary	<b>Minutes</b>	JA
<b>By Invitation:</b>	Peter Robertson	Head of ICT Development	(Agenda Item 4.6 and 5.4)	PR
<b>Apologies:</b>	David Thomson	Head of Customer Contact		DT
	Steve Simpson	Head of Human Resources		SS
	Stephen Watt	Senior Financial Accounting Manager		SW
<b>Distribution:</b>	FOI Website			

**1. Chairman's Opening Remarks**

CA welcomed the Finance & Governance Board, highlighting LC will be joining the meeting to chair in due course and noted apologies from DT, SS and SW.

**2. Finance & Governance Board Minutes – 9<sup>th</sup> January, 2008**

The Minutes were noted and approved.

**3. Finance & Governance Board Rolling Action Plan**

Refer to separate outstanding Action Plan.

**4. Final Version of Terms of Reference**

LC reminded the Board after being previously discussed at a former Finance & Governance Board, it was agreed all Terms of Reference for the various forums and steering groups across the company should be updated to ensure they are consistent and reflect the new Internal Board structure recently implemented.

**4.1 Security Forum**

CMcC presented the revised terms of reference for the Security Forum highlighting it has been updated to reflect the new Finance & Governance Board and also noted the forum's membership has also been revised to reflect the Corporate Assurance Policy. LW queried if PCS members have been included as standing members of the forum. After discussion about the suitability of PCS members attending the meeting, the Board agreed that it is not suitable for the Security Forum to be discussing individual circumstances, therefore, PCS members

should be standing members of the forum. **The Board approved the revised version of the Security Forum's Terms of Reference.**

#### **4.2 Fraud Management**

**The Board approved the revised version of the Fraud Management Steering Group's Terms of Reference.**

#### **4.3 Equality Forum**

**The Board approved the revised version of the Equality Forum Terms of Reference.**

#### **4.4 Health & Safety**

LW presented the updated terms of reference for the Health & Safety Committee's formalising the Committee's remit, however, LW noted there is no list of standing members as yet. **The Board approved the revised version of the Health & Safety Committee's Terms of Reference.**

#### **4.5 Business Continuity**

JR presented the updated Business Continuity terms of reference highlighting attendees have also been revised in line with the new Board structure. **The Board approved the revised version of the Business Continuity Terms of Reference.**

PR joined the meeting

#### **4.6 Information & Data Management**

PR presented the newly created terms of reference for the Information & Data Management Steering Group highlighting CA will be the official sponsor of the governance framework. The Board agreed the Steering Group should continue beyond the implementation of cascading the framework to ensure the framework is embedded properly and PR noted frequency of the group meeting is yet to be determined. DR requested consideration be given to representation on the group from operational staff due to the volume of data coming into the business from DWP, HMRC, UCAS etc. PR and DR agreed to discuss offline. **ACTION(FGB020) – PR/DR.** CMcC expressed concern that there is a potential overlap of the Data Management Steering Group with the Security Forum, however, PR explained the role of the Security Forum is to ensure policies are executed where the role of the Information & Data Management Steering Group is to ensure a framework is in place and maintained for the governance of data and information. **The Board approved the terms of reference for the Information & Data Management Steering Group.**

### **5. Steering Group/Forum Minutes**

It was agreed to amend the running order of the Agenda to accommodate PR's second paper.

PR left the meeting

#### **5.4 Information & Data Management Steering Group Minutes – 22<sup>nd</sup> January, 2008**

PR highlighted version 7 of the governance framework will be presented to the next meeting. LC queried the Board's requirements in terms of receiving the Minutes from the various Steering Groups/Forums and it was agreed a cover sheet should be submitted with all Minutes highlighting the key points/issues going forward. **ACTION(FGB021) – ALL.**

#### **5.1 Security Forum Minutes – 16<sup>th</sup> January, 2008**

CMcC presented the Security Forum Minutes from 16<sup>th</sup> January highlighting the key points from the meeting. The forum reviewed the updated Data Protection Policy and Corporate Security Policy and noted reference to Emma McGeorge will be removed now she has left the company. CMcC presented both policies to the Finance & Governance Board for approval. RSJ queried in relation to the sensitive personal data section contained within the Data Protection Policy, whether CMcC foresees any issues in receiving historic personal data for prisoners applying for student loans or producing historic reporting analysis which may be required. CMcC and

RSJ agreed to discuss outwith the meeting. RSJ noted this is not an Action for the Finance & Governance Board to monitor. **The Board approved the Data Protection Policy and the Corporate Security Policy.**

### **5.2 Fraud Management Steering Group Minutes – 17<sup>th</sup> January, 2008**

CMcC presented the Fraud Management Steering Group Minutes for information highlighting fraud consultancy work is ongoing with a company called Outforce scheduled to visit SLC in due course. MM queried if CMcC has reviewed the market for alternative suppliers, however, CMcC explained she is not aware of another supplier and no commitment has been made to Outforce yet. CMcC highlighted the other key points to note are that work is ongoing with NFI to filter the 35,000 matched accounts, a tender exercise is ongoing to replace the Hunter Fraud System, with a lot of interest noted and the ADIF exercise has been successful with only 6 forms needing further investigation.

### **5.3 Equality Forum Minutes – 14<sup>th</sup> December, 2008**

CMcC presented the Equality Forum Minutes from 14<sup>th</sup> December noting she has replaced Emma McGeorge as Chair of the forum after Emma's departure from the company. CMcC advised work is ongoing in drafting the SLC Gender Equality Scheme which is a large piece of work.

After the presentation of the various Steering Groups/Forum's Minutes, LC queried the Finance & Governance Board's responsibility in ensuring the Terms of Reference for each group are maintained. CA suggested reviewing this is done when reviewing each Annual Report from the various groups.

## **6. Final Draft Expenses Policy**

CMcG presented the final draft Expenses Policy in SW's absence which was previously discussed at the last Finance & Governance Board and the SLC's Main Board. It was noted the Chairman is also in the process of working on producing a separate Expenses Policy for the non execs which should cross reference to the company's policy. It was agreed the policy presented should be included on the February Main Board Agenda to provide the non-execus with visibility. The following points were discussed:

- DR queried how the subsistence rates A and B were derived from and CMcG confirmed the rates are in line with DIUS Policies. CMcG also confirmed she is awaiting on HMRC providing information on dispensation.
- It was agreed the third paragraph of section 2.1 should be amended to state "Other staff members will fly economy class, subject to availability, unless accompanying a Director member on a flight when he or she may be invited to travel business class or its equivalent".
- The Board considered the removal of being able to claim additional allowance if an individual does not eat breakfast at home, however, it was agreed it is necessary to leave in the policy so HMRC do not consider it as a benefit in kind.
- The Board discussed section 4.3 of the policy and agreed it is the responsibility of the individual making the claim to ensure there is no duplication of previous claims. CMcG advised this will be subject to sample checking and also noted there is a 2 month restriction on submitting expense claims forms.
- LC highlighted in relation to section 3.1 of the policy, Accommodation, there is a potential for introducing a purchasing card to be used in individual departments, making it difficult to police the 5 working day rule of arranging travel, however, benefits consist of reducing paperwork and transaction checking. RSJ noted this is a future issue and there is an immense strength in introducing the purchasing cards.
- LC highlighted the amounts quoted to cover lunch and dinner in section 3.2 do not add up to Rate C & D.
- LC queried if expense claims are reviewed by the Finance Department and if staff are communicated to when amendments to their claims are made. CMcG confirmed staff are advised when amendments resulting in the claim being lower are made.
- LC queried a staff requirement to attend a supplier course and queried whether the course should be considered under the Expenses Policy. RSJ advised the course is considered as training and neither Expenses or Gifts & Hospitality.
- LW advised a request has come from a member of PCS to pay for their passport to go on company required travel. RSJ advised the company would not pay for the passport.

CMcG agreed to ensure all of the above changes are made to the policy prior to submitting to the February Main Board and Graeme Duncan was actioned to create a cover note. **ACTION(FGB022) – CMcG/GD.**

#### **7. Revised Further Education Policy**

LW presented a revised version of the Further Education Policy for approval highlighting the key changes to the policy are in relation to the development contracts which are inconsistently applied as not all staff are requested to repay their cost of training if they leave the company. The revised policy proposes this request be removed from the policy. The second recommendation is to change the current practice of asking staff to pay 25% of their required course cost upfront. LW advised there are no financial implications attached and noted this is a positive change for staff in the company. The Board agreed this is a positive change, however, requested the declaration of the policy be amended to state “should I fail to successfully attend the course of study etc” rather than “should I fail to complete”. **ACTION(FGB023) – LW.** LC noted he would need to consider the impact on Finance staff outwith the meeting. **ACTION(FGB024) – LC.**

#### **8. Draft Policy on Provision of Gifts & Hospitality**

CA presented a draft policy on the Provision of Gifts and Hospitality on the back of the recent approval of the company’s Gifts & Hospitality policy. CA noted he has previously distributed the policy and incorporated all comments received. The Board noted the policy should be submitted to the SLC Main Board to ensure consistency and it was agreed to be presented to the March Board to allow the Expenses Policy to be presented in February. **ACTION(FGB025) – CA.**

CMcG was requested to ensure budget and dedicated ledger codes are set up for FY08-09 to ensure expenditure falling within the remit of this policy can be recorded for audit trail purposes. CMcG also agreed to confirm the company’s responsibility or individual responsibility to deal with taxable benefits. **ACTION(FGB026) – CMcG.**

It was agreed the 2<sup>nd</sup> bullet point on page 6 should be removed from the policy as it is a duplication of the content of the Expenses Policy. **ACTION(FGB027) – CA.**

DR queried if the 3<sup>rd</sup> bullet point should be included in the Expenses Policy and not the Provision of Gifts & Hospitality. CMcG noted the cost of £10.00 to provide a lunch for a course etc is not consistent with the £4.25 expense claim allowed. DR also noted reference to “high profile venue” should be reconsidered as this can vary on rates provided by suppliers. CMcG agreed to run the rates by HMRC. **ACTION(FGB028) – CMcG.**

The group agreed to provide CA with any further comments on the policy by 22<sup>nd</sup> February, 2008. CA reminded the group the policy will be piloted for 6 months and DR noted the policy is not being created out of concern, rather is formalising the process and closing any gaps.

#### **9. Tender Thresholds**

Following a review of Procurement carried out by external consultants, MM presented a paper recommending the tender thresholds be amended going forward to £75k. The group discussed the proposal and the OGC framework and agreed the change in the tender threshold, noting amendments require to be made to both the APPM Manual and the Procurement Manual. It was also noted the APPM Manual would need to be submitted to the Board for approval. **ACTION(FGB029) – MM.**

#### **10. Company wide roll out of new/revised policies - verbal**

LW advised SS has agreed herself, Marion Martin and Aileen McLaughlin will meeting on a monthly basis going forward to review the revised policies agreed at the Finance & Governance Board to establish how best to communicate each policy. CMcC will also be involved in the process as and when required.

#### **11. Assurance Framework Document**

LL presented the draft Statement on Internal Control for the period of 1 April 2007 to 28 February 2008 for discussion, prior to a final agreed version being submitted to both the Audit Committee and Main Board in March. LL queried if the Board felt an additional level of assurance is required from senior management,

however, it was agreed this should be decided by individual Directors and Heads of Service. RSJ noted he requires additional assurance from Rob Hurt regarding data security and requested an additional statement be added. **ACTION(FGB030) – LL**. CA advised DIUS are reviewing their Assurance Framework

LL noted she is awaiting an update from CMcC regarding the Fraud Management Group under the Finance & Governance section. **ACTION(FGB031) – CMcC/LL**.

**12. Business Performance & Risk Reporting (for information)**

JM presented a paper on business performance and risk reporting for information highlighting it has previously been submitted to the Executive Board and has been created to align with the new Internal Board structure now in place. JM noted going forward there will be a change in the risk reporting method to more of a strategy map and balanced scorecard approach aligning performance with risks. Corporate and Strategy risks will be considered by the Executive Board going forward with each of the other Boards monitoring risks relating to their area. RSJ queried why there is no workshop scheduled to consider risk reporting for the Product & Services Board and JM confirmed this is assuming the associated risks will be escalated via Programmes and Change, therefore, he is unsure if a scorecard for this area is required, but noted this is up to DR to decide.

**13. Document Approvals**

JM presented a report with the purpose of confirming arrangements for approval of management system documentation i.e. policies, processes and procedures etc in line with the new Internal Board structure. JM referred the group to the table in section 3.2 of the updated policy and requested the Board approve the management system for the various types of documents listed. The Board considered the document types and the approval route and agreed the new proposal.

**14. Any Other Business**

There were no other business requirements.

**15. Date of next meeting**

- Tuesday 11<sup>th</sup> March, 2008

Meeting Closed 11.30am

**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.**