



**Money &  
Pensions  
Service**

**Money and Pensions Service  
Annual Report and Accounts for the year  
ended 31 March 2020**

# **Money and Pensions Service**

## **Annual Report and Accounts for the year ended 31 March 2020**

Presented to Parliament pursuant to the Financial Guidance and Claims Act 2018 section 1(2) and Schedule 1 paragraph 14.

Ordered by the House of Commons to be printed on 21 January 2021

HC 1146



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# Performance Report

## Overview

The Single Financial Guidance Body (SFGB) was formed on 1 October 2018, established by the Financial Guidance and Claims Act 2018.

Although the organisation was known as the SFGB for the six months ending 31 March 2019 it was renamed The Money and Pensions Service (MaPS) in April 2019.

MaPS is an arm's-length executive non-departmental public body sponsored by the Department for Work and Pensions (DWP) with whom we also work on pensions policy. Additionally, we work with HM Treasury on policy matters relating to financial capability and debt advice. MaPS's mission is to ensure everyone in the UK can easily access the information they need to make the right financial decisions for them throughout their lives, making the most of their money and pensions.

The National Strategy was published in January 2020. It sets out our belief that a financially healthy nation is good for individuals, communities, business and the economy. Our vision is to have everyone making the most of their money and pensions. This will be achieved via shared agendas for change. The five ways we will drive change at scale, working through others are: -

- Financial Foundations – children, young people and their parents
- Nation of Savers – working age 'struggling' and 'squeezed' people
- Credit Counts – people who often use credit for food and bills
- Better Debt Advice – people who need debt advice
- Future Focus – all adults

[www.maps.org.uk/wp-content/uploads/2020/01/UK-Strategy-for-Financial-Wellbeing-2020-2030-Money-and-Pensions-Service.pdf](http://www.maps.org.uk/wp-content/uploads/2020/01/UK-Strategy-for-Financial-Wellbeing-2020-2030-Money-and-Pensions-Service.pdf)

MaPS is the largest single funder of debt advice in England and also works alongside delivery partners across the UK to make debt advice easier and quicker to access, and to improve standards and quality across the sector. We lead innovation by managing an extensive research and evaluation programme to help evidence based decision-making related to financial wellbeing.

MaPS is the only provider of free, independent and impartial guidance on pensions. Our pensions guidance services support consumers at all stages of their pension saving life – whether it is starting a pension, deciding how much to save, or supporting people with specific and complex decisions relating to their pensions, helping them make decisions that make the most of their savings.

MaPS funds Pension Wise which supports people in navigating their choices to support their retirement. This service is part delivered directly by MaPS and also via a delivery partner.

MaPS has been charged with leading on the Pensions Dashboard Programme to develop the infrastructure and standards to support the customer facing Pensions dashboard. It is expected that over time there will be a number of organisations producing Dashboards but MaPS is mandated to producing a dashboard which will enable customers to access all the information they need to help them decide on their pension options.



We strive hard to ensure our services are accessible and adaptable to a wide range of audiences, including and recognising the different needs and sometimes legislation for customers in Wales, Northern Ireland and Scotland. Whilst debt advice funding is devolved, we remain fully committed to working in close partnership with the devolved administrations. Through the Debt Advice Steering Group and the Devolved Nations Sub-Committee we continue to engage funders and providers of debt advice and other stakeholders in Wales, Scotland and Northern Ireland on debt advice initiatives of shared interest.

## Performance Analysis

As at 31 March 2020, year-end performance remained strong, with 10 out of 12 Key Performance Indicator (KPI) targets reporting Green. Of the two non-Green KPIs, Debt Advice volume was Amber with -3.3% against target and Pension Guidance volume was Red with -10.9% from target. Two service areas exceeded their volume targets for the year, with Money Guidance achieving 315,169, significantly above its 170,000 target. MaPS also continued to maintain the high quality and customer satisfaction standards of its services.

Customer Sessions (1 April 2019 - 31 March 2020)	Target	Actual	Variance
Debt Advice	560,000	541,479	-3.3%
Money Guidance	170,000	315,169	85.4%
Pension Guidance	240,000	213,892	-10.9%
Pension Freedoms	205,000	205,493	0.2%
<b>Total:</b>	<b>1,175,000</b>	<b>1,276,033</b>	<b>8.6%</b>

### Debt Advice

In 2019/20, MaPS funded 541,479 sessions against a target of 560,000; this was a variance of -3.3%. Improvement plans were put in place mid-year to address performance concerns. These plans had begun to have a positive impact on performance, with February achieving the second-highest performing month of the year and exceeding the monthly target. However, the Covid-19 pandemic impacted greatly on the improvement plans and the provision of services, in particular F2F. Following the announcement of lockdown, we mobilised Delivery Partners very quickly, supporting partners to move to home working, and developed the plan to switch delivery channels from F2F to telephony.

All other Debt Advice measures were Green, with 66% of the quarterly sample survey of funded debt advice clients, whose cases closed within the previous three to six months, progressing in all agreed actions.

Of those surveyed, 61% said the advice or information they received resolved the problems they asked about.

### Money Guidance

In 2019/20, Money Guidance achieved 315,169 customer sessions, 85.4% more sessions than the 170,000 target. This was the busiest financial year in the Money Guidance contact centre's history; sessions increased +87% against the previous financial year. There were two main

reasons for this: the introduction of the new WhatsApp channel and a call-out button on the Money Advice Service website which was added to the 25 most visited website pages.

Customer satisfaction also scored Green with 87% of those customers surveyed saying that they received the information they required.

### **Pension Guidance**

The original Business Plan target for Pension Guidance was published at 290,000 in early 2019/20 but revised to 240,000 later in the year. We achieved a total of 213,892 sessions by March 2020, a reduction of 10.9% when compared to our revised 2019/20 target. Pension Guidance volumes improved gradually throughout the year, with February achieving 16% above the monthly target. However, in March Covid-19 had a substantial impact on calls to our helpline and the consequences of the lockdown began to take effect, suppressing the improvements and reducing the demand seen in previous months.

The Quality Assurance (QA) target for good or very good was surpassed for the 12th consecutive month. The year-to-date score remained high and achieved 91%, 11% above the 80% target.

### **Pension Freedoms**

Pension Freedoms exceeded the target of 205,000 for the 2019/20 financial year with a year-end figure of 205,493. Year-end performance was expected to be higher as February saw above-target monthly scores, the continuation of gradual improvements seen since November. However, March resulted in a significant reduction in volumes, due primarily to the impact of Covid-19. The impact of Covid-19 was felt from mid-March, with many Delivery Partners closing offices to F2F delivery and all F2F was stopped from 24 March owing to lockdown.

Both Quality Assurance and Customer Satisfaction have remained above target with a reported year-end score of 95% and 98%, respectively.

## **The Impact of Covid-19**

The Covid-19 pandemic began to manifest itself in late March 2020 so had limited impact on the 2019/20 financial year. From the March figures it is already apparent that the pandemic will have a significant impact and provide further disruption to service delivery throughout the 2020/21 financial year. MaPS continued to maintain the high standard of quality and customer satisfaction of its services throughout the change in service provision and the challenges posed by remote working.

For the 2020/21 financial year we will review the impact Covid-19 has had on performance and review any targets. In order to assess and respond quickly to the changing environment, we have decided to delay the launch of the UK Financial Wellbeing Strategy. This will allow us to continue to monitor the situation and be responsive to the needs of customers and the evolving challenges faced by our partners and colleagues. Through our services we will be helping large numbers of people deal with the wide-ranging financial impacts of Covid-19. We will provide guidance to more customers on how to deal with the impact on their finances and on what support they are entitled to receive. We will help those approaching retirement and anxious



about the value of their pension to navigate their options, and we will help to ensure that those who need debt advice can still access the help and support they need.

### **On Debt Advice**

For Debt Advice we anticipate that there will be a large increase in those needing support as people exit from the payment holidays and government interventions currently in place, and as a result of broader macro-economic impacts. We forecast a rise in the need for debt advice of up to 22% in the 2020/21 financial year alone, with the number continuing to increase by over 60% and peaking around the calendar end of 2021.

Early analysis by MaPS predicts the number of people needing help with debt will climb for at least the next 12 months and peak around the end of 2021/22. Therefore, we have committed to ensuring one million additional people in England receive debt advice over the next 12-18 months.

We will deliver enhanced money guidance for a further two million people across the UK, to offer an earlier intervention for those affected by the coronavirus outbreak and to reduce the number who go on to need full debt advice.

### **On Money Guidance**

For many, the financial shock has been immediate and significant. When lockdown took effect in March, visits to our Money Guidance web pages were at 1.2 million per week (up 20%) and our contact centre provided support to almost twice as many customers as we had forecast for the month.

### **On Pension Guidance**

Whilst we have seen a small initial drop in overall demand for pension guidance, we have received an increased number of calls on certain matters, including those from customers concerned about the impact of market volatility on their pensions savings, customers unsure whether they should push back their planned retirement and customers dealing with the impact of bereavement or ill health, as well as a range of other challenges resulting from the pandemic. We expect overall demand to return to at least normal levels in the near term, with the potential for some spikes due to the economic challenges – for example, scheme closures as a result of business failures.



# Chair's Foreword

**As we enter the next phase of responding to Covid-19, financial wellbeing is key to the UK's own recovery: a financially healthy nation is good for individuals, communities, business and the economy. The Money and Pensions Service's vision, *everyone making the most of their money and pensions*, is more relevant than ever.**

The year 2019/20 was the first full year for MaPS. In this time the organisation has undertaken a listening phase across the UK, has developed and published a UK Strategy for Financial Wellbeing, established the Pensions Dashboards Programme team, provided millions of customers with much-needed money and pensions guidance and debt advice, and continued to realise the benefits and synergies of bringing together the three legacy organisations.

The UK Strategy for Financial Wellbeing is the product of 12 months of engagement with stakeholders and partners. The insights gained through the listening phase, during which we heard from more than 1,000 stakeholders in towns and cities throughout the UK, enabled us to create an ambitious ten-year Strategy which will lead to change at scale across the five national goals:

- **Financial Foundations:** two million more children and young people getting a meaningful financial education
- **Nation of Savers:** two million more working age “struggling” and “squeezed” people saving regularly
- **Credit Counts:** two million fewer people often using credit for food and bills
- **Better Debt Advice:** two million more people accessing debt advice
- **Future Focus:** five million more people understanding enough to plan for later life

The continued engagement we have seen from senior leaders from across the sector in the UK Strategy Challenge Groups, launched in March 2020 just before the country went into lockdown, demonstrates the importance placed by our stakeholders on a collective approach to improving the financial wellbeing of people, communities and society throughout the UK.

The past year saw the establishment of the Pensions Dashboards Programme, also with significant support from stakeholders. Pensions Dashboards will play an essential part in enabling people to engage with planning for their retirement. A programme team has been established to mobilise this important work and they were able to meet the first milestone by publishing a progress update, data definitions and data scope papers in April 2020.

Throughout all this, MaPS has continued to build on the strengths of the three legacy organisations from which it was formed. Its money and pensions guidance and debt advice services have supported more customers than ever before, responding quickly and seamlessly to the unprecedented demand and challenges presented by Covid-19. The pandemic has underlined the importance of individuals' financial resilience and MaPS will continue to play a critical role in helping people deal with the immediate crisis whilst laying the foundations for long-term and lasting change.



I thank the Board, Chief Executive Caroline Siarkiewicz and the Executive Leadership Team, our stakeholders and all of my colleagues at MaPS for their continued hard work and commitment to improving the UK's financial wellbeing.

A handwritten signature in black ink, appearing to read 'Hector Sants', written in a cursive style.

Sir Hector Sants, Chair  
Date: 18 January 2021



# Chief Executive's Introduction

**With millions of people concerned about the impact of Covid-19 on their finances, MaPS is at the forefront of the UK's response. We were able to act swiftly to maintain both those services we deliver in-house and those delivered by our partners, enabling millions of customers to access money and pensions guidance and debt advice when they needed it. This was only possible due to the hard work and commitment of my colleagues, our stakeholders and partners throughout the preceding 12 months, reflected in this annual report and accounts.**

In 2019/20, a year during which I was appointed as permanent Chief Executive, we have created a stronger, customer-focused and ambitious organisation, driven by three core values: caring, connecting and transforming.

Through talking to stakeholders across the UK we have created a UK Strategy for Financial Wellbeing that will enable us, collectively, to shift the dials on how people engage with their money and pensions throughout their lives. And we have continued to provide – directly and through Delivery Partners – high-quality, timely and expert guidance and advice to millions of customers.

- MaPS provided a total of 1,276,033 debt advice, money and pensions guidance and Pension Freedoms sessions, 100,000 over target
- services continued to be of a high quality, with 66% of debt advice clients progressing all agreed actions and 61% saying that the advice or information they received resolved the problems they asked about
- customer satisfaction scores across the pensions service exceeded ambitions for the year, with 91% of pensions guidance calls, webchats and cases assessed to be of a good or very good standard, and a 95% quality score for Pension Freedoms interactions
- there was an increase of 87% in the volume of money guidance sessions provided by the Money Advice Service contact centre, a result of new digital channels including a WhatsApp service
- visits to our money guidance web pages peaked at 1.2 million per week in March 2020 as lockdown took effect

We entered the 2020/21 financial year at the forefront of the Covid-19 response, with a commitment from HM Treasury and support from stakeholders throughout the UK, to invest an additional £37.8 million in debt advice and enhanced money guidance this year alone, anticipating the rising demand for our services as a result of Covid-19.

The Challenge Groups, established at the end of 2019/20 and comprising more than 100 sector leaders from across the UK in order to develop recommendations for how we will collectively deliver the ambitious national goals set out in the UK Strategy for Financial Wellbeing, have themselves risen to the challenge. Their ongoing commitment to the Strategy and their willingness to shift their focus to the more immediate Covid-19 response whilst maintaining progress towards those ten-year goals, is overwhelming and demonstrates the importance of financial wellbeing to the UK as a whole.



I am proud of the MaPS team and their hard work in delivering for all of our customers during 2019/20 and enabling us to respond so quickly and seamlessly to the Covid-19 challenge. But we could not do this without the continued support, engagement and expertise of our many partners throughout the UK.

A handwritten signature in black ink, appearing to read 'C. Siarkiewicz', with a large, stylized flourish at the end.

Caroline Siarkiewicz, Chief Executive Officer  
Date: 18 January 2021



# Accountability Report

## Directors' Report for the Year Ended 31 March 2020

### Corporate Governance

The Directors of MaPS present their report, together with the audited financial statements on pages 57 to 60 and associated notes on pages 61 to 77, for the year ended 31 March 2020.

### Principal Activities

MaPS was created as an arm's-length executive non-departmental public body, sponsored by the DWP. The Financial Guidance and Claims Act 2018 created MaPS (temporarily named the SFGB), which was established on 1 October 2018. Under the Act, transfer schemes transferred all the staff, property, rights and liabilities of the Money Advice Service (MAS), The Pensions Advisory Service (TPAS) and Pension Wise to the SFGB/MaPS on 1 January 2019.

The SFGB was renamed on 6 April 2019 as the Money and Pensions Service. This was done under the Financial Guidance and Claims Act 2018 (Name and Consequential Amendments) Regulations 2019.

We have five core functions:



## Directors

The Non-Executive members of the Board of MaPS were appointed by the Secretary of State for Work and Pensions in 2018. The first Chief Executive Officer and Chief Financial Officer were also appointed by the Secretary of State for Work and Pensions. Subsequent Executive appointments were made by MaPS with the approval of the Secretary of State for Work and Pensions. The Directors of MaPS who served during the period, together with their appointment dates, are shown below:

Non-Executives	Appointment Date	End of Current Term
Sir Hector Sants	Appointed 3 October 2018	30 September 2023
Mike Dailly	Appointed 1 October 2018	30 September 2020
Ann Harris <sup>1</sup>	Appointed 1 October 2018	30 September 2022
Tim Jones	Appointed 1 October 2018	31 December 2021
Professor Elaine Kempson CBE	Appointed 1 October 2018	31 July 2022
Moray McDonald	Appointed 1 October 2018	31 July 2022

<sup>1</sup> Ann Harris's original appointment was up to the 30 September 2020 but her term has been extended to 30 September 2022.

Executives	Term
John Govett, Chief Executive Officer	Appointed 1 October 2018 <i>Left on 14 June 2019</i>
Helen John, Chief Financial Officer	Appointed 1 October 2018 <i>Stood down as Chief Financial Officer and Director on 26 April 2019. Left MaPS on 17 May 2019</i>
Justin Kenny, Chief Operating Officer	Appointed 25 February 2019 <i>Left on 24 May 2019</i>
Caroline Siarkiewicz, Chief Executive Officer	Appointed 15 June 2019 as Acting CEO. Appointed 27 January 2020 as CEO
Steve Buckingham, Chief Financial Officer	Appointed 29 April 2019

Further details of MaPS's Directors are included in our Governance Statement for the year ended 31 March 2020 (see page 21)

## Freedom of Information

Under the Freedom of Information Act 2000 (FOI Act), anybody may request information from a public authority which has functions in England, Wales and/or Northern Ireland. The FOI Act requires that all requests are in writing (this does include emails), stating clearly what

information is required along with the name of the applicant and an address for correspondence. MaPS provides guidance on how it handles Freedom of Information requests on its website.

During this period there was one complaint noted to the Information Commissioner's Office (ICO). The Commissioner has since reported that she is satisfied that MaPS complied with its duty to provide advice and assistance.

Further details can be found in the attached decision notice, which has also been published on the ICO website:

<https://icosearch.ico.org.uk/s/search.html?collection=ico-meta&profile=decisions&query>

### **Disclosure of Information to the Auditor**

Each of the Directors in office, at the date the Strategic and Directors' Report is approved, confirms that:

- a) so far as the Director is aware, there is no relevant audit information of which MaPS's auditors are unaware
- b) it is expected that the Director has taken all the steps that he/she ought to have taken as a Director in order to make him/her aware of any relevant audit information and to establish that MaPS's auditors are aware of that information

### **External Auditors**

Under the Financial Guidance and Claims Act 2018, the Comptroller and Auditor General (C&AG) was appointed the Statutory Auditor of MaPS.

### **Internal auditors**

Mazars was Internal Auditor to MaPS on contract until March 2020. A programme of internal audits was agreed by the MaPS Audit, Risk and Assurance Committee (ARAC) to ensure that the organisation benefits from external scrutiny and assurance of its efficiency, effectiveness and controls. The programme of work was undertaken and reported to the Committee during the year. In March 2020, Mazars was re-appointed to provide internal audit services until March 2021, by which time the audit service will have been re-competed.

The following audits were performed during 2019/20:

- Financial Forecasting
- Financial Control Framework
- Cyber Security
- Key Performance Indicators
- Governance
- Gifts, Hospitality and Expenses policy
- a review of the purchase order system, policy and compliance in order to produce process maps and training material

For further information on the internal audit see page 37.



## Political Donations and Political Expenditure

MaPS has not made any political donations for the year ended 31 March 2020.

The Strategic and Directors' Report was approved by the Board on 7 January 2021 and signed below by Order of the Board.

A handwritten signature in black ink, appearing to read 'C. Siarkiewicz', with a large, stylized flourish at the end.

By Order of the Board  
Caroline Siarkiewicz  
Chief Executive Officer





# **Statement of Accounting Officer's Responsibilities**



# Statement of Accounting Officer's Responsibilities

Under the Financial Guidance and Claims Act 2018, the Secretary of State for Work and Pensions has directed MaPS to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of MaPS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the financial statements, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Work and Pensions, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- confirm that as far as I am aware, there is no relevant audit information of which the MaPS's auditors are unaware
- confirm that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the MaPS's auditors are aware of that information
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding MaPS's assets, are set out in *Managing Public Money* published by HM Treasury.



Caroline Siarkiewicz

Accounting Officer

Date: 18 January 2021



# **Governance Statement**



# Governance Statement

## Scope of Responsibility

I became Accounting Officer on my appointment as Acting Chief Executive Officer on 15 June 2019 and was appointed CEO on 27 January 2020. John Govett, former Chief Executive Officer, held the Accounting Officer role from 1 October 2018 until 14 June 2019, and I received written assurance from my predecessor in respect of the period ended 14 June 2019.

As Accounting Officer for MaPS, my responsibilities include ensuring the propriety and regularity of our public finances, keeping proper records, and safeguarding our assets. These are set out in *Managing Public Money* published by Her Majesty's Treasury (HMT). I am accountable (through the DWP Principal Accounting Officer) to Parliament. I am also required to provide assurances about the stewardship of MaPS. These assurances are provided in this Governance Statement, in line with HMT guidance.

I can also confirm that all transactions and balances included in the MaPS 2019/20 financial statements were recognised in accordance with the relevant legislation and International Financial Reporting Standards (IFRS) as adopted by the European Union.

I also confirm to the best of my knowledge and belief (including for the period to 14 June 2019 which was based on the written assurances of my predecessor) that:

- all transactions undertaken have been properly reflected and recorded in the financial statements, and all material liabilities, both actual and contingent, and all material guarantees that we have given to third parties, including oral guarantees made by the Service and the group on behalf of an affiliate, Director or officer of any other third party, have been properly recorded or disclosed
- all significant assumptions used by us in making accounting estimates, including those surrounding measurement at fair value and review of impairments, are reasonable

My assurance is based on the ongoing programme of work carried out by our internal audit function. I also have the added comfort of work carried out by external auditors on the MaPS financial statements, whose work includes an assessment of the reasonableness of significant accounting estimates made by the Directors.

## Overview

MaPS is independent of the DWP in carrying out its statutory function. However, the DWP ensures that MaPS is at all times capable of exercising its function and that it is operating within the framework agreement. The DWP and MaPS communicate through regular meetings with MaPS's Chair and quarterly meetings at senior management level.

The Chief Executive Officer is the Accounting Officer of MaPS and is personally responsible for:

- safeguarding the public funds for which he or she has charge
- ensuring propriety and regularity in the handling of those public funds
- the day-to-day operations and management of MaPS
- ensuring that MaPS as a whole is run in accordance with the principles of *Managing Public Money* (MPM), Cabinet Office Controls and Public Contracts Regulations (2015 PCR)

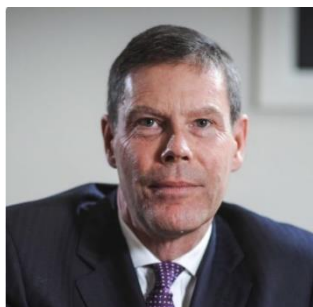
Having reviewed the evidence provided from risk management and from the internal auditors' opinions, I am satisfied that, given this was the first full year of operation, MaPS has maintained an adequate system of internal control. During the financial year 2019/20, MaPS had a sound governance foundation in place, operating effectively across the organisation, on which I can rely as Accounting Officer.

MaPS has built both capacity and capability into its emerging Executive Leadership Team (ELT) and Senior Leadership Team (SLT) and continues to embed policies and drive compliance across the organisation to ensure the regularity framework has been adhered to.



# Governance Framework of MaPS

## The Board and its committees



**Sir Hector Sants**  
**Chairman**

Since retiring from full-time employment, Hector has been working to help people manage their money as well as circumstances allow and promoting a fairer financial system which works for everyone.

He is currently a trustee of Just Finance, a charity which collaborates with The Church of England to promote a fairer financial system.

Before becoming Chair of MaPS, Hector was Chair of StepChange, the UK's largest debt advice charity. He brings vast knowledge and experience to MaPS having spent more than 30 years working in financial services and regulation, including serving as CEO of the Financial Services Authority, European CEO of Credit Suisse and Head of Compliance at Barclays. Outside of financial services his work has included Chairing the Oxford University Said Business School and being an NHS non-executive director.



**Caroline Siarkiewicz**  
**Chief Executive Officer**

Caroline joined MaPS from MAS, where she was Head of UK Debt Advice, responsible for developing the sector's target operating model and building industry partnerships to support the development of the debt advice quality frameworks and the standard financial statement. Previously she was the Chief Executive Officer of the Institute of Money Advisers and has a wealth of commissioning experience.



**Steve Buckingham ACMA**  
**CGMA**  
**Chief Financial Officer**

Steve joined us from the DWP, where he was its Business Finance Director, having previously held roles as Head of Finance in Jobcentre Plus, Finance and Commercial Director at the Child Maintenance Enforcement Commission, and Director for DWP Housing Delivery and Operations Finance. Steve started his career at BT Group Plc, where he qualified as a Chartered Management Accountant and worked in a variety of finance roles supporting its retail, marketing, sales, product development, and billing and credit management organisations.



**Ann Harris OBE, CPFA (Non-Executive Director and Chair, Audit, Risk and Assurance Committee)**

Before joining the MaPS Board, Ann was the Chair and a Non-Executive Director of TPAS. She previously worked for 40 years as a civil servant, latterly holding senior Civil Service roles in finance and programme management. She was awarded an OBE in 2009 for her services to the DWP. Ann's roles outside the DWP include the Executive Director for the 4th National Lottery competition, Chair of St Paul's Estate management company, Chair of Dunstable and District Citizens Advice and a High-Risk Review Team Leader for the Infrastructure and Projects Authority.



**Mike Dailly (Non-Executive Director and Chair, Remuneration and People Committee)**

Before joining the MaPS Board, Mike was a Non-Executive Director of the MAS, and Chair of its Remuneration Committee. Mike is the Director of a not-for-profit advice centre and a court lawyer with around 25 years' experience of advocating for consumers and vulnerable people in financial difficulty. He is a Solicitor Advocate, and an experienced non-executive director. He is a Non-Executive Director of the Scottish Housing Regulator. Mike is a member of the European Banking Authority's Stakeholder Group and a visiting lecturer at the University of Glasgow. He was a member of the Financial Conduct Authority's Consumer Panel from 2009 to 2015 and chaired its working group advising the FCA on the regulation of retail banking, mortgages and general insurance. He has been a member of HM Treasury/BIS Future Regulation of Consumer Credit Stakeholder Forum, FSCS Advisory Panel and chaired the UK Valuation Commission's Residential Cross-sector Group for the Royal Institution of Chartered Surveyors. He was awarded the title "Scottish Solicitor of the Year" at the Law Awards of Scotland in 2007 and 2011.



**Tim Jones (Non-Executive Director and Chair, Finance and Investment Committee)**

Tim is a financial services executive with experience spanning payment systems, retail banking, pensions and institutional stockbroking. Tim is Global Ambassador for the Tibado digital cash solution, and serves as an Independent Director at ITG Inc., an institutional broker-dealer in New York. Previous roles include CEO of the Personal Accounts Delivery Authority (PADA) and the National Employment Savings Trust (NEST) for the Department for Work and Pensions. Earlier in his career, Tim spent 17 years at NatWest.





**Moray McDonald (Non-Executive Director)**



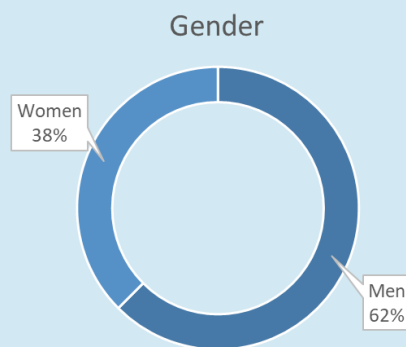
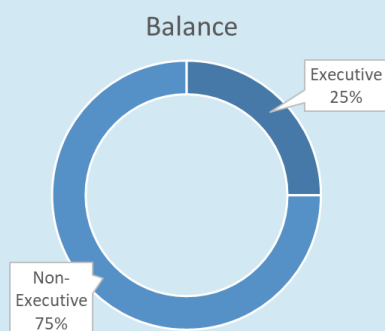
**Professor Elaine Kempson (Non-Executive Director)**

Moray has worked across retail and business financial services in the UK, Southern Europe and Asia for more than 30 years. He has contributed to financial policy through Australian and UK Central Bank enquiries, CMA Hearings and Treasury Select Committee appearances. He chaired the UK Council of Mortgage Lenders and was a member of the British Bankers' Association/UK Finance Retail Board, delivering innovations such as open banking standards, current account switching and Digital Cheque Imaging.

His not-for-profit interests include chairing two Australian charities and, in 2017, forming an informal group with the CEOs of the three main UK Debt Advice charities to improve the debt advice journey for customers.

Emeritus Professor at the University of Bristol, Professor Elaine has nearly 30 years' experience of research and policy analysis on consumer behaviour and the provision of both government and commercial services. She was previously a consultant with both the World Bank and the OECD and carried out the first two independent reviews of the Banking Codes. She is currently a Non-Executive Director of the Lending Standard Board and the Standard Life Foundation, she was also a member of the MAS Financial Capability Strategy Board. In 2007, Elaine was awarded a CBE for services to the financial services industry.

### Composition of the MaPS Board





## Executive Directors



**Jenny Liebenberg (Director for People, Culture and Skills)**

Jenny joined MaPS as the Director for People, Culture and Skills. She joined us from the Department for Work and Pensions where she was the HR Director for Digital. Making a real difference in the lives of real people is at the core of Jenny's values. She has spent the last 17 years in the Civil Service where she held senior positions in human resources, strategy, change, public policy and communications. She has worked in the Home Office, Ministry of Justice and the Department of Health and Social Care. Before emigrating from South Africa in 2002, Jenny worked in the private sector for civil engineering companies leading on communications and corporate social responsibility projects.



**Sarah Porretta (Strategy and Insight Director)**

Sarah joined us from MAS where she led on corporate strategy and the financial capability strategy for the UK. She brings a significant understanding of industry needs and requirements to MaPS. Before her role at MAS, she was Head of Financial Inclusion and Education at Lloyds Banking Group, where she created a group-wide strategy for financial inclusion and founded Money for Life – a UK-wide financial education programme. Sarah has also held senior positions at Cadbury and BAA.



**Alex Connolly (Interim Operations Director)**

*Appointed 18 November 2019*

Alex has worked in the retail banking and pensions sectors for over 30 years, with the likes of TSB Bank, Barclays, Aviva and The Pensions Trust. His passion and experience centre around helping organisations to meet customer needs effectively and efficiently. This has involved time spent in senior marketing, customer proposition, operations, transformation and strategy roles.



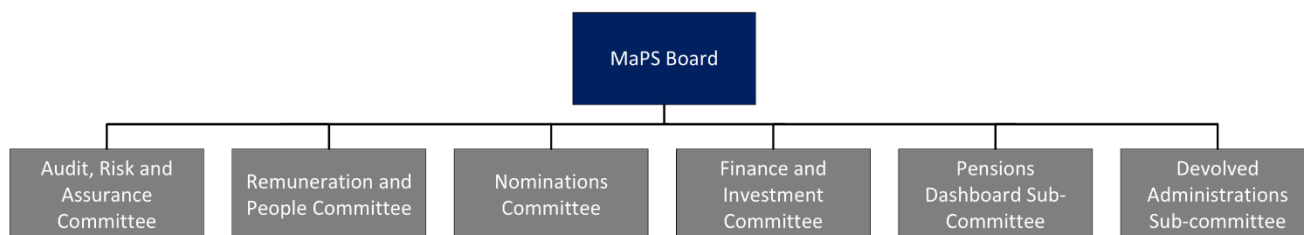


**Eileen Pevreall**  
**(Interim Digital, Marketing and IT**  
**Director)**

*Appointed 10 February 2020*

Eileen has a proven background in Digital Transformation for mission-driven companies, working in the professional services, energy and transport sectors over the past 20 years. She has had responsibility for consolidating Digital/IT activity across organisations and has worked with the business to create strategic roadmaps using Digital/IT as an enabler to improve and develop services for customers, leading and delivering organisational and technological change for business growth.

## Governance Structure



MaPS is governed by a Board which is responsible for ensuring that the statutory objectives are carried out and that the organisation is run in an appropriate and legal manner. Along with the Board, MaPS also has a number of sub-committees which supervise the running of the organisation: Audit, Risk and Assurance Committee, Remuneration and People Committee, Nominations Committee and Finance and Investment Committee. In addition, there are also two subcommittees for the Pensions Dashboard and Devolved Administrations.

The Board structure at the end of the reporting period comprised the Chair, five Non-Executive Directors, and two voting Executive Directors.

Caroline Siarkiewicz joined the Board as Acting Chief Executive and Accounting Officer on 15 June 2019. She was appointed Chief Executive Officer on 27 January 2020.

Steve Buckingham joined the Board on taking up the position of Chief Financial Officer on 29 April 2019.

John Govett was Chief Executive and a member of the Board until 14 June 2019.

Helen John was Chief Financial Officer and Director until 26 April 2019 and left the company on 17 May 2019.

Justin Kenny was appointed as Chief Operating Officer and a member of the Board from 25 February to 24 May 2019.

### Board Duties/Responsibilities

The role of the Board is to take responsibility for the development and delivery of MaPS's strategic vision, strategic and business plan, policies and services. It monitors performance and quality of service, and holds the organisation to account. The Board also has the responsibility for setting and supporting the organisational values and ensuring that these values embody MaPS's commitment to conduct business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. Further details on the Board's responsibilities are available in its Terms of Reference.

The Board deliberated a number of key issues during the period to 31 March 2020, including:

- UK Strategy for Financial Wellbeing, MaPS's 3-Year Corporate Strategy and the 1-year business plan
- governance (terms of reference, policies and procedures) for the organisation, its Board and Sub-committees, including regular updates from Committees



- developing a Risk Management Framework, determining risk appetite, approving a Risk Management Approach and developing our risk registers at strategic and operational level
- oversight of the Pensions Dashboards Programme's early stage of mobilisation
- updating the Financial Conduct Authority (FCA) standards for MaPS and its partners for the delivery of debt advice, money guidance and pensions guidance (including Pension Wise)
- the 2020/21 budget
- undertook a listening phase through which MaPS engaged with more than 1,000 stakeholders throughout the UK, informing the development of the UK Strategy for Financial Wellbeing
- staff consultation – on the formal employee discussions following the transition and into the new structure
- Debt Advice commissioning principles
- quality measures for funded debt advice services
- measuring performance which is reported monthly
- Breathing Space – MaPS's support for new legislation coming into effect in 2021, on allowing up to 60 days' breathing space for those in problem debt to be protected from enforcement action by their creditors and the accrual of further interest and fees on their debts
- executive appointments to the ELT
- developing a Covid-19 initial response

## Board Performance

The Board met eleven times during the period.

In May 2019, the Board and its Committees agreed to conduct an internal evaluation, through an anonymous survey, of their effectiveness and performance for the period ended 31 March 2019. This exercise was repeated in May 2020. The results and any actions arising were reviewed in July 2020. The Board has agreed in principle to hold an external review of the Board and its Committees in 2021.

The report noted good progress and recognised the infancy of the organisation and the changes in the Board (two Executive Directors stepping down) during the year. The report highlighted the continued improvements being made to the quality and quantity of information provided. The report asked that the Chair and CEO ensure that the agenda remain predominantly focused on strategically important issues.

The Non-Executive Directors continued attending meetings as part of an extensive induction programme and were involved in the business outside of Board meetings and attended meetings throughout the accounting period.

The Board and its Committees also reviewed their terms of reference during the year, ensuring they remained fit for purpose.

## Register of interests

The register of board members declaration of interests can be accessed on the MaPS website at <https://maps.org.uk/wp-content/uploads/2020/07/board-declaration-interests-march-2020.pdf>

## Board Sub-Committees

### Audit, Risk and Assurance Committee

The Audit, Risk and Assurance Committee (ARAC) is chaired by Ann Harris, a non-Executive Director. The Committee is responsible for reviewing and providing assurance to the Board on matters including the effectiveness of MaPS's internal controls and risk management systems, the integrity of financial statements and for oversight of the internal and external audit processes.

The Committee comprises four Non-Executive Directors, including the Chair, appointed by the Board. The Chief Executive, Chief Financial Officer and other Executive Directors attend where appropriate. Additionally, at least one representative of the external auditors, internal auditors and a DWP representative attend all meetings of the Committee.

The Committee met seven times during the period and the schedule of regular agenda items continued to be very busy. As part of its normal cycle of work, the Committee overviewed the setting up of the strategic risk register, the establishment of the risk management process, including utilising the risk appetite statement, and recommended training for all ELT members. The Committee regularly reviews the strategic risk register, external audit report, internal audit reports (see page 36), incident management reports, security maturity statements, a review of policies including whistleblowing, internal and external complaints policies, finance policies, and gifts, hospitality and entertainment. The Committee also reviewed and recommended the SFGB 2018/19 Annual Report and Accounts to the Board, as well as the MAS and TPAS Annual Report and Accounts for 2018/19. In addition, the Committee conducts deep dives into areas of the business identified by the CEO which may benefit from further scrutiny. It reviews annually its terms of reference, Committee effectiveness review and its membership.

Professor Elaine Kempson was appointed to the Committee in January 2020; however, she did not attend her first meeting until April.

### Remuneration and People Committee

The Remuneration and People Committee (RemCo) is chaired by Mike Dailly, a Non-Executive Director, and its main responsibility is to make recommendations to the Chair and Board on remuneration decisions as well as HR policies. The Committee met five times in the period and considered the pay remit, staff survey results, structure and consultation for employees, harmonisation of employee contract terms and performance awards. It also considered the proposed Total Reward Strategy. The Committee comprises three Non-Executive Directors appointed by the Board.

### Finance and Investment Committee

The Finance and Investment Committee is chaired by Tim Jones, a Non-Executive Director. The Committee has delegated authority up to £1m to approve investments and procurements with a whole life cost of up to £1m, and to agree reprioritisation within ring-fenced budgets up to the limits allowed in the Delegated Financial Authority, currently over £100k.



The Committee is primarily responsible for approving investment proposals, the business plan and budgets; to monitor performance against budgets and value for money in all spending; and procurement and management of key contracts.

The Committee has met formally eleven times in the period. The Committee comprises four Non-Executive Directors, the Chief Executive Officer and the Chief Financial Officer.

In addition to reviewing the budget, delegated authorities and finance policies and quality assurance for MaPS Commissioning, the Committee has also reviewed a number of business cases, including:

- Identity Management and CMS
- call centre contracts
- Pension Freedoms marketing campaign
- Microsoft licences
- Piloting Adviser Capacity Efficiency (PACE)
- Working Age Commissioning plan
- Children and Young People Pathfinders
- managed IT services
- print and production distribution
- debt and Pension Wise grants
- recruitment services
- Second Tier Specialist Debt Advice

### **Nominations Committee**

The Nominations Committee is chaired by Sir Hector Sants. The Committee is responsible for:

- leading the process for Board appointments and to make recommendations to the Board and to the Department for Work and Pensions
- leading Board and Committee effectiveness reviews
- setting the Non-Executive Directors, Chair and CEO's objectives
- setting the Non-Executive Directors, Chair and CEO's appraisal framework
- overseeing peer reviews
- reviewing the current Board and Committee commitments

The Committee met twice in the period and reviewed the Chair, CEO and Non-Executive Directors' performance, its terms of reference, and agreed to hold internal Board and Committee effectiveness reviews and to hold a Board Skills audit. The Committee comprises four Non-Executive Directors.

### **Pensions Dashboard Sub-Committee**

The Committee is chaired by Sir Hector Sants and comprises three Non-Executive Directors including the Chair, MaPS's CEO, CFO, Digital Marketing and IT Director plus the Pensions Dashboard Principal and Programme Director.

The Committee met eight times during the period.

Its main objective is to assure the Board that the delivery of the Government's flagship Pensions Dashboard Programme is progressing according to plan and timetable. It has overall responsibility to ensure the programme delivers against the policy objectives set by the Department for Work and Pensions. It also ensures that the programme is delivered efficiently, effectively and compliantly.

The Committee reviewed at its meetings:

- terms of reference
- Pensions Dashboard Programme governance model
- appointment of the programme Steering Group
- design and creation of the Strategic Outline Business Case

### **Devolved Administrations Sub-Committee**

The Committee is chaired by Sir Hector Sants.

The purpose of the Devolved Administrations Sub-Committee is to provide a forum for MaPS to co-ordinate the delivery of the national strategy in partnership with the Devolved Administrations. In particular, to develop, maintain and champion money, pensions and debt guidance to people in Northern Ireland, Scotland and Wales.

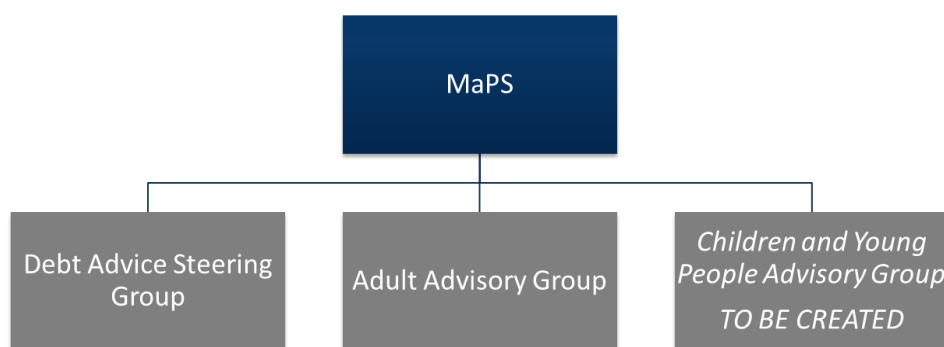
The Committee met twice during the period and comprises the CEO, Chair, three Non-Executive Directors and UK Strategy and Insights Director. Each of the regions is represented by MaPS Country Managers, Non-Executive Directors assigned to those regions, and Senior Members from the Devolved Administrations.

The Committee discussed:

- terms of reference
- debt advice delivery plan
- engagement plans between the Devolved Administrations and MaPS
- Corporate Plan
- UK National Strategy
- Covid-19



## MaPS Advisory Groups



MaPS currently oversees the administration of the Debt Advice Steering Group and has been setting up the Adult Advisory Group.

### Debt Advice Steering Group

The scope of the Debt Advice Steering Group (DASG) includes considering:

- effective customer journeys into advice and through to completion of an appropriate outcome
- effective, efficient, fair and transparent funding of debt advice
- achieving progressive and consistent creditor practice
- embedding effective financial capability within debt advice
- reviewing the sufficiency of current debt solutions and consider options for improvement

It oversees the action plan for the people in the financial difficulties strand of the UK Financial Capability with the DASG's over-arching vision. This action plan can be found at this website link: [https://prismic-io.s3.amazonaws.com/fincap-two%2Fd176f87b-48f9-4344-9d26-afc4df5d86f5\\_uk+financial+capability+strategy.pdf](https://prismic-io.s3.amazonaws.com/fincap-two%2Fd176f87b-48f9-4344-9d26-afc4df5d86f5_uk+financial+capability+strategy.pdf).

### Adult Advisory Group

The Adult Advisory Group was developed during 2019/20 met for the first time in May 2020, and the purpose of the Group is:

- to advise the MaPS Board on the formulation and implementation of the UK Strategy for Financial Wellbeing in relation to adults
- to act as ambassadors for the Strategy
- to advise the MaPS Board on the formulation and implementation of the MaPS business plan and Strategy in relation to adults
- to provide advice as requested on specific projects and issues
- where possible, the members use their collective and individual influence to promote the Strategy and the development and sharing of good practice, and influence the targeting of funding towards evidence-led interventions to better achieve the aims of the Strategy



# Board and Committees' Details for the Year Ended 31 March 2020

The Board and Board Committees met regularly during the year and details of the number of meetings held and attendance at those meetings is below.

	Board	Finance & Investment Committee	Audit, Risk and Assurance Committee	Remuneration and People Committee	Nomination Committee	Pensions Dashboard Subcommittee	Devolved Administrations Subcommittee
<b>NON-EXECUTIVE DIRECTORS</b>							
Hector Sants	C 11/11	6/9	-		2/2	C 8/8	C2/2
Mike Dailly	8/11	-	7/7	C4/4			2/2
Ann Harris	8/11	8/9	C7/7	-	1/2	8/8	-
Elaine Kempson	10/11	-	1/1	4/4	2/2	-	-
Moray McDonald	11/11	8/9	7/7	4/4	-	-	2/2
Tim Jones	11/11	C8/9	-	3/4	2/2	8/8	2/2
<b>EXECUTIVE DIRECTORS</b>							
Caroline Siarkiewicz <sup>i</sup>	9/9	7/7	6/6	-	-	8/8	2/2
Steve Buckingham <sup>ii</sup>	8/10	9/9	6/6	-	-	8/8	2/2
John Govett <sup>iii</sup>	2/2	2/2	1/1	-	-	-	-
Helen John <sup>iv</sup>	1/1	-	1/1	-	-	-	-

C Chair

i Joined on 15 June 2019

ii Joined on 29 April 2019

iii Left on 14 June 2019

iv Stepped down on 26 April. Left on 17 May 2019

## Committees' membership as at 31 March 2020

	Board	Finance & Investment Committee	Audit, Risk and Assurance Committee	Remuneration and People Committee	Nomination Committee	Pensions Dashboard Subcommittee	Devolved Administrations Subcommittee
<b>NON-EXECUTIVE DIRECTORS</b>							
Hector Sants	C	✓			C	C	C
Mike Dailly	✓		✓	C			✓
Ann Harris	✓	✓	C		✓	✓	
Elaine Kempson	✓		✓	✓	✓		
Moray McDonald	✓	✓	✓	✓			✓
Tim Jones	✓	C			✓	✓	✓

C Chair

Ann Harris - Senior Independent Director

Elaine Kempson appointed to ARAC on 28 January 2020

Tim Jones stepped down from RemCo on 28 January 2020

## Executive Leadership Team (ELT)

The governance of the Board and its Committees is further supported by the ELT. The ELT supports the Board in the development of the Strategic Business Plan and oversees the day-to-day management of MaPS. ELT meetings are a forum for the Executive Directors to:

- monitor performance and drive operational delivery
- take decisions about the allocation of finance and other resources within their delegated powers
- consider the risks to MaPS and agree mitigating actions
- agree papers for submission to the Board and Committees
- deliver the Strategic Business Plan



- provide leadership and people development

The ELT currently comprises the following:

Board Directors:

- i. Chief Executive Officer (Chair)
- ii. Chief Financial Officer

Executive Directors:

- iii. Strategy and Insights Director
- iv. People, Skills and Culture Director
- v. *Interim* Digital, Marketing and IT Director
- vi. *Interim* Director of Operations

Other

- vii. Director of Corporate Affairs



## Assurance Framework

We continue to build and embed our assurance framework which informs our internal audit programme and strengthens the evidence for external audit reviews. Although we have made progress, we recognise that MaPS is evolving, and we will ensure that the assurance framework continues to develop assurance of our adherence to Government guidelines.

Our system of internal controls was in place during the year ended 31 March 2020. It accords with HMT guidance and supports the achievement of our statutory objectives, while safeguarding public funds and departmental assets. It is designed to manage risk to a reasonable level and in line with our risk appetite, rather than to eliminate all risk of failure, to achieve policies, aims and objectives. It can, therefore, provide only reasonable and not absolute assurance of effectiveness.

Our commitment to value for money underpins our planning. The controls have evolved to ensure that we are compliant with our legal obligations, with the requirements on Government spending, and to track and monitor service delivery.

## Internal controls

The ELT supports the Chief Executive and the Board in ensuring our functions are exercised efficiently and effectively. ELT members provide shared assurance to the Chief Executive in her role as the Accounting Officer for decision-making and for recommendations made to the Board. This includes assisting the Board, Finance and Investment Committee, Audit, Risk and Assurance Committee and the Remuneration and People Committee by ensuring they are only asked to make necessary decisions and that they are provided with appropriate information and support.

Over the course of the year, the Board was provided with management information on operational, financial and commercial performance and monthly Executive Directors' reports. ARAC also receives reports at each meeting which set out in detail the key audit activities undertaken and monitors any outstanding recommendations.

We also have in place the following:

- codes of conduct and supporting training materials, where appropriate, for Board members, staff and contractors. These set out expectations of behaviour, and the policy framework for declaring and managing conflicts of interest, ensuring data protection and information security
- terms of reference for the Board and its Committees, and a set of general, financial and regulatory delegations and terms of reference for the ELT
- a programme of internal audits and other external assurance activity with a system for progressing implementation of recommendations and reporting progress to ARAC
- a formal complaints procedure to deal with complaints made against us about the way in which we have carried out or failed to carry out our role

## Risk Management

MaPS has established risk management processes and procedures which are supported by Board members. MaPS recognises some risk-taking is inevitable if the organisation is to achieve its objectives and effective risk management can contribute to improved performance against objectives. The ELT attended risk management training in quarter 1 2020/21.



### **Risk Management Approach (RMA)**

The MaPS RMA is reviewed on an annual basis to ensure it remains fit for purpose and takes into account any Government good practice developments. Each business area across the organisation maintains an operational risk register; these contain risks associated with the failure to achieve business objectives due to human error, system failures and/or inadequate procedure and controls. The RMA is informed by Government's Orange Book and other relevant documentation.

### **MaPS strategic risks**

'Risk' is defined as 'an uncertain event or set of events that, should it/they occur, will have an effect on the achievement of objectives'. At MaPS, strategic risks are defined as risks concerned with where the organisation wants to go, how it plans to get there, and how it can ensure survival; these risks are reviewed quarterly at ARAC.

### **Risk appetite**

Risk appetite is defined as the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time. MaPS has a risk appetite statement which is reviewed on an annual basis. The risk appetite at MaPS for 2019/20 set out how we balance risk and opportunity in pursuit of achieving our objectives and grouped according to six categories: Operations (incl. Performance), People, Finance, Systems/IT, Legal & Regulatory, and Reputation. Whilst the risk appetite levels specified in our statement are determined on an annual basis, they are viewed as dynamic, to be reviewed and modified in the event that circumstances change.

### **Internal Audit**

To ensure continuity from legacy organisations, the internal audit services were provided by Mazars for 2019/20. At the start of the year, ARAC reviewed and approved the internal audit plan for 2019/20. The plan contained the programme of internal audits for the year determined by areas highlighted within the strategic risk register.

ARAC kept progress of the internal audit plan under review, it reviewed and approved completed internal audit reports at each ARAC meeting and monitored the progress of the implementation of previous audit recommendations throughout the year.

Whilst a number of areas were reviewed as part of the internal audit, key areas of focus included:

- financial forecasting, controls and frameworks, and performance
- cyber security
- governance
- stakeholder engagement
- risk management

Our focus for 2020/21 will be the further embedding of risk management and the development and embedding of our evolving compliance and assurance framework.

## Whistleblowing

The Whistleblowing Policy sets out the framework for dealing with disclosures of illegal and improper conduct.

MaPS is committed to the highest standards of transparency, probity, integrity and accountability.

This policy is intended to provide a means of making serious disclosures about standards, conduct, financial irregularity or possible unlawful action in a way that will ensure confidentiality and protect those making such disclosures in the reasonable belief that it is in the public interest to do so from being victimised, discriminated against or disadvantaged.

This policy does not replace other policies and procedures such as the Dignity at Work Procedure, the Grievance Procedure or other specifically laid down statutory reporting procedures.

This procedure is intended to ensure that MaPS complies with its duties under the Public Interest Disclosure Act 1998.

The Non-Executive Director that leads on whistleblowing is Ann Harris.

## Information Security

In accordance with our responsibilities under the HMG Security Policy Framework and the Data Protection Act 2018 (incorporating GDPR), MaPS has in place provisions for information security.

Information held by MaPS in electronic or paper form, be it structured or unstructured, is one of the organisation's most vital and valuable assets and it is essential that this information is protected against the many threats that may compromise its confidentiality, integrity and availability. In addition, it is critical to ensure that the service meets all required UK and EU legal compliance obligations to avoid the risk of litigation, potential brand damage and loss of public confidence in the service.

We take all reasonable steps to ensure suppliers abide by all relevant UK and EU legislation regarding information security, storage, handling and processing. The requirement to comply with this legislation is devolved to all employees, contractors, consultants and agents who may be held accountable for any breaches of information security for which they may be responsible.



# Remuneration and Staff Report

## Remuneration Policy

The policy for remuneration of the Non-Executive Directors is set by the DWP. For the period, they were remunerated for 36 days per year at £500 per day. The remuneration policy is reviewed annually by the MaPS Nominations Committee which reviews the appropriateness of those hours and reports to the DWP.

With regards to expenses, 120 Holborn is considered their normal place of work and payment of expenses for travel is taxable, and MaPS pays the tax. This is reviewed annually.

The remuneration policy for the Directors during the period was agreed and set by the DWP.

## Directors' Service Contracts

Name	Date Appointed	Contract End Date	Notice Period
Executive Directors			
John Govett	01/10/2018	14/06/2019	6 months
Helen John	01/10/2018	26/04/2019 <sup>1</sup>	Seconded (DWP)
Justin Kenny	25/02/2019	24/05/2019	1 month
Steve Buckingham	29/04/2019	28/04/2022	Seconded (DWP)
Caroline Siarkiewicz	15/06/2019	26/01/2024	6 months
Non- Executive Directors			
Tim Jones	01/10/2018	31/12/2021	3 months
Mike Dailly	01/10/2018	30/09/2020	3 months
Ann Harris	01/10/2018	30/09/2022	3 months
Elaine Kempson	01/10/2018	31/07/2022	3 months
Moray McDonald	01/10/2018	31/07/2022	3 months
Sir Hector Sants	03/10/2018	30/09/2023	3 months

<sup>1</sup> Helen John left MaPS's employment on 17/05/2019 but stepped down as a Director on 26/04/2019.

## Directors' Remuneration

The information in this section is subject to audit.

### Executive Directors

Name	Salary		Bonus Payments		Benefits in Kind (to nearest £100)		Pension Benefits (to nearest £1,000)		Total	
	£'000		£'000		£100				£'000	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Executive										
John Govett to 14 June 2019	35-40 (FYE 170- 175)	85-90 (FYE 170- 175)	5-10	-	-	-	3,000	8,000	45-50 (FYE 195- 200)	95- 100 (FYE 190- 195)
Helen John <sup>1</sup> to 26 April 2019	5-10 (FYE 90- 95)	45-50 (FYE 90- 95)	-	-	-	-	11,000	63,000	15-20 (FYE 100- 105)	105- 110 (FYE 150- 155)
Justin Kenny <sup>2</sup> to 24 May 2019	45-50 (FYE 400- 405)	35-40 (FYE 400- 405)	-	-	-	-	-	-	45-50 (FYE 400- 405)	35-40 (FYE 400- 405)
Steve Buckingham <sup>3</sup> from 29 April 2019	100- 105 (FYE 105- 110)	-	-	-	-	-	34,000	-	130- 135 (FYE 140- 145)	-
Caroline Siarkiewicz from 15 June 2019	115- 120 (FYE 170- 175)	-	-	-	-	-	12,000	-	130- 135 (FYE 190- 195)	

<sup>1</sup> Helen John was seconded from the DWP. In addition to the amounts disclosed in the table, for the year to 31 March 2020 MaPS also paid the DWP for employers' National Insurance of £1k (£6k in the six months ending 31 March 2019), employer pension contributions of £2k (£11k in the six months ending 31 March 2019), expenses of £0k (£1k in the six months ending 31 March 2019) and Value Added Tax of £2k (£13k in the period ending 31 March 2019).

<sup>2</sup> A fee was paid to Hays Specialist Recruitment Limited, a third-party agency, for the services of Justin Kenny. The contract was for three months from 25 February 2019 to 24 May 2019. In addition to the amounts disclosed in the table for the year ending 31 March 2020, MaPS also paid to Hays Value Added Tax of £10k (£8k in the six months ending 31 March 2019).

<sup>3</sup> Steve Buckingham is seconded from the DWP. In addition to the amounts disclosed in the table, for the year to 31 March 2020 MaPS also paid the DWP for employers' National Insurance of £14k, employer pension contributions of £33k and Value Added Tax of £29k.



## Non-Executive Directors

Name	Salary		Bonus Payments		Benefits in Kind (to nearest £100)		Pension Benefits (to nearest £1,000)		Total	
	£'000		£'000						£'000	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Tim Jones	15-20	5-10 (FYE 10-15)	-	-	-	-	-	-	15-20	5-10 (FYE 10-15)
Mike Dailly	15-20	5-10 (FYE 10-15)	-	-	-	-	-	-	15-20	5-10 (FYE 10-15)
Ann Harris	15-20	5-10 (FYE 10-15)	-	-	-	-	-	-	15-20	5-10 (FYE 10-15)
Elaine Kempson	15-20	5-10 (FYE 10-15)	-	-	-	-	-	-	15-20	5-10 (FYE 10-15)
Moray McDonald	15-20	5-10 (FYE 10-15)	-	-	-	-	-	-	15-20	5-10 (FYE 10-15)
Sir Hector Sants	75-80	35-40 (FYE 75-80)	-	-	-	-	-	-	75-80	35-40 (FYE 75-80)

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by MaPS and thus recorded in these financial statements.

'Bonuses' are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2019/20 relate to performance in 2018/19. No bonuses were paid in 2018/19.

Non-Executive Directors are not eligible for bonus payments or pension contributions.



## Executive Directors' Pension

The information in this section is subject to audit.

Director	Accrued pension at pension age as at March 31 2020 (£'000)	Real increase in pension and related lump sum at pension age (£'000)	CETV at March 31 2020 (£'000)	CETV at March 31 2019 (£'000)	Real increase in CETV (£'000)
Helen John	35 - 40 plus a lump sum of 85 - 90	0 - 2.5 plus a lump sum of 0 - 2.5	738	725	9
Steve Buckingham	25 - 30	0 - 2.5	443	402	18

All pension benefits are quoted gross and do not take account of any actual or potential reduction to amounts received resulting from taxation which may be due when pension benefits are taken in excess of the lifetime allowance.

Where an Executive Director leaves or joins MaPS part-way through the year, the 'cash equivalent transfer value (CETV)' column refers to the value at the date of joining or leaving.

## Pay Multiples

The information in this section is subject to audit.

	31 March 2020	31 March 2019
Band of highest paid Director's annualised total remuneration	170,000 to 175,000	400,000 to 405,000
Median remuneration of the workforce	55,000	51,000
Multiple (ratio)	3.14	7.89

The multiple for 31 March 2020 at 3.14 reflects the appointment of the new CEO, firstly in an interim position and then permanent after an open competition. It is 3.14 times (31 March 2019, 7.89) the median remuneration of the workforce, which is £55,000 (31 March 2019, £51,000).

The highest paid Director at 31 March 2019 was a three-month interim appointment to assist in the formation of MaPS (page 47). The multiple reflected the nature of this appointment. If the remuneration of the highest permanent Director had been used (£170-175k) the multiple would have been 3.38.

On the 31 March 2020, seven (31 March 2019, nil) employees received remuneration in excess of the highest paid Director. Their annualised total remuneration ranged from £175,000 to £465,000 (31 March 2019, nil).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.



## Staff Report

The information in this section is subject to audit.

### Staff costs

Year ended 31 March 2020	Note	Permanently employed staff (£'000)	Others (£'000)	Total (£'000)
Wages and salaries		16,975	4,315	21,290
Social Security costs		1,752	-	1,752
Other pension costs		1,738	-	1,738
<b>Sub-total</b>		20,465	4,315	24,780
Less recoveries in respect of outward secondments		(186)	-	(186)
<b>Total net costs</b>	1	20,279	4,315	24,594

Six months Ended 31 March 2019	Note	Permanently employed staff (£'000)	Others (£'000)	Total (£'000)
Wages and salaries		3,699	1,695	5,394
Social Security costs		420	-	420
Other pension Costs		358	-	358
<b>Sub-total</b>		4,477	1,695	6,172
Less recoveries in respect of outward secondments		(32)	-	(32)
<b>Total net costs</b>	2	4,445	1,695	6,140

#### Note:

1. Total staff costs of £24,940k (Financial Statements Note 2) in the year to 31 March 2020 include Board fees (£170k), medical insurance (£131k) and life assurance (£45k) which are excluded from this table. They are also shown after the recoveries for outward secondments.
2. Total staff costs of £6,256k (Financial Statements Note 2) in the six months to 31 March 2019 included Board fees (£78k), medical insurance (£31k) and life assurance (£7k) which were excluded from this table. They are also shown after the recoveries for outward secondments.

### Average number of full-time equivalent persons employed

Year ended 31 March 2020	Permanently employed staff – average numbers	Others – average numbers	Total
Directly employed	284.00	28.00	312.00
Staff engaged on capital projects	-	-	-
<b>Total</b>	<b>284.00</b>	<b>28.00</b>	<b>312.00</b>

Six months ended 31 March 2019	Permanently employed staff – average numbers	Others – average numbers	Total
Directly employed	260.57	10.97	271.54
Staff engaged on capital projects	-	-	-
<b>Total</b>	<b>260.57</b>	<b>10.97</b>	<b>271.54</b>

The average number of full-time equivalents in the six months ended 31 March 2019 has been calculated for the period 1 January to 31 March 2019, reflecting the transfer of staff from the MAS and TPAS.

### Pension arrangements

Pension benefits for staff appointed under MaPS and MAS contracts are provided by Aviva through the MaPS pension scheme. The pension benefits for most of the employees transferred from TPAS on 1 January 2019 are provided through the legacy Civil Service Pension arrangements.

### MaPS Pension Scheme

The MaPS pension scheme is a workplace pension provided by Aviva. In the scheme, MaPS contributes twice the employee's contribution up to 10% of the employee's basic salary.

Charges stand at 0.34% of the fund value per annum and there are no other charges except where a speciality or externally managed fund is chosen or in the event of a market value reduction being applied in relation to the With Profits Fund

The MaPS pension provider, Aviva, has confirmed that the markets dipped in March 2020, but recent analysis suggests that there are signs of recovery and will continue to do so over the longer term although any further Covid-19 outbreaks may see funds dip again.

Aviva has confirmed that the scheme remains fully funded at 180% of the required regulatory amount and Aviva has been rated as 'stable' by the credit ratings Fitch.

### Civil Service Pension Arrangements

Legacy employee pension benefits were partly provided through the Civil Service Pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or 'alpha', which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60, and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.



These statutory arrangements are unfunded, with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from 1 October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the appointed provider - Legal & General. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website:

[www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

## Cash equivalent transfer value

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement), and uses common market valuation factors for the start and end of the period.

## Staff by Gender

The following table sets out the composition of staff headcount as at 31 March 2020 by gender.

Category	Female	Male	Total
Executive Directors	1	1	2
Non-Executive Directors	2	4	6
Staff	161	183	344
<b>Total</b>	<b>164</b>	<b>188</b>	<b>352</b>
<b>Percentage</b>	<b>47%</b>	<b>53%</b>	<b>100%</b>

## Expenditure on Consultancy

MaPS spent £167,744 (six months to 31 March 2019, £552,714) on external consultancy to assist in developing the total reward, culture and diversity strategies and in developing our internal control processes. Expenditure on external consultancy was higher in the six months to March 2019 as MaPS had just been established and required additional assistance to develop the strategy, business plan and budgets for 2019/20 and to map the provision of debt and money guidance and the introduction of the debt sector target operating model.



## Off-payroll Engagements

All off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months:

	Total
The total number of existing engagements as of 31 March 2020	18
<b>Of which:</b>	
The number that have existed for less than 1 year at time of reporting	7
The number that have existed for between 1 and 2 years at time of reporting	8
The number that have existed for between 2 and 3 years at time of reporting	3
The number that have existed for between 3 and 4 years at time of reporting	-
The number that have existed for 4 or more years at time of reporting.	-

All new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months:

	Total
The number of new engagements, or those that reached 6 months in duration, during the period between 1 April 2019 and 31 March 2020	16
<b>Of which:</b>	
The number of these engagements which were assessed as caught by IR35	6
The number of these engagements which were assessed as not caught by IR35	10
The number that were engaged directly (via PSC contracted to department) and are on the departmental payroll	-
The number that were reassessed for consistency/assurance purposes during the year for whom assurance has been requested but not received	-
The number of engagements that saw a change to IR35 status following consistency review	2

All off-payroll engagements, outlined above, have been subject to risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Board members and senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020:

	Total
Off-payroll engagements	1
Total number of on-payroll and off-payroll engagements	5

The off-payroll engagement was for Justin Kenny, Chief Operating Officer and Director, recruited on an interim basis due to the transitional phase MaPS was in and while the leadership structure was being determined. This followed an unsuccessful round of interviews for the interim role on a fixed-term basis. The contract was for three months from 25 February 2019 to 24 May 2019, while further work was done on the organisational structure.

## Sickness

The average number of days for all sickness per member of staff for the year was 4.6 (six months to 31 March 2019, 1.7). This average compares favourably to the 7.9 (six months to 31 March 2019, 2017/18) levels of staff sickness in the DWP.

## Exit Packages

The table below sets out exit packages for employed staff (subject to audit).

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	1	-	1
£10,000 - £25,000	4	-	4
£25,000 - £50,000	2	-	2
£50,000 - £100,000	1	-	1
£100,000 - £150,000	-	-	-
£150,000 - £200,000	-	-	-
<b>Total number of exit packages</b>	<b>8</b>	-	<b>8</b>
Total resource cost (£'000)	206	-	206

Exit costs are accounted for in full in the year of departure.

## Equality, Diversity and Inclusion

We are ambitious in our vision for harnessing the strength of a diverse workforce that represents our customers. We aim to achieve this through building an inclusive culture built on a strong foundation of trust, where all colleagues can bring their true selves to work and thrive. Our values of caring, connecting and transforming will inform and drive the development of data-driven and innovative equality, diversity and inclusion strategy. We recognise that we are at the start of our work in developing our equality, diversity and inclusion strategy and have the commitment of the Board and Executive Leadership Team to deliver against our ambition.

We also give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. We continue the employment of, and arrange appropriate training for, employees who have become disabled during their employment. We ensure that training, career development and promotion is available to all our employees.

The equality objectives detailed below enable us to fulfil our responsibilities under the Public Sector Equality Duty and the Equality Act 2010.

Our employee-focused objectives were:

- engage a wide range of internal stakeholders to commence the development of our equality, diversity and inclusion strategy
- gain employee insights from quantitative and qualitative data to inform the development of our equality, diversity and inclusion strategy
- implementation of a self-serve HR information system to collect and report on employee protected characteristics
- conduct an equal pay audit and address any resulting inequalities in pay



- flexible working: review the effective application of flexible working

Our organisational policies and services-focused objective was:

- to ensure our Service Provision takes into account equality and diversity issues in a systematic way

Key highlights against our organisational policies and services-focused objective are:

- we continue to embed Public Sector Equality Duty (PSED) considerations into the policy-making process
- Board and Executive reporting templates have been adapted to ensure that authors state that they have considered PSED in the development of the paper
- employees have been made aware of their responsibilities to ensure that the PSED has been considered in any potential policy change being proposed

## Sustainability Report

This sustainability report conforms to the public sector requirements in the Government Financial Reporting Manual.

We continue to support the Government's commitment to reduce its impact on the environment under the Greening Government Commitments.

Initiative Activity in 2019/20 includes:

- in the past 12 months we have carried out a review of key areas where we can improve our approach to sustainability across our estate. Our current estate is all in managed buildings
- the focus has been on identifying areas for improvements and establishing a baseline
- to date, the key focus has been on those areas for which we have direct responsibility, such as recycling of waste, travel and our physical environment. We have worked with suppliers to assess what CO<sub>2</sub> savings can be made and what other improvements can be made
- we have also reviewed our physical environment to make changes wherever possible, such as adding PIR sensors to control lighting in a recent refurbishment and adding additional recycling bins, and the next planned refurbishment project will also involve the replacement of switches with the PIR sensor system
- we have also reviewed our approach to sustainable procurement – procuring more sustainable and efficient products by improving our understanding of the supplier chain and compliance with the Government Buying Standards

### Recycling

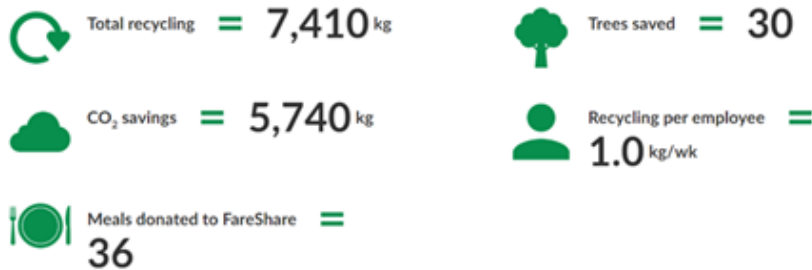
We work closely with our supplier to ensure they continue to reduce the carbon intensity of their operation; their current carbon reduction plan includes the following methods:

- trial of new energy saving technologies (including SMART meters, voltage optimisation management device, PIR sensors and timers)
- provision of eco-driver training for all drivers, driver performance league tables and use



- of a telematic driver monitoring system
- removal of surplus lighting in offices and warehouse
- an active green team which runs internal training for other staff, maintains their environmental management system and ensures that we achieve the targets set out in their action plan

### 120 Holborn recycling data:



### Belgrave Road recycling data:



We are using this benchmark data to inform our approach going forward to look at ways in which we can make improvements on the above data.

### Staff travel

We currently have two suppliers (Redfern and Inntel) of travel services which will reduce to one in the 2020/21 year.

Their booking systems highlight to bookers alternative rail options when bookers are searching for flights. There is a rail/Eurostar alternative along with capturing the relevant CO<sub>2</sub> and mileage information within the management information to help customers identify the emissions used and the potential emissions that could be saved using alternative travel types.

They also have a system in place to identify the reason the bookers are travelling and can question the need to travel via system pop-up and messages.



# Parliamentary Accountability Report

MaPS is a non-departmental public body sponsored by the DWP. The DWP approves the Business Plan and the Board delivers its Annual Report and Accounts to Parliament through the Secretary of State. MaPS regularly provides performance and resource utilisation information to the DWP which is reviewed at quarterly accountability reviews. The DWP is also represented on MaPS Audit Risk and Assurance Committee.

## Losses and special payments (subject to audit)

There were no losses or special payments during the year above the limits prescribed by 'Managing Public Money'.

## Remote Contingent liabilities (subject to audit)

There are no remote contingent liabilities.



Caroline Siarkiewicz  
Accounting Officer  
Date: 18 January 2021

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Money & Pensions Service for the year ended 31 March 2020 under the Financial Guidance and Claims Act 2018. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Parliamentary Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Money & Pensions Service's affairs as at 31 March 2020 and of the net deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Financial Guidance and Claims Act 2018 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Money & Pensions Service in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Money & Pensions Service's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or



- the Money & Pensions Service have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Money & Pensions Service's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Financial Guidance and Claims Act 2018.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Money & Pensions Service's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of the Money & Pensions Service's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

on the Money & Pensions Service ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Money & Pensions Service to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Parliamentary Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Opinion on other matters

In my opinion:

- the parts of the Parliamentary Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Financial Guidance and Claims Act 2018;
- in the light of the knowledge and understanding of the Money & Pensions Service and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Parliamentary Accountability Report; and
- the information given in Performance Report and Parliamentary Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Parliamentary Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

**Gareth Davies**

**Date** 19 January 2021

**Comptroller and Auditor General**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP



# **Financial Statements**



# Financial Statements

## Statement of Comprehensive Net Expenditure

For the Year ended 31 March 2020

	Note	Year Ended 31 March 2020 £'000	Six Months Ended 31 March 2019 <sup>1</sup> £'000
<b>Income</b>			
Revenue from levies	15	109	16,660
<b>Total income</b>		<b>109</b>	<b>16,660</b>
<b>Operating activities</b>			
Staff costs	2	(24,940)	(6,256)
Other expenditure	2	(82,278)	(19,167)
<b>Total expenses</b>		<b>(107,218)</b>	<b>(25,423)</b>
<b>Operating deficit</b>		<b>(107,109)</b>	<b>(8,763)</b>
<b>Non-operating activities</b>			
Net gain on absorption	16	-	8,471 <sup>2</sup>
<b>Net deficit</b>		<b>(107,109)</b>	<b>(292)</b>

### Other Comprehensive Expenditure

There was no other comprehensive expenditure.

This deficit is funded by Grant-in-Aid from the DWP of £112,184,264 (see note 15). As this contribution is from a controlling party, it is treated as financing.

The notes on pages 61 to 77 form part of these financial statements.

<sup>1</sup> Though MaPS was formed on 1 October 2018, the operations of its predecessor organisations did not transfer till 1 January 2019.

<sup>2</sup> The net gain on absorption in the six months ended 31 March 2019 represents net assets transferred from TPAS and MAS on 1 January 2019.



# Statement of Financial Position

As at 31 March 2020

	Note	31 March 2020 £'000	31 March 2019 £'000
<b>Non-current assets</b>			
Intangible assets	3	242	322
Property, plant and equipment	4	2,496	885
<b>Total non-current assets</b>		<b>2,738</b>	<b>1,207</b>
<b>Current assets</b>			
Cash and cash equivalents	5	11,765	6,705
Trade and other receivables	6	1,552	1,752
<b>Total current assets</b>		<b>13,317</b>	<b>8,457</b>
<b>Total assets</b>		<b>16,055</b>	<b>9,664</b>
<b>Current liabilities</b>			
Trade and other payables	7	(8,976)	(7,660)
Provisions	8	(189)	(189)
<b>Total current liabilities</b>		<b>(9,165)</b>	<b>(7,849)</b>
<b>Total assets less total liabilities</b>		<b>6,890</b>	<b>1,815</b>
<b>Reserves</b>			
General reserve		6,890	1,815
<b>General Fund</b>		<b>6,890</b>	<b>1,815</b>

The notes on pages 61 to 77 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:



**Sir Hector Sants**  
Chair  
Date: 18 January 2021



**Caroline Siarkiewicz**  
Chief Executive and Accounting Officer  
Date: 18 January 2021



# Statement of Cash Flows

For the Year ended 31 March 2020

	Note	Year ended 31 March 2020 £'000	Six months ended 31 March 2019 <sup>1</sup> £'000
<b>Cash flows from operating activities</b>			
Operating deficit		(107,109)	(8,763)
<b>Adjustments for non-cash transactions</b>			
Amortisation	3	87	53
Depreciation	4	493	99
(Increase)/decrease in trade and other receivables	6	200	6,575
Increase/(decrease) in trade and other payables	7	1,316	(15,543)
<b>Net cash outflow from operating activities</b>		<b>(105,013)</b>	<b>(17,579)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and computer software	3,4	(2,111)	(631)
<b>Net cash outflow from investing activities</b>		<b>(2,111)</b>	<b>(631)</b>
<b>Cash flows from financing activities</b>			
Grant-in-Aid received from the DWP	15	112,184	2,107
Cash and cash equivalents transferred from MAS and TPAS	16	-	22,808
<b>Net cash inflow from financing activities</b>		<b>112,184</b>	<b>24,915</b>
<b>Net increase/(decrease) in cash and cash equivalents during the period</b>			
	5	5,060	6,705
Cash and cash equivalents brought forward		6,705	-
<b>Cash and cash equivalents carried forward</b>		<b>11,765</b>	<b>6,705</b>

The notes on pages 61 to 77 form part of these financial statements.

<sup>1</sup> Though MaPS was formed on 1 October 2018, the operations of its predecessor organisations did not transfer till 1 January 2019.

# Statement of Changes in Taxpayers' Equity

For the Year ended 31 March 2020

	Note	General Reserve £'000
<b>Changes in taxpayers' equity for 2018/19</b>		
Transfer from TPAS and MAS		8,471
Deficit for the year		(8,763)
Grant-in-Aid received from the DWP and levy		2,107
<b>Balance at 31 March 2019</b>		<b>1,815</b>
<b>Changes in taxpayers' equity for 2019/20</b>		
Deficit for the year		(107,109)
Grant-in-Aid received from the DWP and levy		112,184
<b>Balance at 31 March 2020</b>		<b>6,890</b>

The notes on pages 61 to 77 form part of these financial statements.



# Notes to the Financial Statements

For the Year ended 31 March 2020

## 1. Statement of Accounting Policies

### 1.1 Basis of accounting

These Financial Statements are presented in pounds sterling because that is the currency of the primary economic environment in which MaPS operated.

The Financial Statements are prepared in accordance with EU adopted International Financial Reporting Standards.

The Financial Statements are prepared in accordance with the current Government Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector.

- a. where the FRM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of MaPS to give a true and fair view is selected
- b. we have adopted all IFRS, International Accounting Standards (IAS), and International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments to published standards that were effective at 31 March 2020
- c. no amendments or interpretations that have been issued but are not yet effective, and that are available for early adoption, have been applied by MaPS in these financial statements

The prior period runs from 1 October 2018 to 31 March 2019, but the operations of its predecessor organisations did not transfer till 1 January 2019. When reviewing the Financial Statements this should be taken into account, as MaPS was only operational for the three months 1 January 2019 to March 31 2019.

### 1.2 New accounting standards

#### IFRS 16 Leases

IFRS 16 Leases (effective for periods beginning on or after 1 April 2022). The new standard replaces IAS 17 Leases and introduces a new single accounting approach for lessees for all leases (with limited exceptions). As a result, there is no longer a distinction between operating leases and finance leases, and lessees will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. MaPS believes that the most significant impact will be the need to recognise a right of use asset and lease liability for the building leases currently treated as operating leases. This will mean that the nature of the lease payments will change from being an operating lease expense to a depreciation and

interest expense.

MaPS has two leases on 120 Holborn which will be impacted by the new standard. The impact will be quantified and reported in 2022/23. The lease on 11 Belgrave Road ends in March 2021 and, as such, is exempt from the new standard.

### 1.3 Accounting convention

- a. The financial statements are prepared under the historical cost convention, modified to include assets at their value to the business by reference to current costs.
- b. These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, investments and certain financial assets and liabilities.
- c. On 1 October 2018, the SFGB (renamed as the Money and Pensions Service in April 2019) was formed. In January 2019, MaPS replaced TPAS, Pension Wise and MAS.
- d. In line with the FReM (4.2.9), a transfer within a departmental boundary should be accounted for as Transfer by Absorption. As such, the net assets of both TPAS and MAS were transferred to MaPS with no restatement of comparatives in the financial statements.
- e. Comparative information from the predecessor bodies is available in their published annual financial statements.
- f. Basis of consolidation: MaPS comprises TPAS, MAS and Pension Wise. The consolidated bodies prepared financial statements in accordance with either the FReM or the Companies Act 2006 (for limited companies). For those bodies that did not prepare financial statements in accordance with the FReM, adjustments are made at consolidation if necessary where differences would have a significant effect on the financial statements.

### 1.4 Going concern basis of accounting

Future financing of MaPS will be met by Grant-in-Aid from the DWP, as MaPS's sponsoring department. It is accordingly considered appropriate to adopt the going-concern basis for the preparation of financial statements.

### 1.5 Operating segments

- a. MaPS currently reports expenditure under four operating segments: Money Guidance, Debt Advice, Pension Guidance and Pension Freedoms. Segmental reporting is not applied to assets and liabilities. All costs are reviewed to ensure they relate to each operational area to ensure a fair distribution of cost.
- b. Corporate overheads have been apportioned to the operational areas using an analysis based on the percentage of FTE staff and the share of direct spend in each segment.

### 1.6 How we use our grants to deliver the business

MaPS commissions services to help deliver its statutory objectives. MaPS does this through contracts and grant agreements. Working with the provider, MaPS establishes the most appropriate mechanism to deliver the services. Funding is given to external partner organisations to carry out frontline services for Debt Advice, the What Works Fund and Pension Freedoms.



## Debt Advice

MaPS commissions the provision of Debt Advice services from our partners through grant agreements. MaPS provides funding on a one-year rolling basis. The grants are issued to partners based on an agreed delivery plan. Outcomes have been identified and funds are transferred based on the delivery of the defined milestones.

The three largest grant recipients by value are the Citizens Advice Bureaux (c.£20m), Toynbee Hall (c.£5m) and the Community Advice and Law Service (c.£3m):

**Citizens Advice Bureaux** – The National Association of Citizens Advice Bureaux provides free at the point of access face-to-face debt advice in seven English regions via a supply chain of Local Citizens Advice Bureaux and Independent Advice Agencies.

Clients (service users) are assessed by debt advisers using the Common Initial Assessment (CIA) and referred for substantive debt advice (casework) via the most appropriate delivery channel – face-to-face, telephone, and digital.

**Toynbee Hall** is a registered charity which provides access to free, high-quality face-to-face debt advice in the greater London area. Toynbee Hall acts as the managing agent and delivery of debt advice is sub-granted out via local Citizens Advice Bureaux, independent advice agencies and law centres. The partnership is known as ‘Debt Free London’; 24,000 Londoners are helped with their debt and money problems each year through our funding.

**Community Advice and Law Service** contracts out across a participant supply chain in the East Midlands. Face-to-face debt advice services are offered via appointment or drop-in at either participant offices or outreach locations.

For the above streams of funding, a liability is recognised in line with the relevant agreement requirements in place with each partner organisation. The agreements enable us to recognise the funding award on an annual basis. Any termination liabilities are recognised when a decision is made to cease an agreement and in line with the relevant requirements of the agreement.

## What Works Fund

MAS led the financial capability movement building evidence about what works well – and less well – to improve people’s financial capability and helping organisations to use that evidence to refine their activity and deliver benefits at scale. In recognition of the activity, MAS was inducted into the Government’s What Works network in September 2018 as an affiliate member. MaPS is taking this forward as part of the new UK Strategy for Financial Wellbeing.

The first round of the Programme was launched in 2016. The What Works Fund asked organisations to respond to 16 broad ‘what works’ questions across all life stages, awarding grants to 65 pilot projects all over the UK, and carefully evaluating approaches such as: embedding money guidance in existing community services, harnessing peer support and

coaching techniques, and testing a number of different online approaches to learning and assistance. We launched the main evidence analysis from the first wave of these grants (58) in October 2018. The second wave of seven grants finished in summer 2019.

The next phase of the Programme was launched in 2018, with a tighter focus on some of the gaps and priorities not covered in the first phase, including a greater focus on our 'Squeezed' segment, building an understanding about how to improve financial capability in the workplace, building evidence about the longer-term sustainability of financial capability outcomes and piloting at scale the most promising ideas from our Fin Cap Lab. This work will continue into 2020/21 in the shape of our Lab Pilots programme, and our two Workplace Pilots which are part of our Working Age Strategy.

### **Pension Freedoms (Pension Wise)**

The Pension Wise service is delivered by Delivery Partners (DPs) as follows:

- a. Citizens Advice to deliver the face-to-face Pension Wise service in England, Wales and Northern Ireland and some telephone appointments from Northern Ireland
- b. Citizens Advice Scotland to deliver the face-to-face Pension Wise Service in Scotland and some telephone appointments from Scotland

In advance of the planned transition of Pension Wise into MaPS, the Pension Wise Management Board agreed two-year grant agreements with the above DPs.

These grant agreements cover financial years 2019/21 and were put in place to ensure the continued delivery of the face-to-face service of Pension Wise into the new body and beyond and to provide enough cover to allow the new body to decide how it wants to deliver Pension Wise in the future (1 April 2021 onwards).

Funding is paid in line with the agreed budget proposals and each release of funds is dependent upon the DP demonstrating that the funding is required for the delivery of the service.

Appropriate governance is in place with each DP, including a quarterly review attended by senior staff from both MaPS and the respective DP.

We believe the risk of the DPs not complying with the terms of the grant agreement to be minimal. However, we have ended the grant agreement where the DP was proved to be spending outside the remit of the grant agreement and not an ongoing concern. To ensure that funding is spent on Pension Wise activity we have commissioned a review of the existing DPs through PricewaterhouseCoopers (PwC). The most recent report has shown strong governance and compliance.



## 1.7 Property, plant and equipment

Property, plant and equipment are stated at fair value. However, as permitted by the FReM, we have adopted a depreciated historical cost basis as a proxy for fair value where non-property assets have a short useful life or are of relatively low value. This applies to most IT hardware, motor vehicles, plant and machinery, and furniture and fittings. Assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds the capitalisation threshold. Where appropriate, items are pooled.

## 1.8 Summary of depreciation policy of tangible assets

Depreciation is provided to write off the cost of each class of asset, less its estimated residual value, over its estimated useful life. The depreciation method used is that which provides a realistic reflection of the consumption of that asset.

Property, plant and equipment	Method and useful economic life
Leasehold improvements	Straight line over the period of the lease
Furniture and fittings	Straight line over five years
Other tangible assets	Straight line over 2-5 years
ICT	Straight line over 2-5 years <i>(laptops based on 4 years' average lifespan)</i>

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

## 1.9 Intangible assets – internally developed software

We capitalise internally developed software if it meets the criteria in IAS 38 (Intangible Assets). We classify development costs as assets under the course of construction until the asset is available for use. At that point we transfer it to the relevant asset class.

### 1.10 Website development costs

We capitalise website development costs in line with the requirements of SIC 32 'Web Site Costs'.

### 1.11 Purchased software licences

We capitalise software licences at cost as intangible assets if they are in use for more than one year and cost more than £2,500. We capitalise applications at cost as intangible assets if they are in use for more than one year and cost more than £2,500.



## 1.12 Amortisation of intangible assets

The amortisation method used is that which provides a realistic reflection of the consumption of that asset.

Intangible assets	Method and useful economic life
Internally generated website infrastructure	Straight line over a maximum five years.
Software licences	Straight line over the duration of the licence

## 1.13 Impairment

Under IAS 36, individual assets are reviewed for impairment to ensure their carrying amount is not greater than the recoverable amount.

## 1.14 Leases

A distinction is made between finance leases and operating leases in accordance with IAS 17 (Leases):

### a. Finance leases

Where MaPS substantially retains all the risks and rewards incidental to ownership of an asset, leases are classified as finance leases. At inception of the lease term, the finance lease assets and liabilities are capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges with the corresponding rental obligations, net of finance charges included in either current or non-current payables depending on the dates the group is contractually obliged to make rental payments.

Assets acquired under finance leases are classed as property, plant and equipment and depreciated over the shorter of the useful economic life of the asset and the lease term.

### b. Operating leases

Leases other than finance leases are classified as operating leases. Benefits received or receivable as an incentive to enter into an operating lease are also spread over the lease term.

## 1.15 Financial instruments

IFRS 9 requires an entity to recognise a financial asset or a financial liability in its Statement of Financial Position (SOFP) when it becomes party to contractual provisions of a financial instrument.

MaPS does not hold any complex financial instruments such as long-term loans, equity investments, or any non-vanilla financial assets. It holds cash equivalents, trade receivables and trade payables which are already recognised in its SOFP. IFRS 9 therefore has no material impact on the financial statements.



Financial assets comprise trade receivables and other receivables. Receivables are recognised at carrying value, reduced by appropriate allowances for estimated irrecoverable amounts.

Trade creditors are short term and are stated at carrying value in recognition that these liabilities fall due within one year.

### **1.16 Grant-in-Aid**

Grant-in-Aid is used to finance activities which support MaPS's statutory and other objectives. It is treated as financing, credited to the General Reserve, because it is regarded as a contribution from a controlling party. Grant-in-Aid is accounted for on a cash basis.

### **1.17 Deferred income**

Deferred income is released across the period to which it relates.

### **1.18 VAT**

MaPS was not registered for VAT during the financial year 2019/20. Hence all costs are inclusive of VAT.

### **1.19 Provisions**

A provision is recognised in the Statement of Financial Position when MaPS has a present legal or constructive obligation arising from past events, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### **1.20 Contingent liabilities**

We recognise contingent liabilities when there is a present obligation, legal or constructive, as a result of a past event which is uncertain in timing and amount. A contingent liability is disclosed but not accrued; however, disclosure is not required if the likelihood of payment is remote.



## 2. Operating Deficit

### 2.1 Total deficit

The deficit on ordinary activities before interest and taxation is stated after charging:

	Year Ended 31 March 2020 £'000	Six months Ended 31 March 2019 £'000 <sup>1</sup>
	Note	
Wages and salaries	21,496	5,479
Social security costs	1,736	419
Pension costs	1,708	358
<b>Total staff costs</b>	<b>24,940</b>	<b>6,256</b>
Grants paid	46,931	10,478
Contracted services	17,602	2,202
Digital & communications	5,335	1,264
Media & marketing	5,309	1,954
Training and recruitment	1,976	326
Accommodation costs	1,917	415
Research & evaluation	1,463	1,217
Office costs	436	187
Travel costs	383	85
Legal and professional fees	238	625
Transition costs	54	189
Audit fee	35	52
Other Costs	17	20
Bank charges	2	1
<b>Total cash spend</b>	<b>106,638</b>	<b>25,271</b>
Amortisation	87	53
Depreciation	493	99
<b>Total administration expenses</b>	<b>107,218</b>	<b>25,423</b>

<sup>1</sup> Though MaPS was formed on 1 October 2018, the operations of its predecessor organisations did not transfer until 1 January 2019.



## 2.2 Deficit by operating segment

	Year Ended 31 March 2020 £'000	Six months Ended 31 March 2019 £'000 <sup>1</sup>
<b>Money Guidance</b>		
Staff costs	10,579	3,089
Grants paid	174	206
Contracted services	2,077	519
Digital & communications	2,352	676
Media & marketing	203	59
Training and recruitment	638	95
Accommodation costs	766	180
Research & evaluation	1,463	931
Office costs	15	93
Travel costs	151	34
Legal and professional fees	91	336
Transition costs	22	82
Audit fee	13	23
Other	7	18
Bank charges	1	1
<b>Total</b>	<b>18,552</b>	<b>6,342</b>
<b>Debt Advice</b>		
Staff costs	3,617	1,156
Grants paid	34,388	9,561
Contracted services	13,420	1,093
Digital & communications	1,675	140
Media & marketing	36	1
Training and recruitment	576	110
Accommodation costs	326	111
Research & evaluation	-	286
Office costs	181	39
Travel costs	65	10
Legal and professional fees	30	144
Transition costs	9	51
Audit fee	6	14
Other	3	2
<b>Total</b>	<b>54,332</b>	<b>12,718</b>

<sup>1</sup> Though MaPS was formed on 1 October 2018, the operations of its predecessor organisations did not transfer until 1 January 2019.

## 2.2 Deficit by operating segment (continued)

	Year Ended 31 March 2020 £'000	Six months Ended 31 March 2019 £'000 <sup>1</sup>
<b>Pension Guidance</b>		
Staff costs	4,264	1,360
Contracted services	215	-
Digital & communications	325	119
Media & marketing	36	1
Training and recruitment	295	39
Accommodation costs	326	78
Office costs	69	40
Travel costs	66	38
Legal and professional fees	39	89
Transition costs	9	35
Audit fee	6	10
Other	3	-
<b>Total</b>	<b>5,653</b>	<b>1,809</b>
<b>Pension Freedoms</b>		
Staff costs	6,480	651
Grants paid	12,369	711
Contracted services	1,890	590
Digital & communications	983	329
Media & marketing	5,034	1,893
Training and recruitment	467	82
Accommodation costs	499	46
Office costs	171	15
Travel costs	101	3
Legal and professional fees	78	56
Transition costs	14	21
Audit fee	10	5
Other	4	-
Bank charges	1	-
<b>Total</b>	<b>28,101</b>	<b>4,402</b>
<b>Total cash spend</b>	<b>106,638</b>	<b>25,271</b>

<sup>1</sup> Though MaPS was formed on 1 October 2018, the operations of its predecessor organisations did not transfer until 1 January 2019.



### 3. Intangible Assets

	Software Licences £'000	Website £'000	Total £'000
<b>Cost or valuation</b>			
Opening balance 1 October 2018	-	-	-
Transfer from MAS and TPAS	693	293	986
Additions in the period	-	-	-
Disposals in the period	-	-	-
<b>As at 31 March 2019</b>	<b>693</b>	<b>293</b>	<b>986</b>
Opening balance 1 April 2019	693	293	986
Additions in the year	7	-	7
Disposals in the year	0	-	0
<b>As at 31 March 2020</b>	<b>700</b>	<b>293</b>	<b>993</b>
<b>Amortisation</b>			
Opening balance 1 October 2018	-	-	-
Transfer from MAS and TPAS	596	15	611
Charge in the period	38	15	53
Disposals in the period	-	-	-
<b>As at 31 March 2019</b>	<b>634</b>	<b>30</b>	<b>664</b>
Opening balance 1 April 2019	634	30	664
Charge in the year	28	59	87
Disposals in the year	-	-	0
<b>As at 31 March 2020</b>	<b>662</b>	<b>89</b>	<b>751</b>
<b>Net Book Value as at 31 March 2019</b>	<b>59</b>	<b>263</b>	<b>322</b>
<b>Net Book Value as at 31 March 2020</b>	<b>37</b>	<b>205</b>	<b>242</b>

The website was first capitalised in October 2018 in MAS's books as development work, and although started during 2017/18 it was not finished until October 2018. The website is still being used and the first impairment review was carried out in March 2020. The asset is still in full use, so no impairment was needed. It will be reviewed annually.

## 4. Property, plant and equipment

	Leasehold Improvements £'000	Information Technology £'000	Furniture & Fittings £'000	Total £'000
<b>Cost or valuation</b>				
Opening balance 1 October 2018	-	-	-	-
Transfer from MAS and TPAS	-	1,022	423	1,445
Additions in the period	413	218	-	631
Disposals in the period	-	-	-	-
<b>As at 31 March 2019</b>	<b>413</b>	<b>1,240</b>	<b>423</b>	<b>2,076</b>
Opening balance 1 April 2019	413	1,240	423	2,076
Additions in the year	1,056	833	215	2,104
Disposals in the year	-	-	-	-
<b>As at 31 March 2020</b>	<b>1,469</b>	<b>2,073</b>	<b>638</b>	<b>4,180</b>
<b>Depreciation</b>				
Opening balance 1 October 2018	-	-	-	-
Transfer from MAS and TPAS	-	727	365	1,092
Charge in the period	-	78	21	99
Disposals in the period	-	-	-	-
<b>As at 31 March 2019</b>	<b>-</b>	<b>805</b>	<b>386</b>	<b>1,191</b>
Opening balance 1 April 2019	-	805	386	1,191
Charge in the year	223	220	50	493
Disposals in the year	-	-	-	-
<b>As at 31 March 2020</b>	<b>223</b>	<b>1,025</b>	<b>436</b>	<b>1,684</b>
<b>Net Book Value as at 31 March 2019</b>	<b>413</b>	<b>435</b>	<b>37</b>	<b>885</b>
<b>Net Book Value as at 31 March 2020</b>	<b>1,246</b>	<b>1,048</b>	<b>202</b>	<b>2,496</b>



## 5. Cash and cash equivalents

	Note	Year Ended 31 March 2020 £'000	Six months Ended 31 March 2019 £'000
Balance at 1 April		6,705	- <sup>1</sup>
Transfer from MAS and TPAS	16	-	22,808
Net change in cash and cash equivalent balances		5,060	(16,103)
<b>Balance at 31 March</b>		<b>11,765</b>	<b>6,705</b>

The following balances were held at:	31 March 2020 £'000	31 March 2019 £'000
Government Banking Services	11,765	6,705
<b>Total</b>	<b>11,765</b>	<b>6,705</b>

## 6. Trade and other receivables

	Note	31 March 2020 £'000	31 March 2019 £'000
<b>Amounts falling due within one year</b>			
Trade receivables		189	207
Prepayments		903	1,434
Other receivables		460	111
<b>Total</b>		<b>1,552</b>	<b>1,752</b>

## 7. Trade and other payables

	Note	31 March 2020 £'000	31 March 2019 £'000
<b>Amounts falling due within one year</b>			
Trade payables		2,513	2,196
Taxation and social security		249	230
Accruals		6,214	4,831
Other payables		-	403
<b>Total</b>		<b>8,976</b>	<b>7,660</b>

There are no payables falling due after more than one year.

<sup>1</sup> The period commenced on 1 October 2018 when the balance was 0.



## 8. Provisions

	Note	Dilapidations £'000	Total £'000
Opening balance 1 October 2018		-	-
Transfer from MAS and TPAS	16	(189)	(189)
Provided in the period		-	-
Utilised in the period		-	-
<b>As at 31 March 2019</b>		<b>(189)</b>	<b>(189)</b>
Opening balance 1 April 2019		(189)	(189)
Provided in the year		-	-
Utilised in the year		-	-
<b>As at 31 March 2020</b>		<b>(189)</b>	<b>(189)</b>

## 9. Contingent liabilities

On 1 April 2012, MAS took on grant agreements previously managed by the Department for Business, Innovation and Skills for the provision of Debt Advice in the UK. This transferred any employee-related liabilities accrued at the date of termination of these grant agreements to MAS. This responsibility was transferred to MaPS under the transfer scheme.

## 10. Pension commitments

Pension benefits for staff appointed under MaPS and MAS contracts are provided through the MaPS pension scheme provided by Aviva. Additionally, the pension benefits for most of the employees transferred from TPAS on 1 January 2019 are provided through the legacy Civil Service pension arrangements.

- **MaPS pension scheme**

The MaPS pension scheme is a workplace pension provided by Aviva. In the scheme, MaPS contributes twice the employee contribution up to 10% of the employee's basic salary.

- **Civil Service pension arrangements**

Most past and present employees transferred from TPAS are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded and contributory, except in respect of dependents' benefits. MaPS recognised the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' service by payment to the PCSPS of amounts calculated on an accruing basis. Liability for the payment of future benefits is a charge on the PCSPS. As described more fully in the Remuneration and Staff Report, certain employees can opt for a stakeholder pension. TPAS staff were transferred to MaPS under TUPE and therefore the cost for pensions has transferred as well.



## 11. Operating lease commitments

As at 31 March 2020, MaPS had outstanding commitments for the future minimum lease payments under non-cancellable operating leases which fall due as follows:

	Note	31 March 2020 £'000	31 March 2019 £'000
Not later than 1 year		1,035	1,025
Later than 1 year but not later than 5 years		2,764	3,798
Later than 5 years		-	-
<b>Total</b>		<b>3,799</b>	<b>4,823</b>

The total lease payments recognised as an expense in the year ended 31 March 2020 were £1,007,095 (six months ended 31 March 2019, £259,183).

The above operating leases relate to:

- MaPS's office at 5th Floor, 120 Holborn. The lease started on 8 March 2014 for a 10-year period, ending on 7 March 2024. A 24-month rent-free period was granted at the start of the operating lease (March 2014 - February 2016). In accordance with IAS 17 (Leases), the rent-free period was amortised over the duration of the lease. A contribution of £225,000 from the landlord towards renovations of the office has also been amortised over the duration of the lease. This lease was novated from MAS under the Transfer Scheme
- MaPS's office at 1st Floor, Leather Lane. The lease started on 21 December 2018, ending on 7 March 2024. A three-month rent-free period was granted at the start of the operating lease (December 2018 - February 2019). In accordance with IAS 17 (Leases), the rent-free period was amortised over the duration of the lease
- MaPS's office at 6th Floor, 11 Belgrave Road. The lease started on 15 June 2010, ending on 28 March 2021. A six-month rent-free period was granted at the start of the operating lease (June 2010 - December 2010). In accordance with IAS 17 (Leases), the rent-free period was amortised over the duration of the lease. This lease was novated from TPAS under the Transfer Scheme
- MaPS's storage in the basement at 120 Holborn. The licence started on 19 December 2018, ending on 18 December 2020

## 12. Related-party transactions

MaPS is a non-departmental public body sponsored by the DWP. The DWP is regarded as the ultimate controlling related party. MaPS submits quarterly Grant-in-Aid bids to the DWP. Once the DWP approves the quarterly bid, the agreed amount is released to MaPS.

During the 12 months to 31 March 2020, MaPS received Grant-in-Aid amounting to £112,184,264 (six months ended 31 March 2019, £2,107,000) from the DWP.

MaPS also received revenue from levies collected by the FCA in the 12 months to 31 March 2020 of £108,576 (six months ended 31 March 2019, £16,660,420).

MaPS's 5th Floor accommodation and basement storage space at Belgrave Road, formerly occupied by TPAS, was provided by HM Revenue & Customs (HMRC) under a Memorandum of Terms of Occupation (MOTO) arrangement until 30 June 2019. During the 12 months to 31 March 2020, MaPS incurred rent, rates and service charges to HMRC amounting to £88,424 six months ended 31 March 2019, £33,904).

In addition, MaPS entered into secondment agreements for staff with the DWP, Home Office, HM Revenue and Customs, the FCA and the Cabinet Office.

All transactions with Directors are disclosed in the Directors' Emoluments section of the Remuneration and Staff Report. No Directors had any other transactions with MaPS during the year.

### **13. Financial instruments and associated risks**

MaPS's policy is that no trading in financial instruments is undertaken.

MaPS does not face the degree of exposure to financial risk that commercial businesses do. In addition, financial assets and liabilities generated by day-to-day operational activities are not held in order to change the risks facing MaPS in undertaking its activities. MaPS relies upon the DWP for its cash requirements, having no power itself to borrow or invest surplus funds. The short-term liquidity and interest rate risks are therefore slight. MaPS does not have and has not had an exposure to foreign currency risk.

The fair values of MaPS's financial assets and liabilities for both the current period and comparative year do not differ materially from their carrying values.

### **14. Events after the reporting date**

In accordance with the requirements of IAS 10 (Events After the Reporting Period), post-Statement of Financial Position events are considered up to the date on which the financial statements are authorised for issue.

In October 2020, the landlord of the MaPS office at 6th Floor, 11 Belgrave Road, advised us that they were carrying out an outstanding rent review (dated 20 November 2017). This is still subject to negotiation, but we estimate the backdated rent in arrears would be £40,573 and the increase in lease commitments not later than one year (Note 11) £17,066.

The Accounting Officer authorised these financial statements for issue on the same date as the Certificate and Report of the Comptroller and Auditor General.



## 15. Revenue from levies and Grant-in-Aid from the DWP

Revenue from levies received from the FCA in the 12 months to 31 March 2020 was £108,576 (six months ended 31 March 2019, £16,660,420). During the 12 months to 31 March 2020, MaPS received Grant-in-Aid amounting to £112,184,264 (six months ended 31 March 2019, £2,107,000). £2,111,417 (six months ended 31 March 2019, £630,804) of the total amount was applied to capital expenditure.

## 16. Transfers under absorption accounting

The Single Financial Guidance Body (SFGB) was formed on 1 October 2018, established by the Financial Guidance and Claims Act 2018. The SFGB incorporated the assets, liabilities and functions of MAS, TPAS and Pension Wise on 1 January 2019. The SFGB was renamed The Money and Pensions Service (MaPS) in April 2019

This transfer of functions is accounted for as a transfer by absorption in accordance with the FReM. Under absorption accounting, balances are transferred at the carrying value on the date of transfer. The total gain or loss on absorption, which reflects the net assets or liabilities being transferred, is recognised as a non-operating gain/loss in the Statement of Comprehensive Net Expenditure. There has been no recognition of goodwill and no restatement of comparatives in the primary financial statements. Historical financial information of the predecessor bodies is not included as, in accordance with the FReM, there is no lead body and all bodies are equal within MaPS. The recorded amounts of net assets have been brought into the financial statements of the predecessor bodies from 1 January 2019. The net asset carrying value has been recorded as a non-operating gain from the transfer of function, through net expenditure.

The total assets and liabilities received from MAS and TPAS on 1 January 2019 were:

Assets and liabilities transferred	TPAS£ '000	MAS £ '000	Total £ '000
Intangible assets	60	314	374
Property, plant and equipment	140	213	353
Trade and other receivables	208	8,120	8,328
Transferred in advance to MaPS	0	21,447	21,447
Cash and cash equivalents	861	500	1,361
Trade and other payables	(356)	(22,828)	(23,184)
Current tax liabilities	0	(19)	(19)
Provisions	(40)	(149)	(189)
<b>Total transfers</b>	<b>873</b>	<b>7,598</b>	<b>8,471</b>



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