

MINUTE OF EXECUTIVE COMMITTEE MEETING

16 May 2018

Present: Louis Taylor (Chair) Attending: Helen Meekings
Cameron Fox
Richard Smith Morgan
Gordon Welsh
Shane Lynch
Davinder Mann

Apologies: None

1 Review of Minutes, Actions

1.1 The minutes and actions of the previous meeting of 2 May 2018 were reviewed and subject to a minor amendment, approved. The meeting agreed that a strategic away-day should be organised for July.

2 General Update, DIT and HMT

2.1 The meeting discussed the recent customer conference and all agreed that it went very well and that a similar event should be held in 2019. Attendees commented that the Marketing Team had done an excellent job in staging the conference.

2.2 The CEO updated EC on DIT and the meeting noted that there would not be a pulse survey. The meeting also discussed the legal position regarding the use of Salesforce and the DIT Data Hub.

2.3 EC reviewed recent general and case specific discussions with HM Treasury. It was agreed that there should be one contact person within UKEF to act as a liaison point with HM Treasury. It was agreed that the Head of CXO would propose options to EC. The meeting also covered the need to establish a centrally managed database of delegated authorities.

2.4 EC members noted upcoming Ministerial submissions.

3 Head of Operational Risk 2017/18 Annual review

3.1 EC reviewed the Operational Risk Annual Review, noting that the number of risks recorded had increased. EC agreed that the substance of the paper was correct but asked that the Operational Risk Division should reflect on the tone used before submitting to the Risk Committee.

4 Review of Incidents 2017/18

4.1 EC assessed incident reporting for 2017/18. EC members discussed how assurance could be given that all incidents were reported. It was noted that incident reporting was a work in progress but the number of incidents that were reported in 2017/18 had increased over prior years and was now on a similar level to other similar sized government organisations.

4.2 EC requested that the Operational Risk Division provide some context around the review, for example identifying what the financial impact of the incidents was.

5 Strategic risks register – Spring 2018 update

5.1 EC reviewed the changes to the Strategic Risk Register, prior to its presentation to the Risk Committee.

5.2 EC also reviewed the strategic risks described in the document and suggested some changes to the ratings of the risks and how they were presented in the pictorial representation of the key risks. The amended register would then be presented to the Risk Committee.

6 Legacy COO Quarterly Report

6.1 EC reviewed the COO Quarterly Assurance Report for the Risk Committee. It was noted that due to the changes in responsibility following organisational changes this would be the last of this type of report provided to the Risk Committee. It was

agreed that the Risk Committee terms of reference needed to be amended to reflect changes to the organisational structure.

- 6.2 EC approved the paper for submission to the Risk Committee and agreed that the Chief Risk Officer and the Risk Committee should discuss what should be covered in a replacement.

7 Spending Review 2019 (SR19) Initiation

- 7.1 The CFOO presented a paper on UKEF's proposed approach to the forthcoming Spending Review. The meeting heard that it was not expected that details will be forthcoming on HM Treasury's approach until later in 2018 but that HMT had indicated that larger departments would be briefed soon. It was noted that the Spending Review would most likely cover the spending period from 2020-21 to 2022-23 with the base line year being 2019-20.
- 7.2 It was agreed that UKEF should commence planning different scenarios for the review now. However, it was also noted that it was unlikely UKEF would have to submit anything until March 2019. The meeting endorsed the approach in the paper and that the CFOO would provide further information to EC following HMT's presentation to the UKEF Board.

8 Operational Plan 2018-19

- 8.1 EC reviewed the Operational Plan for 2018/19. It was noted that the document had improved since the last time it was submitted to EC. Members discussed a few minor cosmetic tweaks, primarily around aligning input objectives to priorities. It was agreed EC members would provide specific feedback to Cameron.
- 8.2 EC considered the objectives relating to customer numbers and agreed that Gordon would look at the methodology behind the target numbers.

9 Annual Security Review

- 9.1 EC reviewed the Annual Security Review and endorsed the paper for submission to the Risk Committee.

10 Learning and Organisational Development strategy

- 10.1 EC reviewed a paper covering the L&D strategy. EC discussed the maturity of different professions across government. It was noted that some roles within UKEF did not map to a particular profession, for example those that worked in credit risk.
- 10.2 EC agreed the recommendations made in the paper and that a quarterly STARS award, sponsored by EC, specifically awarded to good leadership behaviours would be created.

11 Financial Highlights 2017/18

- 11.1 The Chief Finance and Operating Officer presented a paper on Financial Highlights for 2017-18 which was due to be provided to the May Board meeting.
- 11.2 EC endorsed the paper.

12 A.O.B

- 12.1 EC discussed whether an Accounting Officer System Statement was required to be published. The CEO noted that it was not necessary as the key information was included within the draft Governance Statement.

Chief Executive's Office

3 HMG Export Strategy

3.1 The EC discussed UKEF input into the HMG Export Strategy, and provided comments for inclusion in the draft.

3.2 EC requested that more focus be given to the Direct Lending facility and that the UKEF parts of the strategy are more closely linked to pledges in the Business and Operating plans in respect of UKEF's international finance specialists.

4 IAAD: IR35 Compliance Report

4.1 EC reviewed the IR35 Audit Report. EC noted that outstanding issues regarding substitution had been resolved by the Director of Resources.

5 IAAD: Management Letter – Expenditure Commitments

5.1 The EC discussed the Audit Report prior to its presentation to the Audit Committee. EC noted that the weaknesses highlighted in the report in respect of the framework of governance, risk management and control.

5.2 EC supported the normal process of publication on the ORD SharePoint site after its presentation to the Audit Committee.

6 IAAD: Post Portal Cyber Audit

6.1 EC discussed the actions suggested in the Audit Report, prior to its presentation to the next meeting of the Audit Committee.

6.2 EC members made some minor suggestions to the drafting of the report which will now be submitted to Audit Committee.

7 IAAD: Case Exposure Audit

7.1 EC reviewed the audit which had provided a “moderate” audit opinion and was presented to EC for discussion.

7.2 EC recalled that although the report appeared marginally worse than last year, it had shown an improvement over the longer term. EC noted that most highlighted

issues had been identified in the Short-Term business area and work was underway to address them.

7.3 EC endorsed the recommendations in the Audit Report and undertook to improve management oversight on the issues identified.

8 A.O.B

8.1 The Acting Chief Risk Officer updated EC in respect of work being done on the Portfolio Management Initiative. He reported that solid progress is being made.

8.2 EC discussed the recruitment activity in the Chief Finance and Operating Officer and the Chief Risk Officer's Divisions.

Chief Executive's Office