

MINUTE OF EXECUTIVE COMMITTEE MEETING

3 April 2019

Present: Louis Taylor (Chair)
Gordon Welsh
Davinder Mann
Cameron Fox
Richard Simon-Lewis

Attending:

[REDACTED]

Apologies Shane Lynch
Samir Parkash

Secretary:

[REDACTED]

1 Review of Minutes, Actions

- 1.1 The minutes for the EC Meeting on 20 March were reviewed and pending some minor amendments, approved.
- 1.2 The actions log was reviewed and discussed.

2 General Update, DIT and HMT

- 1.3 The Chair updated the meeting on the EXIM bank conference which was held in Washington at the end of March. The meeting noted that Louis contributed to a panel discussion on 'Strategic Trade Finance: The ECA Competitive Advantage'.
- 1.4 The Committee discussed the briefing paper that John Mahon had been commissioned to produce on the activity between sector teams and UKEF. It was noted this would be provided to the next Board meeting.
- 1.5 Members discussed the Concordat and the explanatory documents that sit alongside it.

3 Marketing and Communications: Review of 2018-19

- 3.1 The Head of Marketing and Communications introduced a paper which reviewed Marketing and Communications activities in 2018-19.
- 3.2 The meeting welcomed the paper and noted the improvement in performance. Members suggested that more detail on the Marketing Qualified Leads (MQLs) would help to provide context to the paper. The Committee approved the paper to be shared with the Board subject to a page being added on efficiency, effectiveness and value for money.

4 Marketing and Communications: Forward look 2019-20

- 4.1 The Head of Marketing and Communications took Members through the marketing and communications plan for 2019-20.
- 4.2 The Committee commended the work done by the Marketing and Communications team.

5 Marketing and Communications: Definitions of companies supported

- 5.1 The meeting noted that at a Board strategy workshop in October, the Board requested that UKEF consider the definition of a company supported, to ensure that it appropriately recognises the wider benefits UKEF's support has for the UK supply chain. The paper presented reflected the Board's request.
- 5.2 The Committee heard that Business Group, Origination, Client Coverage, Marketing & Communications, Business Insight Centre and the Chief Executive's Office worked together to agree a definition of companies supported, falling into three "tiers".
- 5.3 It was agreed that the customer data included in the Annual Report would cover Tier one and Tier two customers – but only counting actual Tier two numbers for 2018/19 rather than estimates.
- 5.4 It was recognised that the tier two data would get more robust in time.
- 5.5 Following this data gather, members agreed to compare the numbers and make a decision about what will be included in the Annual report for 2018/19 and what would be included in the Performance report.

6 Annual opinion themes 2018-19

- 6.1 The Head of Internal Audit presented a paper covering the summary themes that would form the basis of her annual opinion. The meeting discussed the themes and suggested some wording changes. The meeting agreed that the themes represented a good summary of the findings of IAAD reports for 2018-19.

7 IAAD audit Report 2018/19 – GDPR

- 7.1 The Head of Internal Audit introduced the audit report. The meeting noted that it was a thorough report and that they supported the findings. Members discussed the management actions and agreed to work with the Head of Internal Audit to provide more detail around completion dates for audit actions.
- 7.2 Executive Committee formally accepted the report and noted the assurance given.

7.3 IAAD audit Report 2018/19 – Enterprise Risk Management

- 7.4 The meeting noted that there wasn't an assurance rating on this piece of work. Attendees agreed that it was a useful report and agreed that ERM management within UKEF had scope for development.
- 7.5 The meeting was informed about changes that would bring about a more organised, coordinated approach to enterprise risk.
- 7.6 The Committee discussed other departmental approaches to ERM noting that there was no consistent approach.

7.7 IAAD management letter 2018/19 – Product lifecycle management

- 7.8 The head of Internal Audit introduced the management letter which examined the end to end process of how UKEF developed and launched new products, made changes/ customised existing products and determined which products were retired.
- 7.9 The meeting accepted the management actions and noted that the letter provided a lot of insight. The Head of Business Group agreed to speak to the Chair of the Risk Committee and report back to the Chief Executive and the Head of Internal Audit on his response.

8 A.O.B

- 8.1 The meeting discussed procedures around papers that impact on policy and members decided that relevant papers should be agreed by both UPP and Legal prior to being submitted to EC.
- 8.2 The Head of Legal and Compliance agreed to provide a note to EC by the end of May covering admin fees and charges.

Chief Executive's Office

MINUTE OF EXECUTIVE COMMITTEE MEETING

10 April 2019

Present: Louis Taylor (Chair)
Samir Parkash
Davinder Mann
Cameron Fox
Richard Simon-Lewis

Attending: [REDACTED] Andy Blacksell, [REDACTED]

Apologies Shane Lynch
Gordon Welsh

Secretary: [REDACTED]

1 Review of Minutes, Actions

- 1.1 The minutes for the EC Meeting on 03 April were reviewed and, pending some minor amendments, approved.
- 1.2 The actions log was reviewed and discussed.

2 Annual Report – Initial Drafts of Key Sections

- 2.1 The Head of Strategic Communications & Media Relations presented drafts of key sections of the Annual Reports and Accounts 2018-19 (ARA) document.
- 2.2 The meeting reviewed the drafts and commended their high quality. Members suggested some minor changes to the text and agreed their preferred cover design samples. The Committee noted that it will have the opportunity to review other sections of the ARA in May.

3 Financial Crimes Compliance Update

- 3.1 The Head of Compliance updated the Committee on progress towards implementing the Financial Crimes Compliance (FCC) function.
- 3.2 The Committee noted the Risk Appetite Statement, which commits UKEF to having appropriate systems in place to mitigate the risk of supporting transactions involving financial crime.

- 3.3 Members noted the timeline for the implementation for resources for the FCC function but that, since the implementation of the framework in early 2019, gradual improvements around compliance have been noticed and these are expected to continue.
- 3.4 The Committee approved the Risk Appetite Statement and agreed the approach to party verification is appropriate.

4 Strategic Risk

- 4.1 The Chief Risk Officer presented a paper on the Strategic Risk Register.
- 4.2 The Committee heard proposals to amend the categorisation of a number of risks and to introduce new risks.
- 4.3 The Committee discussed the merits of the paper.
- 4.4 Members noted the importance of ensuring that, where risks are elevated, there is a suitable plan of mitigating them in place.

5 2019/20 Transformation and Change Plan - Prioritisation

- 5.1 The Head of Change, Project Delivery and Innovation and the Head of Change and Innovation introduced a list of priority projects for available funding under the 2019/20 Transformation and Change Plan (TCP).
- 5.2 This paper followed the Operating Cost Budget 2019/20 paper presented to the Committee on 20 March 2019 concerning the need for a review of potential budget reductions.
- 5.3 The Committee heard that the planned financial spend is designed flexibly to accommodate for overspend, by stopping some projects, or for underspend, by maintaining a pipeline of projects which could be brought forward quickly.
- 5.4 Members discussed the difficulty of making budget changes, particularly where resources are constrained, and agreed the importance of assessing the budgets for individual projects on a rolling basis to maintain awareness of any relevant issues.
- 5.5 The Committee endorsed the list of priority projects.

6 IAAD Progress Update

- 6.1 The Head of Internal Audit presented a progress update.
- 6.2 The meeting noted that the rate of closure on audit actions was good, although some outstanding actions remained from FY 2018-19. The Committee also heard

that there was an improvement in results in 2018-19 from the previous year with more moderate results recorded.

- 6.3 Members discussed the external quality assessment planned for this year.
- 6.4 The Committee accepted the update.

7 IAAD Annual Opinion

- 7.1 The Head of Internal Audit introduced IAAD's annual opinion on the adequacy and effectiveness of UKEF's framework of governance, risk management and control.
- 7.2 The Committee noted that the opinion, while reflecting the Audit Reports undertaken throughout the year, affords an opportunity to speak beyond the restrictions of an Audit Report.
- 7.3 The Chair suggested taking into account the importance of basing a trust culture on the value of employees.
- 7.4 The Committee accepted the opinion.

8 IAAD Plan 2019-20

- 8.1 The Head of Internal Audit presented the draft plan for IAAD activity for the coming financial year.
- 8.2 The Committee noted how comprehensive the plan is. Members discussed the particular audits included and provided feedback on their selection and focus.

9 IAAD Audit Report: Ownership

- 9.1 The Head of Internal Audit presented IAAD's key findings and agreed management actions following an audit of Ownership, which has been given a moderate opinion.
- 9.2 The Committee discussed the issues raised by the audit, particularly in relation to the wider ownership environment. The meeting noted the importance of ownership towards the development of the department.

10 DIT, HMT and General Update

- 10.1 The Chair provided an update from recent meetings. The Committee discussed EU Exit preparedness and noted that UKEF's business is expected to continue operating as usual.

11 A.O.B

11.1 The Chief Risk Officer will circulate the actions in relation to the ORM Framework document to Committee members by Written Procedure.

11.2 The Gender Diversity Consultation will be discussed by the Committee at the next meeting.

Chief Executive's Office