

Minutes of a meeting of IPSA's Board

Tuesday 24 March 2015

Present: Sir Ian Kennedy, Chairman
Sir Neil Butterfield
Liz Padmore
Anne Whitaker
Professor Tony Wright

In attendance: Marcial Boo, Chief Executive
John Sills, Director of Policy and Communications (AOB)
Judith Toland, Director of Operations
Naomi Stauber, Head of Board and Chief Executive Office
Head of IT and Data Security (Item 3)
Peter Davis, Compliance Officer (Item 5)

Apologies: John Sills, Director of Policy and Communications (for items 1 – 7)

Status: Submitted for approval at the meeting of the Board on 8 April 2015

Publication: Section 5 is not for publication.

1. Welcome and Declarations of Interest

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 The Chairman invited Board and staff members to declare any interests not previously recorded. No interests were declared.

2. Minutes of previous meetings and matters arising

Minutes

- 2.1 The minutes of the meeting held on 18 February 2015 were approved as a correct record, subject to a number of minor amendments.
- 2.2 The note of the Board's Workshop on MPs' pay held on 18 February 2015 was approved as a correct record.

Actions arising from the previous meeting

- 2.3 The Head of Board and Chief Executive Office noted that a number of outstanding actions had been completed since the publication of the agenda and updated the Board accordingly.
- 2.4 The Board noted that the following action arising from its recent Workshop on MPs' pay had not been included in the action list and requested its inclusion:

"The Board asked the Head of Communications to consider the key messages that could be used post-General Election".

3. IPSA's Approach to IT

- 3.1 IPSA's Head of IT and Data Security introduced the report which presented IPSA's proposed approach to IT for 2016-21. The Board was asked to consider, in particular, how future changes that IPSA makes to the Scheme of MPs' Business Costs and Expenses or to its operating model might require the organisation to adapt its approach to IT.
- 3.2 The Board considered the report and noted, in particular, that:
 - The primary focus for the organisation's IT strategy to date has been to exploit the existing IT investment whilst improving and optimising the currently installed systems. The approach to IT for the new Parliament acknowledges IPSA's priorities, its aspirations and the developing nature of the organisation. Its overarching aim is to harness the potential of ICT to provide benefit to MPs, their staff and IPSA, and value for money to the taxpayer.

- IPSA's current IT systems were assessed in this context. It was concluded that the current infrastructure will not enable the organisation to achieve its aspirations to improve and develop its administration, processes and services, and given the imminent expiry of the support contracts, it was time for a change in approach.
- Three options for change have been considered: the first is to retain the current approach; the second to start again and redesign the entire hardware and application architecture; the third, favoured approach, to change individual components. This last approach will allow the organisation to be flexible and adapt to longer-term needs.
- The proposed approach is designed to address the shortcomings of the current IT systems in six areas: Data Architecture; Application Architecture; Management Information; Infrastructure Architecture; Security; and Communications.

Infrastructure Architecture

- 3.3 The Board noted that the 'infrastructure architecture' strand will involve a move from a physical architecture to one based on virtual servers and cloud technology, and will involve designing existing and new services for mobile delivery. The use of cloud technology will enable the organisation to reduce the number of physical servers from 30 to around 4 – 6.
- 3.4 The Board questioned the security risk associated with cloud technology and of storing information in a virtualised environment. The Board received assurance that IPSA would have a private cloud, thereby mitigating this risk. It noted that a key part of the approach is to ensure the organisation is able to make safe and secure use of ICT investments and protect its data and services from internal and external threats.

Data Architecture

- 3.5 This strand will, at a high-level, establish an enterprise data architecture that comprises a system of consolidated data and exploits the benefits of a Master Data structure. This will provide processes for collecting, aggregating, matching, consolidating and distributing data throughout the organisation, thereby improving efficiencies, data quality, and providing a better foundation for reporting information.
- 3.6 The Board noted that this will allow MPs to make IPSA's data more accessible to MPs, enabling them to self-serve to a much larger degree.

Enterprise Applications

- 3.7 This strand will provide effective administrative systems that support efficient, streamlined and consistent business processes and provide high-quality information.
- 3.8 The Board noted the proposal to review all of IPSA's applications to determine whether they are fit for purpose, and whether they should be retained, amended or replaced entirely. This will be achieved through a component approach. In doing so, important applications can be prioritised for assessment and upgrading, thereby enabling the organisation to change its systems in a low risk way over the next 18 months.
- 3.9 The Board emphasised the importance of recording and producing accurate data and information, and raised concerns that the component approach will prolong the time taken to upgrade IPSA's applications and systems. This will in turn prolong the period for which IPSA will be using manual 'work-arounds' which are the primary cause of inaccurate data. The Chief Executive assured the Board that he will manage the situation with the systems currently in place, and will work to eliminate outstanding challenges month-on-month, up until the point that they are resolved completely.
- 3.10 The Board discussed the costs associated with the proposed approach. The Chief Executive explained that, subject to the base costs and the review of IPSA's applications, IPSA can be flexible in respect of choosing which applications to change and when, thereby controlling the costs and the risks.
- 3.11 The Board noted the importance of thinking to the future to ensure that firstly, any changes made now will not prevent us from developing our approach and upgrading our systems again in a few years, and, secondly, that we are aware of emerging technologies that will affect our operation (such as advances in methods of payment).
- 3.12 The Board agreed to endorse the proposed approach to IT, as presented.

ACTION: Head of Board and Chief Executive Office to ensure that the Board are provided with the formal document setting out the approach to IT for its information.

4. Preparation for the General Election

4.1 IPSA's Director of Operations updated the Board on IPSA's preparation for the General Election, reporting that the General Election Programme is on target. The team have now moved on from the planning stage to the delivery stage, including meeting and supporting MPs, preparation of the year-end budget, reconciliation of debt, and Dissolution.

4.2 The Board noted, in particular, that:

- IPSA had written to 60 MPs who had bought items of significant Capital Expenditure (such as iPads and laptops) shortly before the moratorium on such purchases six months before the General Election, to seek assurance that the expenditure was for equipment that was exclusively and necessarily required to carry out their parliamentary functions. Some MPs had taken exception to these requests for assurance.
- The team had recommended to the MPs in question that these items should be donated to charity after the General Election, although IPSA had no powers to enforce this. Consideration needed to be given to tightening the rules in this respect and should form part of the Fundamental Review of the Scheme.
- The Director of Operations will prepare a report to the Board on all the lessons that had been learnt from the General Election, so that issues such as the rules on Capital Expenditure prior to an election can be reviewed and changed where necessary.
- The main risk to the organisation is the possibility of a second General Election either in the autumn or in the spring of 2016, by which time IPSA's temporary election staffs' contracts will have ended. This would prove to be problematic for a number of reasons – logistically, in terms of recruiting and re-training new staff from scratch, and financially in terms of potentially requiring a supplementary Estimate. These risks would need to be carefully managed.

4.3 The Board agreed to note the report and to thank the Director of Operations, and her team, for their hard work to date.

ACTION: Director of Operations to ensure that the risk register for the General Election includes the risk of our having to go back to SCIPSA for a supplementary estimate, in the event of a second election later in the financial year.

5. Compliance Officer's Report: *Not for Publication*

5.1 The Board considered the report.

6. Chief Executive's Report

6.1 The Chief Executive introduced a paper setting out his work since he last reported to the Board in February, highlighting that the organisation is moving forward in a positive way. He noted, in particular, that:

- He and the Director of Policy and Communications had conducted a number of interviews over the past few weeks for the position of Head of Communications. A preferred candidate had been identified and will meet the Chairman during the course of the next week.
- IPSA's public evidence session with the Speaker's Committee for IPSA on 26 February, for the approval of IPSA's Estimate 2015-16, went well. Following the meeting the Committee wrote to seek further information about the assumptions underpinning subhead A, which was provided. The Committee had subsequently indicated its approval, although the formal confirmation from the Speaker was awaited¹.
- Last month the Board was informed of an emerging reputational risk relating to non-payment of Social Mobility Foundation grants. It came to light that the invoices that IPSA issued to the Social Mobility Foundation (which are recorded as income on the Finance Report) had not been paid by the charity for nearly 18 months. The Chief Executive expected to resolve the issue by the end of the month.

6.2 The Board noted the Financial Position and the Management Accounts for January 2015, the KPIs for January 2015, and the list of the Chief Executive's and Chairman's meetings with MPs and officials since his last report

7. The Board's Programme of Work from April to September 2015

7.1 The Head of Board and Chief Executive Office presented the Board's new programme of work for the next six months.

7.2 The Chairman of the Remuneration Committee noted that the Committee will need to convene over the coming months firstly, to consider the Annual Remuneration Report and secondly, to consider the Annual Review of Senior Staff Salaries.

¹ The Speaker's formal confirmation of the approval of IPSA's Estimate 2015-16 was received on 26 March 2015.

- 7.3 The Board noted that the Audit and Risk Assurance Committee's meeting on 24 June may need to be extended slightly to allow the Committee to consider the Draft Annual Report and Accounts.
- 7.4 The Board approved its work programme as presented, subject to the amendments referred to in paragraphs 7.3 and 7.4.

ACTION: Head of Board and Chief Executive Office to amend the Board's work programme in light of its comments.

8. Any other business

- 8.1 IPSA's Director of Policy and Communications updated the Board on the Court of Appeal hearing that he had attended earlier in the day. He reported that the judgement would not be handed down prior to Easter, but may appear prior to the General Election.

Meeting closed.