

GAMBLING COMMISSION

GCM(15)08

Minutes of the meeting of the Board of Commissioners

Victoria Square House, Birmingham (Boardroom)

29 October 2015

Attendees: Mary Chapman
Robin Dahlberg
Philip Graf (Chair)
Anthony Lilley
Walter Merricks
Jonathan Scott
Trevor Pearce
Graham Sharp
Peter Teague

Apologies: Alison Hastings

In attendance: Chris Belai (for item 4)
Eve Brown (for item 6)
Brad Enright (for item 7)
Sarah Gardner
Ben Haden
Sue Harley
Sarah Harrison
Matthew Hill
Elaine King (Notes)
Neil McArthur
Nick Tofiluk
Helen Venn (for item 7)

Declarations of Interest: Jonathan Scott declared an interest in item 5.

1. The Chair thanked Matthew Hill for his contribution to the Commission over the last seven years and wished him well for the future.
2. The Chair also thanked Mary Chapman for her contribution as Chair of the National Lottery Commission Remuneration Committee and latterly the Gambling Commission.

Item 1: Minutes and action points of the last meeting

3. The minutes of the meeting held on 17 September 2015 were approved.
4. Matters arising from the minutes:
 - Proposed amendments to LCCP for all operators in relation to the prevention of crime were undertaken and the consultation document issued on 30 September
 - Corporate Governance Framework – the revised framework has been uploaded to the Gambling Commission website.

- Testing strategy – a pre-consultation briefing paper will be issued by the end of November.

5. The rolling actions were reviewed and updated.

Item 2: Report from the Remuneration Committee

6. The Chair of the Remuneration Committee provided the Board with a summary of the key issues discussed at the meeting held earlier in the day.
7. The Board noted the details of the employee pay award and the recent equal pay audit.
8. Nineteen HR people policies have been completed and rolled out. A further two policies are due to be reviewed in the New Year. The policies will be subjected to regular HR review.
9. The finalised People Strategy is due to be presented to the Board in January 2016.

Item 3: Report from the Audit Committee

10. The Chair of the Audit Committee provided the Board with a summary of the key issues discussed at the meeting held earlier in the day. Three internal audit reports had been presented and noted
11. The Committee had also discussed information security and ICT strategy, risk management and progress to complete internal audit recommendations
12. The Board noted the report.

Item 4: Report from the National Lottery Committee

13. The Chair of the National Lottery Committee provided the Board with an oral summary of the key operational issues discussed at the October Committee meeting. This included Project Mint (the revisions to the Lotto game), sales, licence competition.
14. Camelot attended the October Committee meeting to present their five year plan which included discussion about digital strategy
15. The minutes of the September National Lottery Committee meeting were noted.

Project Amigo

16. The Head of National Lottery Licensing and Enforcement provided the Board with a presentation on the background to Project Amigo and recent developments to the proposal.
17. The Board noted the contents of the presentation. A further update is to be presented to the Board in December 2015 and January 2016.

Item 5: Report from the Chief Executive: GCP(15)64

18. The Chief Executive introduced the report summarising the key operational activities undertaken since the last Board meeting. Additional updates on work that had been undertaken after the report was prepared were provided.
19. The Board noted the following:
 - The closing date for the employee survey is 31 October. Results will be available on 12 November and will be shared with Commissioners via correspondence in advance of the December Board meeting.
 - Public workshop held on 24 September on the approach to setting fees. Feedback was invited on the general approaches to recovering costs through fees and any other specific areas.
 - A two-day business plan stocktake is taking place on 4 and 5 November. Feedback on the outcome is to be provided to the Board.
 - External Stakeholder Engagement Plan progress to date.
 - Proposals for revisions to Executive meeting structure.
20. The Director – Regulatory Risk and Analysis provided the Board with an update on the recent discussions with DCMS regarding online self-exclusion. The Board noted the update and asked the Executive to provide them with a chronology of the correspondence with DCMS about the development of a national online self-exclusion database.

Item 6: Omand Risk Review and corporate risk register: GCP(15)65

21. The Executive Director outlined the work undertaken since the last Board review of the Corporate Risk Register in May. The Executive has reviewed the Commission's corporate risk register to ensure that risks are articulated correctly and that the mitigations are clear.
22. As part of that review the Board undertakes a six-monthly risk review using the following Omand categories: external; operational and self-imposed
23. The Board was advised that the objectives of the Board Omand risk review are to
 - review the top quartile corporate risks and the overall risk profile
 - identify any additional risks/opportunities/mitigations that the Board feel should be included – with a specific focus on external risks
 - review the existing risk appetite model.
24. The Board considered the top quartile corporate risks and requested work is undertaken to further refine and in some cases re-categorise the risk profiles.
25. The Board considered new external, operational and self-imposed risks and requested that consideration be given to incorporating those identified into the corporate risk register. One of the key areas for review is that of electronic information management and security for both operators and the Commission.
26. The risk register will be brought back to the Board once the revisions have been undertaken. Next steps include revisiting the Board's risk appetite, re-profile and refocus the risks, and to identify priorities.

Item 7: Controlling where gaming machines may be played- condoc: GCP(15)66

27. The Senior Manager – Sector and Thematic introduced the draft consultation document which proposes changes to the Licence Conditions and Codes of Practice and the Guidance to Licensing Authorities.
28. The Board considered the proposed changes and provided comment.
29. Subject to minor drafting changes and sign-off by the Chief Executive the Board agreed to the publication of the consultation document. A suggested publication date of 30 November was noted.
30. The results of the consultation will be brought back to the Board.

Item 8: Overview of consumer protection and the fair and open objective: GCP(15)67

31. The report provided the Board with an overview of the Commission's approach to consumer rights and the fair and open objective. The paper sets the context for individual pieces of work which have, or will be, presented to the Board for approval.
32. The Board noted the schedule of work for 2016 and the overall approach to the issues.
33. The Board will be kept up to date on progress with timely updates.

Item 9: Minor expansion to AML supervisor role – casinos: GCP(15)68

34. Non-remote casinos are currently subject to dual regulation for anti-money laundering purposes. In addition to the Gambling Commission being the supervisory authority for casinos, they are subject to registration with, and AML supervision by HMRC.
35. The Board was invited to approve the proposal that the Commission put in place an arrangement under Regulation 23(2) of the Money Laundering Regulations to take responsibility for those elements of money laundering supervision in casinos that would otherwise be supervised by HMRC.
36. The Board approved the proposal.

Item 10: Financial report: GCP(15)69

37. The Financial report for September provided the Board with a mid-year review of the Commission's financial performance for the year-to-date.
38. The Board noted the report.

Item 11: Responsible Gambling Strategy Board – quarterly update: GCP(15)70

39. The paper provided the Board with an update on the progress of the Research, Education and Treatment arrangements.
40. The Board noted the report.