

DEVON PENSION BOARD ANNUAL REPORT 2016/17

The Devon Pension Board was established in 2015, following the introduction of new governance arrangements under by the Public Sector Pensions Act 2013. The Board is composed of four members representing scheme members, four representatives of scheme employers and one non-voting independent member.

The role of the Devon Pension Board is to provide scrutiny of the governance and administration of the pension fund, assisting the Administering Authority in securing:

- compliance with LGPS and any other relevant legislation;
- compliance with requirements imposed by the Pensions Regulator in relation to the LGPS;
- the effective and efficient governance and administration of the LGPS.

The Board makes recommendations to the Investment and Pension Fund Committee and to officers to improve governance standards.

Some of the key areas of work undertaken by the Board during 2016/17 are detailed below:

- Review of the internal audit reports for 2015/16 and the Internal Audit Plan for 2016/17. Additional information was requested regarding the process used to appoint the Independent Advisor and plans to implement performance monitoring in this area. The Board also requested greater clarity in future reports, in order to determine which organisation had commissioned individual audit reviews.
- Consideration of the External Audit report covering the Pension Fund Annual Report and Statement of Accounts 2015/16. While the External Audit Findings Report did not identify any control weaknesses and an unqualified opinion was provided, the Board questioned the financial levels of 'materiality' specified by auditors set out in the annual report. The Board accepted that that Council is unable to dictate or force any change to these levels.
- Adoption of a statement on impartiality, recognising the need to avoid conflicts of interest. The Board recommended that the Investment and Pension Fund Committee should also adopt the statement, and this was agreed at the meeting of the Committee in September.
- In reviewing the Pension Fund Risk Register, the Board identified the following additional risks for inclusion:
 - Brunel Pension Partnership Pooling Arrangements.
 - General reference to staffing issues (sickness), where relevant.
 - The impact of 'Brexit' and consequential changes to regulatory frameworks and legislation.

These were implemented in a revised risk register approved by the Investment and Pension Fund Committee in September 2016.

- A full review of the Statutory Statements, with the aim of making suggestions for improvements where necessary.

- Monitoring minutes from the Investment & Pension Fund Committee meetings held during 2016/17 to ensure that all decisions have been made in accordance with the terms of reference of the Committee.
- A review of the performance statistics of Peninsula Pensions.
- A review of the Pension Fund Annual Report and Accounts for 2015/16, making recommendations regarding more effective means of summarising fund performance in future annual reports.
- Consideration of the Annual Training Plan and reviewing the attendance of Committee and Board members at meetings and training events. Suggestions from the Board were incorporated into the final Training Plan approved by the Investment and Pension Fund Committee in June.

It is a legislative requirement that Pension Board members have the capacity to take on the role, and it is expected that members should receive relevant training. Training sessions are provided throughout the year and details of the events held and attendance can be found on pages xx-xx

Members are also in the process of undertaking self-assessments covering the 6 areas of the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills. The results of this exercise will influence future training sessions and ensure that Board members have sufficient knowledge and skills to carry out their role effectively.

More information on the work of the Devon Pension Board can be found on the Peninsula Pensions website, including links to minutes, agendas and reports from meetings of the Board and the contact details of Board members:

<https://www.peninsulapensions.org.uk/pension-fund-investments/devon-county-council-investments/pension-board/>