

DEVON PENSION BOARD ANNUAL REPORT 2017/18

Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Board before taking effect.

Recommendation: that the Board consider the Devon Pension Board Annual Report for 2017/18

1. Introduction

- 1.1. The Devon Pension Fund Annual Report 2017/18 will be considered for approval by the Investment and Pension Fund Committee later this year. The report will contain the statement of accounts together with other information about the Fund's performance during the year, including the Devon Pension Board Annual Report.

2. Devon Pension Board Annual Report 2017/18

- 2.1. The Devon Pension Board Annual Report details the work undertaken by the Board during 2017/18. The report highlights the areas reviewed by the Board, and the key recommendations that have been reported to and acted upon by the Investment and Pension Fund Committee.
- 2.2. Officers have constructed an initial draft of the report for consideration and review by the Board, which is attached at Appendix 1.

3. Conclusion

- 3.1. The Board is asked to consider the Devon Pension Board Annual Report 2017/18.

Mary Davis

Electoral Divisions: All
Local Government Act 1972
List of Background Papers - Nil
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DEVON PENSION BOARD ANNUAL REPORT 2017/18

The Devon Pension Board was established in 2015, following the introduction of new governance arrangements by the Public Sector Pensions Act 2013. The Board is composed of four representatives of 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 County Council through its Investment and Pension Fund Committee (or such Committee as is appointed to exercise those functions) and to Officers to improve governance standards. The Board may also, in exceptional circumstances and where relevant, also refer matters to the Scheme Advisory Board.

Some of the key areas of work undertaken by the Board during 2017/18 are detailed below:

- **Review of the internal audit reports for 2016/17 and the Internal Audit Plan for 2017/18.** The Board requested follow-up reports providing updates regarding the outstanding audit reviews. The Board also requested definitions of the assurance levels contained within the internal audit reports.
- **Consideration of the External Audit report on the Pension Fund Annual Report and Statement of Accounts 2016/17.** The External Audit Findings Report did not identify any control weaknesses and an unqualified opinion was provided.
- **Devon Pension Fund Risk Register.** The Board recommended that the Risk Register be amended to reflect the following:
 - the addition of the risk of failure for the shared service arrangement with Somerset.
 - the expansion of risk PP6 (Insufficient communication and engagement) to be extended to include reference to employees, in addition to scheme members and employers.

The Board also identified that a breach log is maintained by Peninsula Pensions and requested that an annual report is provided to the Board.

- **Statutory Statements.** The Board conducted a full review of the fund's Statutory Statements and made suggestions for improvements where necessary.
- **Pension Fund Annual Report and Accounts 2016/17.** The Board made recommendations regarding some of the wording contained within the report, including setting out how the Board is able to escalate recommendations and clarification regarding the training of Board members.

- **Minutes from Investment & Pension Fund Committee meetings.** The Board reviewed each set of minutes from the Investment & Pension Fund Committee meetings held during 2017/18 to ensure that decisions have been made in accordance with the terms of reference.
- **Administration Performance.** The Board regularly review the performance statistics of Peninsula Pensions against local performance standards and national CIPFA Benchmarking data.
- **Training and Attendance.** The Board gave consideration to the Annual Training Plan and conducted a review of the attendance of Committee and Board members at meetings and training events.

The Board also recommended that consideration be given to using The Pensions Regulator Trustee Toolkit as a method of self-assessment. The results of these assessments will be used to identify areas of knowledge that require additional training and future training sessions will be designed to incorporate these requirements.

- **CIPFA Pensions Conference - 'Pension Boards Two Years On'.** Two Board members attended a conference held by CIPFA (Chartered Institute of Public Finance and Accountancy) looking at the experience of LGPS Pension Boards over the two years since inception, and reported back to the Board.

This provided an opportunity to network with members of other Pension Boards, share best practice and suggest improvements to how the Devon Board operates.

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 currently completing self-assessment exercises provided via The Pensions Regulator Trustee Toolkit. The results of this exercise will influence future training sessions and will 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/>