

DEVON PENSION BOARD

3 April 2019

Present

Councillors C Slade (Chair) and S Randall Johnson

Fund Employer Representative

Mr C Hearn

Fund Member Representative

Mr A Bowman and Mr P Phillips

Attending in Accordance with Standing Order 25(2)

Councillor R Bloxham

Apologies:-

Mr W Nicholls, Mr G Smith and Mr C Shipp

* **108** **Minutes**

RESOLVED that the Minutes of the Meeting held on 11 February 2019 be signed as a correct record.

* **109** **Items Requiring Urgent Attention**

No item was raised as a matter of urgency.

* **110** **Membership**

The Board noted that two Fund Member representatives were due to expire in 2019 and these positions had been advertised and 22 applications had been received with a good selection across current, deferred and retired members. A shortlist would be produced by Officers and interviews held on 15 April 2019.

* **111** **Internal Audit Report and 2019/20 Audit Plan**

(Councillor R Bloxham attended in accordance with Standing Order 25(2) and spoke to this item referring to extension of audit arrangements to include the Brunel Partnership)

The Board considered the Report of the County Treasurer (CT/19/36) on the Annual Internal Report – 2018/19, the Internal Audit Plan 2019/20 and the Service Level Agreement and the aim of the Plans. The Audit Plan as reported was flexible and would be subject to on-going discussion with senior Officers, as necessary.

The Annual Internal Report 2018/18 provided the Authority with an assurance opinion on the system of internal control of the Fund. Following risk-based reviews and sample testing, there were found to be no major weaknesses in the system of control.

The final audit reports included an action plan and implementation would be reviewed during subsequent audits or as part of a specific follow-up process. Members felt that whilst there would be monitoring/tracking of the action plan (Minute *119 refers) this should also be referenced in the action plans within the audit reports.

Overall, and based on work performed during 2018/19 and prior years, Internal Audit could provide significant assurance on the adequacy and effectiveness of the Fund's internal control environment.

It was **MOVED** by Councillor Slade, **SECONDED** by A Bowman, and

RESOLVED that the Internal Audit Report for 2018/19 be noted and the Internal Audit Plan for 2019/20 be endorsed, subject to a recommendation to the Investment and Pension Fund Committee that the audit plans reference the monitoring/tracking arrangements.

* **112** **Devon Pension Fund Risk Register**

The Board considered the Report of the County Treasurer (CT/19/37) on the identified risks incorporated into the Fund's Risk Register which had not changed since the Board's last meeting. The Report also covered the assessment process and revisions to the Register to mitigate risks. Members noted that generally the degrees of risks identified remained as before and suggested some minor changes to the draft.

It was **MOVED** by Councillor Slade, **SECONDED** by A Bowman and

RESOLVED that the Pension Fund Risk Register be noted (subject to minor drafting changes) and the additional actions proposed to mitigate risk be endorsed.

* **113** **Pension Board Annual Report**

The Board considered the Report of the County Treasurer (CT/19/38) on a draft Devon Pension Board Annual Report which detailed the work undertaken by the Board during 2018/19. The Annual Report highlighted the areas reviewed by the Board, and the key recommendations that had been reported to and acted upon by the Investment and Pension Fund Committee.

The Annual Report would be incorporated into the Devon Pension Fund Annual Report 2018/19 which would be considered for approval by the Investment and Pension Fund Committee later this year. The Pension Fund Annual Report contained the statement of accounts together with other information about the Fund's performance during the year.

Members noted that whilst this Board made recommendations to the Investment and Pension Fund Committee and acted in a scrutiny role looking at the work of the Committee to assist the Administering Authority, it could also report any serious concerns to the Pensions Regulator. Therefore, Members suggested that the wording in the Devon Pension Board Annual Report 2018/19 be changed as follows: 'The Board makes recommendations to the County Council *principally* through the Investment and Pension Fund Committee..'.

It was **MOVED** by Councillor Randall Johnson, **SECONDED** by C Hearn, and

RESOLVED that the draft Pension Board Annual report 2018/19 be approved, subject to the change outlined above.

* **114** **Training Review and 2019/20 Training Plan**

(Councillor R Bloxham attended in accordance with Standing Order 25(2) and spoke to this item referring the on-line training modules undertaken by Members)

The Board noted the Report of the County Treasurer (CT/19/39) on the training plans for 2018/19 and 2019/20 for Members of both the Board and Investment and Pension Fund Committee to comply with the provisions of the Pensions Act 2004 in terms of training requirements and which accorded with good practice in-line with other Funds. As-well as the training plan the Report included a register of training undertaken by Members (Appendix ii of the Report). Members asked that the National LGPS Forum (conference) and the on-line training modules be included in the 'additional training' section, as appropriate.

Members also indicated that a single on-line or paper file containing reference to key documents and glossary of terms/definitions, which could be easily updated, would be useful for new and current Members and there were good examples on-line. The Officers agreed to consider the proposal possibly using the CIPFA framework and similar to the package designed for the Chair of the Board.

* **115 Investment and Pension Fund Committee**

(Councillor R Bloxham attended in accordance with Standing Order 25(2) and spoke to this item referring to the Committee meeting, notably the Strategic Investment Review and appointment of a new Independent Adviser)

The Board received the Minutes of the meeting held 22 February 2019.

* **116 Pension Board Budget Monitoring Report**

(Councillor R Bloxham attended in accordance with Standing Order 25(2) and spoke to this item referring to the aim to align meetings of the Brunel Investment Board, this Board and the Investment and Pension Fund Committee, to improve the flow of information).

The Board considered the Report of the County Treasurer (CT/19/40) on a budget monitoring statement showing the forecast outturn position for the financial year ending 31st March 2019 and the proposed Budget for 2019/20 for the servicing of the Board with the two additional meetings previously agreed.

It was **MOVED** by Councillor Slade, **SECONDED** by A Bowman, and

RESOLVED

(a) that the forecast outturn for the Devon Pension Board budget 2018/19; and

(b) that the Devon Pension Board budget for 2019/20 be approved.

* **117 Peninsula Pension Administration Update and Performance Statistics**

The Board noted the Report of the County Treasurer (CT/19/41) on Team performance and future changes to performance reporting.

During 2017/18, the team had issued 77% of work within target and this remained constant for the 9 months ending 31st December 2018. Performance over January and February had increased to 83%, which brought the total performance for the 11 months ending 28th February 2019 to 78% despite the extensive training plan which was impacting on the normal day-to-day workloads of staff. The Team was also in the process of recruiting to several vacant positions which would help going forward.

Appendix 1 and 2 to the Report showed performance relating to the Devon Fund only for the 11 months ending 28th February 2019 and the longer-term performance. The total number of cases outstanding had dropped significantly over the period.

Future changes to performance reporting related to the process of reviewing and improving methods of reporting performance and would now include performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, which set out the minimum requirements regarding the disclosure of pension information, in addition to the internal service standard targets.

In addition, following review of task classification and prioritisation a revised classification would be fed into future reports to help ensure that tasks were dealt with appropriately and in a more effective and timely manner.

The number of Members of the Fund accessing statements and other information was monitored (current at approximately 30-40%, the lowest users being retired members) and information on this, to encourage further use, was to be included in the Communications Strategy.

* **118 Breaches Policy**

The Board noted the Report of the County Treasurer on the Breaches Policy and Procedures designed to comply with the guidance provided by the Pensions Regulator and to ensure that the Devon Pension Fund followed best practice in this area. The Breaches Policy was last presented to the Board at the April 2018 meeting.

The Breaches Log for 2018/19 (Appendix 1 to the Report) showed that there had been only 3 breaches recorded for 2018/19 but were not considered to be of material significance and therefore not reported to the Pensions Regulator.

The Board commended the work of the Team and the low level of minor breaches.

* **119 Actions and Recommendations Tracker**

The Board noted the Report of the County Treasurer (CT/19/43) on the funds progress on completing actions arising from internal audits and Pension Board member recommendations or requests and a log of actions and requests raised by the Pension Board.

The Audit Actions tracker allowed Board Members to monitor responses, actions and progress against audit findings from internal audit reports. The programme of internal audits had been agreed with fund officers on an annual basis and undertaken throughout the year (Minute *111 refers).

* **120 Future Work Programme**

(Councillor R Bloxham attended in accordance with Standing Order 25(2) and spoke to this item referring to the cost transparency project and reporting to members)

The Board considered the Report of the County Treasurer (CT/19/44) on a proposed Future Work Programme over the next three meetings (subject to consideration of Terms of Reference moving to the July meeting). This would help to provide assurance that the Devon Pension Fund was managed and administered effectively and efficiently in compliance with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

It was **MOVED** by Councillor Slade, **SECONDED** by Councillor Randall Johnson and

RESOLVED that the future work programme (as amended) be approved.

* **121 Dates of Meetings**

15 July 2019, 21 October 2019 and 16 January 2020 at 10.30 am

[N.B. The County Council calendar available at:

<https://democracy.devon.gov.uk/mgCalendarMonthView.aspx?GL=1&bcr=1>]