

**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT CH 216
ON WEDNESDAY, 10 JULY 2019**

PRESENT

Gerard Moore, Chair

Nigel Brinn (Employers Representative)

Wayne Thomas (Employers Representative)

Mick Hutchison (Member Representative)

Chris Hurst (Pension Fund Manager, Secretary to the Board)

1. APOLOGIES

Apologies were received from John Byrne, Member representative.

2. DECLARATIONS OF INTEREST

The Chair advised he was an Associate in The Chartered Institute of Public Finance and Accountancy [CIPFA] and declared an interest if reference was made to CIPFA when discussing the Board's training. The Board accepted that this did not constitute a conflict of interests.

3. MINUTES OF THE BOARD

The minutes of the last meeting held on 3 April, 2019 were agreed as a correct record.

4. MATTERS ARISING

There were no matters arising.

5. CHAIRMAN'S ANNOUNCEMENTS

The Chair reported the following:

- Scheme Advisory Board [SAB] – the SAB was to issue a survey and it was noted that this would seek views on the number of members on Boards. The SAB would consider the responses received.
- Dual interests of Administering Authority – good practice in other authorities was noted and it was agreed that this issue would be added to a future agenda.
- The summary of The Pension Regulator's [TPR] talk at a recent Conference would be shared with the Board.
- Checklist regarding cybercrime – the checklist would be shared with the Board and the Pension Fund Manager would consider whether to utilise this.

Draft Pension Fund Annual Report 2018/19

The SAB expected that Pension Boards review Fund's Annual Reports prior to publication. The Pension Fund Manager advised that the document was work in progress and would be formally approved by the Pensions & Investment Committee in October and published in December.

The Board noted the performance information and that the Pension Fund Manager would raise issues if performance was deteriorating or if the performance of other service areas or third parties impacted on the Pension Teams' work. In response to questions about the best way of demonstrating competency of Committee Members, the Pension Fund Manager advised that the Training Needs Analysis matrix could be used in a desensitised way.

The Pension Fund Manager advised that work has commenced towards producing a draft Socially Responsible Investment Policy, using the responses of the Pensions and Investment Committee Members to a recent survey on this issue. The Board noted that it would have the opportunity to comment on the draft policy. The Chair advised that the Board's role was to seek assurances that the Committee had complied with the relevant regulations and guidance rather than influencing the Committee's policy on any issue.

The Board agreed to discuss the draft Annual Report at the next meeting.

The Board agreed to recommend that good practice regarding managing the dual role of County Councillors and as Pensions and Investment Committee Members should be adopted, following further discussion at the next meeting.

6.	MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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The Board received and noted the Pensions and Investment Committee's minutes for 8 March 2019 and 21 June 2019.

7.	REVIEW OF COMPLIANCE WITH TPR CODE 14
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The Board reviewed the following sections and made the following comments [numbers refer to the Compliance indicator]:

Reporting breaches [244 - 270]

The Board noted that a "Fast Track" reporting process had been adopted to deal with any breaches between meetings. The breach would be communicated to officers, the S151 Officer and the Pensions & Investment Committee Chair and Powys Pension Board Chair would be advised. It was noted that this process had been utilised in respect of the recent recordable breaches.

Administration [124 - 146]

140 - Migration of data to the new system had been completed and that a data cleanse had been undertaken. It was agreed to keep the risk as amber until the process had been fully completed. The date would now change to July 2019.

Resolving issues [216 - 240]

222 - The two-stage complaints resolution process was noted.

8.	BREACHES LOG
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The Board received the report regarding the two breaches.

The Board agreed that the two breaches were correctly deemed as recordable only.

9. GOOD GOVERNANCE PROJECT

The Chair advised that most respondents considered that the governance arrangements within the LGPS generally were good and that the report by the consultants to the Scheme Advisory Board might indicate a majority response indicating that only minor tweaks were required.

The Board noted the content of the report.

10. CYBER SECURITY UPDATE

The Pension Fund Manager advised that the Powys ICT Department had now confirmed that the internal procedures that they have in place demonstrated a high level of online security. Since the report had been written the Committee had completed some cyber security training, which had raised some valid issues in respect of the procedures required to manage any breach.

The Board agreed that training for the Board would be undertaken on cyber security following one of its meetings.

The Board noted the content of the report.

11. DATA QUALITY TESTING UPDATE
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The Board received the report and noted the improvements. The Board was advised that SAB was looking at introducing a common “scheme specific” set of data items from next year. The Pension Fund Manager advised that the testing process highlighted those areas where further work was required.

The Board noted the report and noted the progress.

12. REVIEW OF RISK REGISTER [STANDING ITEMS]

The Board noted that there were no changes since the last report.

The Board raised the following comments [the numbers shown are the Risk Reference numbers]:

Risk Owner – it was agreed that the post rather than post holder would be recorded.

PEN030 – the proposed further actions/controls were noted

PEN033 – the Pension Fund Manager updated the Board on the progress on the Transfer of Workflow and Imaging Systems.

The Board agreed to recommend that with the assurances received, the Risk rating for PEN033 should be changed from red to amber.

The Pension Fund Manager agreed to re-publish the Register after updating it and amending target dates.

13.	NEW LEGISLATION AND GUIDANCE [STANDING ITEM]
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There was no new legislation or guidance to note.

14.	WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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The Chair reported that the meeting between WPP and Board Chairs had been extremely helpful and previous anxieties had been acknowledged and addressed.

The Board confirmed that it was happy for the Pension Fund Manager to provide a summary report of WPP meetings with links to agendas and minutes.

The Pension Fund Manager advised that the majority of WPP's recent work had been on the Fixed Income Sub-funds. It is hoped that the funds would be launched before the end of 2019. The Board noted that a Responsible Investment Policy was being developed, which would be flexible enough for local decisions to be made. WPP had reviewed its communication and this would be developed. The Board noted that a budget and work programme had been published.

15.	ADMINISTRATION ACTIVITY REPORT [STANDING ITEM]
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The Board noted the report which showed a snapshot of fund activity.

16.	CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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The Pension Fund Manager advised the Board that revised timescales from third parties were expected soon.

17.	BOARD MEMBER TRAINING [STANDING ITEM]
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The Board noted a CIPFA event in Cardiff in October, 2019.

The Board noted the Chair's document on responsible investments, written in 2018 and that a progress report on this issue would be made to the Board. Training on cyber security would be undertaken.

18.	INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] UPDATE [STANDING ITEM]
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The Board noted that there were no on-going or new disputes.

19.	CONFIDENTIAL ITEMS
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RESOLVED that the public be excluded for the following items of business otherwise there would be disclosure to them of information relating to the financial or business affairs of any particular person or organisation.

20. DRAFT PENSION FUND BUSINESS PLAN

The Pension Fund Manager advised that the Fund did not currently have a published business plan and this was the initial draft for discussion and comment.

The Board agreed to forward comments on the draft Business Plan to the Pension Fund Manager by email and to discuss the final draft at the next meeting.

21. AUDIT REPORTS [STANDING ITEM]
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The Board received the Audit report published in May 2017.

The Board considered the Control Areas, which Audit had been found to have Moderate Control:

- Bandings – it was noted that the pension banding was the responsibility of the employer. The Chair suggested that it would be useful to share the Auditors findings at the annual Employers meeting.
- Refunds – the Pension Fund Manager advised that although not all refunds are double-checked by an independent authoriser (in addition to the self-checking of the processor), spot checks for accuracy are regularly undertaken.
- System reconciliation – the Board noted that since the report, monthly reconciliations with several employers are now run.
- Voucher payments – the Pension Fund Manager advised that at the time of the Audit a new system was in operation. This had now been in operation for two years and no issues had been raised.

The Board noted the report and the assurances provided by the Pension Fund Manager.

22. REVIEW OF RISKS

The Board did not identify any new risks.

23. FUTURE BOARD MEETINGS

The Board noted the following meeting dates:
11 September, 2019 [rather than 5 September]
8 November, 2019

**Gerard Moore
Chair**