

MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT BY TEAMS ON MONDAY, 21 NOVEMBER 2022

PRESENT

Gerard Moore (Chair)

David Powell (Scheme Member Representative)

Wayne Thomas (Employer Representative)

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

1.	APOLOGIES
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Apologies for absence were received from John Byrne (Scheme Member Representative), Graham Evans and Nigel Brinn, (Employer representatives).

2.	DECLARATIONS OF INTEREST
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There were no declarations of interest.

3.	REVIEW OF RISK REGISTER
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The Board undertook a “deep dive” of the Governance pillar of the Risk Register.

The Board noted the following or made the following comments [the numbers shown are the Risk Reference numbers]:

GOVERN0001 – a failure of an employer in the Fund to pay contributions to the Fund, especially during challenging economic times, was considered to be a reputational risk. The Pension Fund Manager advised that communications with employers was ongoing. The Chair advised he would raise the issue of ensuring contributions are paid as required by employers at the next Employers’ meeting.

The Board recommended that:

- i. reputational risk should be added as an identified risk and that the Inherent risk should be 8 [currently 6] and**
- ii. reference to the various forms of communication with employers should be included under Controls and Actions.**

GOVERN0002 – the Board considered that a reputational risk would occur, if a situation arose where there were insufficient Fund cashflow to meet liabilities as they became due.

The Board recommended that reputational risk should be added as an identified risk and that the Inherent risk should be 10 [currently 9].

It was noted that the Board receives quarterly cashflow details at each meeting.

The Board agreed to receive an annual snapshot of cashflow. The Pension Fund Manager agreed to email this information to the Board.

GOVERN0003 – the Board noted that this related to key personnel in the Pension Fund Team but could also include risks associated with service providers. GOVERN0010 also referred to key personnel. The Pension Fund

Manager agreed to review how these related risks were shown in the Risk Register.

GOVERN0004 – the Board considered that reference should be made to the Wales Pension Partnership [WPP] and reputational risk if fraud ever occurred. **The Board recommended that reputational risk should be added as an identified risk and reference should be made to WPP.**

The Board noted that the Pension Fund Administration Team and Finance Team are separate sections in the Council which supports internal control. **The Board recommended that the clear division of duties between the Pension Fund Administration Team and Finance Team should be included in the Controls and Actions.**

GOVERN0005, GOVERN0006 and GOVERN0007 – the Board sought assurance that risks regarding employer contributions were included on the County Council's Risk Register. The Pension Fund Manager agreed to establish whether this was the case. The Pension Fund Manager advised that communication with employers was increasing and a member of the Pension Administration Team now has a specific role in developing links with employers. 0005, 0006 and 0007 were discussed and further work will be undertaken to look at consolidating the risks and inserting them into the appropriate risk register. The Board considered that covenants should be included in the Governance Risk Register.

The Board recommended that:

- i. **reference to the communication with employers and the specific role of an officer in the Team to develop links with employers should be included under Controls and Actions and**
- ii. **covenants should be included in the Governance Risk Register.**

The Board agreed to review the process for the establishment and review of covenants.

GOVERN0008 – failure to comply with LGPS and other statutory regulations was considered to be a reputational risk.

The Board recommended that reputational risk should be added as an identified risk and the word “newly” should be deleted in respect of the established Pension Board.

GOVERN0009 and GOVERN0013 – the Board recommended that **GOVERN0009 and GOVERN0013 should be combined and that the Residual risk should be 6 [currently 4 and 6 respectively].** The Pension Fund Manager agreed to review the information provided in these sections.

GOVERN0010 – the Board noted the increased staffing in the Pension Administration Team. The ability to retain staff, who were working remotely was an issue and the Board questioned whether reference should be made to the work now required as a result of the Fund's involvement in the WPP. The Pension Fund Manager agreed to review this section to reflect this additional work.

GOVERN0011 – the Board noted the current work to establish how each scheme member wished to receive information about and communications from the Fund. **The Board recommended that the Residual risk should be 4 [currently 0].**

GOVERN0012 – The Board recommended that this risk should be consolidated with GOVERN0014.

GOVERN0013 – the Board considered that the continuity of membership of the Pensions and Investment Committee after an election was extremely important. It was noted that the Committee was advised by professional advisors.

The Board recommended that the Inherent risk should be 12 [currently 9] and the Residual risk should be 8 [currently 6] and the fact that the Committee was advised by professional advisors should be added to the Controls and Actions information.

GOVERN0014 – see GOVERN0012 above.

GOVERN0015 – the Pension Fund Manager agreed to review the information provided in this section.

The Board recommended that the Inherent risk should be below that in GOVERN0013.

GOVERN0016 – The Board recommended that reference should be made to the procurement process. In addition, reference should be made to the risk of power cuts and infrastructure issues and the Inherent risk should be 10 [currently 9].

4. FUTURE BOARD MEETINGS

The Board noted the 2023 meeting dates:

10 February – 10am

12 June – 2pm

11 September – 2pm

20 November – 10am

Gerard Moore (Chair)