

Bath & North East Somerset Council		
MEETING:	LOCAL PENSION BOARD - AVON PENSION FUND	
MEETING DATE:	12 June 2024	AGENDA ITEM NUMBER
TITLE:	Governance Update	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Pension Board Workplan 2024		
Appendix 2 – Pension Board Training Plan 2024		
Appendix 3 & 4 – Risk Register & Framework		

1 THE ISSUE

1.1 The purpose of this report is to receive regular governance updates as well as Training and Work Plan issues from the Board and request high level training needs from Board Members.

2 RECOMMENDATION

That the Board

2.1 Notes the workplan & training plan for 2024

2.2 Notes the dates for future meetings

2.3 Notes the risk register

2.4 Notes the audit plan

3 FINANCIAL IMPLICATIONS

3.1 There are direct implications related to the Pension Board in connection with this report, however these are all currently within the planned budget for the operation of the Board.

4 REPORT

4.1 Work Plan

- a) In developing a work plan the Board should reflect the need to maintain a balance between building the knowledge and understanding of Board Members along with delivery of the statutory obligations of the Board.
- b) The views of the Board are vital in informing the nature, frequency and cyclical nature of items as well as the timing of certain time-critical issues for consideration such as Project Brunel.

- c) An outline of the Work Plan is attached at Appendix 1 which is based on the discussion and agreement reached previously. It will continue to be re-presented at each meeting as the year progresses using the comments and feedback of the Board, Officers and other stakeholders such as the Pension Fund Committee to inform its contents.

4.2 Modern Gov

- a) All Pension Board members have been asked to access meeting papers via Modern Gov.
- b) If any member requires assistance with access to Modern Gov, the Governance Team (APF_Governance@bathnes.gov.uk) is able to provide support & training.

4.3 Future Meeting Dates

- a) Meeting dates for 2024 are as follows:
- 20th February
 - 12th June
 - 4th September
 - 5th December
- b) Any suggestions from members regarding the style and format of meetings is welcomed.

4.4 Training

- a) In developing a training plan Board Members should reflect on their own statutory requirements as set out in previous reports. In summary Board Members should have a breadth of knowledge and understanding that is sufficient to allow them to understand fully any professional advice the Board is given. They should also be able to challenge any information or advice they are given and understand how that information or advice impacts on any decision relating to the Board's duty to assist the Avon Pension Fund.
- b) As agreed at previous Board meetings individual board members should retain their own training log to evidence how they are fulfilling their responsibilities and update these on a quarterly basis to the Governance Team to aid future training needs analysis.
- c) Appendix 2 contains the proposed training programme for the year ahead. The workshops will be held jointly with the APF Pension Committee.
- d) Members are asked to consider any other training needs through the rest of 2024 to fit into the working cycle of the Board.

4.5 Hyman's LGPS Online Learning Academy (LOLA)

- a) The SAB's Good Governance Review & TPR's General Code of Practice include additional knowledge and skills requirements for Committee, Pension Board and

Officers. Hymans Robertson have been working with the SAB to develop these requirements and have produced an LGPS Online Learning Academy (LOLA).

- b) The training is split into a number of modules covering the CIPFA Knowledge & Skills Framework.
- c) The modules are set out below:
 - 1. Committee Role & Pensions Legislation
 - 2. Pensions Governance
 - 3. Pensions Administration
 - 4. Pensions Accounting and Audit Standards
 - 5. Procurement & relationship Management
 - 6. Investment Performance & Risk Management
 - 7. Financial Markets & Products
 - 8. Actuarial Methods, Standards & Practices
 - 9. Current Issues
- d) The full timetable for completion of all modules is contained in Appendix 2.

4.6 **Risk Management Process & Risk Register**

- a) The Fund has in place a documented risk management policy setting out the Fund's approach to risk, process for review, and update of the risk register. It also sets out the roles and responsibilities of those involved in management of risk including the role of the Pension Board and Pension Committee.
- b) Appendix 2 sets out the risk framework introduced to assist risk owners to assess the risks, plus a high level matrix showing the distribution of risks by score.
- c) The complete risk register is attached as appendix 1.
 - The risk register identifies risks which could have material impact on the APF in terms of service, value, reputation, or compliance. It sets out mitigating actions.
 - The risk register is reviewed quarterly by APF management and reported to the Pension Committee and Pension Board every quarter.
 - All risks are also reviewed quarterly or when there has been a material change.
 - Risks fall into the following categories, owned by the relevant member of the APF management team:

Category of Risk	Risk Owner
Administration	Pensions Manager
Regulatory	Technical & Compliance Advisor
Governance	Governance & Risk Advisor
Employers (Funding)	Funding & Valuation Manager
Employers (Data)	Employer Services Manager
Investments	Investments Manager
Finance	Finance & Systems Manager

4.7 Quarterly Review of Risk Register

- a) The risk register has been reviewed and no changes have been made.

4.8 Audit Plan 2024/5

Audit Area for 2024/25	Quarter	Number of Days
Internal Control Framework/ Data Analytics (on going checks)	Q2	30
Pensions Payroll	Q1	15
Annual Benefit Statement	Q1	20
iConnect Data Security	Q2/Q3	20
General Code	Q3	20
Local Impact Investing	Q4	25
TOTAL DAYS		130

5 RISK MANAGEMENT

5.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place that is regularly monitored. In addition, it monitors the benefits administration, the risk register and compliance with relevant investment, finance and administration regulations.

6 EQUALITIES

6.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

7 CLIMATE CHANGE

7.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council’s Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

8 CONSULTATION

8.1 The Report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Systems, Assurance & Pensions, representing the administering authority.

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