

Isle of Wight Pension Fund
DRAFT Governance action plan 2019

Actions have been identified following a review of the following documents, which are cross referenced in the plan below.

CIPFAKSF	CIPFA's Local Pension Boards: A Technical Knowledge and Skills Framework https://www.cipfa.org/policy-and-guidance/publications//local-pension-boards-a-technical-knowledge-and-skills-framework-pdf
CoP14	The Pension Regulator's Code of Practice 14: Governance and administration of public service pension schemes https://www.tpr.gov.uk/en/document-library/codes-of-practice/code-14-public-service-pension-code-of-practice
GCS19	Isle of Wight Pension Fund Governance Compliance Statement 2019 https://isleofwightpensionfund.org/media/4972/final-governance-compliance-statement-2018-19.pdf
GAP18	Governance action plan update report, Pension Fund Committee September 2019. https://www.iow.gov.uk/Meetings/committees/IW%20Pension%20Fund/6-9-19/PAPER%20C.pdf
PSGAS18	The Pensions Regulator's Public service governance and administration survey 2018 https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/public-service-research-summary-2019.ashx
TPRDD	The Pension Regulator's report "Governance and administration risks in public service pension schemes: an engagement report" https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/governance-and-administration-risks-in-public-service-pension-schemes-an-engagement-report#pagetop
AOF	Area of Focus (paragraphs not numbered, so reference given to areas of focus: AOF1 – record keeping AOF2 – internal controls AOF3 – administrators AOF4 – member communication AOF5 – internal dispute resolution procedure (IDRP) AOF6 – pension boards AOF7 – employers and contributions AOF8 – cyber security AOF9 – internal fraud and false claims

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1 Knowledge and understanding of board members		
1.1	Action	Source / requirement (*)
1.1	Administering Authority to develop and implement a policy for the knowledge and understanding requirements of Pension Board members, as well as Committee members and officers	CoP14: para 38 GAP18: recom9 GCS19: P1.2, P1.3 PSGAS18
1.2	Individual training plans to be developed for all board and committee members and officers	CoP14: para 57 GCS19: E2, P1.10 TPRDD: AOF6
	1.2a Knowledge and understanding self-assessment document to be completed by all board members	PSGAS18
	1.2b Individual and collective knowledge gaps to the identified	
	1.2c Board and committee agendas to include reference to Code of Practice sections for continual refresh of knowledge	
	1.2d Continuing Professional Development records (or equivalent) to be maintained by all board and committee members, to be reported in annual report.	CoP14: para 39, 55 GCS19: P1.8 PSGAS18
	1.2e Pension Fund learning and development programme to be implemented on council's new Learning and Development Platform.	CoP14: para 58 GCS19: P1.8 Gov & admin survey
1.3	Pension Board terms of reference to be reviewed to include role profiles for board members, independent chair, composition of board etc.	
	1.3a TOR to be reviews with amendments recommended to PFC/FC for adoption	
	1.3b Role profile for board members to be developed and approved	PSGAS18 TPRDD: AOF6
	1.3c Independent Chair role profile to be agreed, budget to be established, role to be advertised and recruited	
	1.3d Additional board members to be recruited, in accordance with previous decision (once role profile agreed)	PSGAS18
	1.3e Board member terms of office to be staggered to minimise losses of collective knowledge (as part of TOR review)	TPRDD: AOF6
1.4	Sufficient time to be dedicated to operation of board, development of members and provision of assistance to committee	PSGAS18
	1.4a Four formal board meeting to be held per annum, with quorum achieved for each	PSGAS18

1 Knowledge and understanding of board members		Source / requirement (*)
Action		
1.4b	Workplan to be reviewed and agendas to include COP review	
1.4c	Admin authority resource to be reviewed and increased	GAP18: Recom3
1.5	Development of improved relationship between committee (as scheme manager) and pension board	
1.5a	Board members to continue to attend committee – rotating attendance? Independent chair?	TPRDD: AOF6
1.5b	Committee chair (or nominated substitute) to be invited to attend all board meetings	TPRDD: AOF6
1.5c	Development of improved reporting between committee and board - summary report each meeting?	
1.5d	Re-introduce regular meetings between chairs of committee and board	TPRDD: AOF6
1.6	Administering Authority to develop and maintain list of all required pension fund strategies, policies and other documents, with programme for review and update.	CoP14: para 46 GCS19: P1.6

2 Conflicts of interest and representation		Source / requirement (*)
Action		
2.1	Administering Authority to review existing conflicts of interest rules applying to board (from Constitution), and determine whether a separate conflicts of interest policy should be developed	CoP14: para76 GCS19: P2.1, P2.2
2.2	Board members to complete register of interests, at start of membership, and review at least annually or as soon as potential conflict identified	CoP14: para 63 GCS19: E6 GCS19: P2.3
2.3	Conflicts of interest to be declared at the start of each Board meeting	CoP14: para85
2.4	Publication of information about board members to include appointment process, details of who each member represents (scheme members, employers)	CoP14: para 93

3 Publication of information about schemes		Source / requirement (*)
Action		
3.1	Review information currently published about pension board on fund's website to determine if it complies with requirements – update where appropriate	CoP14: para 96, 133 GCS19: P3.1
3.2	development of communications action plan to support communications strategy	
3.3	Develop engagement with employers, including creation of employer zone on website(?)	GCS19: P6.2

		TPRDD: AOF7
3.4	Consider periodic surveys of member (and employer) satisfaction with pensions service	TPRDD: AOF4

4A Internal controls and risk		
	Action	Source / requirement (*)
4A.1	Finalise risk management policy and publish on website. To include responsibility to identifying, monitoring, reporting and reviewing risks	CoP14: Para 100-120 GAP18: Recom5 GCS19: P4.1, P4.3
4A.2	Development of risk register and monitoring/reporting processes – to be included on each board and committee agenda	GAP18: Recom5 GCS19: P4.2, P4.4 PSGAS18 TPRDD: AOF2
4A.3	Consider use of internal audit service to provide assurance on controls in place over administration, finance and governance	CoP14: Para 116
4A.4	Ensure information about the National Fraud Initiative exercise and other external activities in respect of fraud prevention are reported at pension board	TPRDD: AOF9

4B Cyber security and pension scams		
	Action	Source / requirement (*)
4B.1	Ensure cyber risk is included on risk register	PSGAS18
4B.2	Pension board agenda to include consideration of Administering Authority's cyber security processes, including outsourced administration software provider, to determine sufficiency.	PSGAS18 TPRDD: AOF8
4B.3	Ensure pensions activities are included in all future disaster recovery/resilience testing programmes and report back to board/committee	PSGAS18 TPRDD: AOF8
4B.4	Develop process for identification of potential pension scams, review of internal controls to determine coverage, and communication to scheme members via website/newsletter, etc.	TPRDD: AOF9
4B.5	Review administering authority's fraud policies and processes to determine whether they appropriately consider pension-related activities	PSGAS18

5 Administration		Source / requirement (*)
	Action	
5.1	Develop service level agreement for pensions administration service, including appropriate key performance indicators.	GAP18: Recom4 TPRDD: AOF3
5.2	Develop process for reporting on KPIs, and other benchmarking activities (CIPFA, SF3, TPR, etc)	PSGAS18 TPRDD: AOF3

6 Scheme record keeping		Source / requirement (*)
	Action	
6.1	Carry our data review at least annually including accuracy and completeness – link to TPR annual survey	CoP14: para 126, 138 GCS19: P5.1, P5.2, P5.6 PSGAS18
	6.1a Develop data improvement plan to rectify known issues – to be reported to each LBP meeting	CoP14: para 141 GCS19: P5.12
	6.1b Consider analysis if data for each major employer within the fund to target employer-specific improvements	GCS19: P6.3
6.2	Complete implementation of i-connect project to collect monthly data electronically from each employer to improve accuracy and completeness of data.	CoP14: para 128 GCS19: P5.8 PSGAS18 TPRDD: AOF1
6.3	Review pensions administration strategy to ensure up to date. Relaunch with employers – including reference to i-connect, etc	CoP14: para 129 TPRDD: AOF1
6.4	Develop improved reporting on employer compliance with PAS	CoP14: para 152 GCS19: P6.4 TPRDD: AOF1
6.5	Carry our member tracing activity to ensure all member records are complete and up to date	CoP14: para 208 GCS19: P7.5 TPRDD: AOF9

7 Maintaining Contributions	

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	Action	Source / requirement (*)
7.1	Develop key contacts database for all scheme employers, listing payroll, HR and strategic contacts to ensure all communication is targeted to correct audience	TPRDD: AOF7
7.2	Develop process for recording and monitoring payments, managing overdue contributions & reporting significant payment failures	CoP14: para 154-186 GCS19: P6.1
7.3	Develop process for understanding financial position of employers & take risk-based proportionate approach to identify those most at risk of not paying contributions	TPRDD: AOF7
7.4	Develop process for understanding employer risks – including financial health, security/employer covenant, future planning	TPRDD: AOF7
7.5	Develop employer funding policy (within funding strategy statement?) to include information about covenants, and employer exit strategy.	TPRDD: AOF7

8	Providing information to members	Source / requirement (*)
	Action	
8.1	development of communications action plan to support communications strategy	GCS19: P7.2, P7.3
8.2	Review process by which electronic communications has been agreed – have members been given choice to opt out?	CoP14: para 203-207 GCS19: P7.4
8.3	Determine record keeping process for those members who have chosen not to have electronic communications, and ensure choices complied with	
8.4	Ensure board are included in pre-circulation of all communications to ensure relevant, understandable etc.	TPRDD: AOF4
8.5	Monitor take up of member self-service portal	

9	Internal Dispute resolution (IDRP)	Source / requirement (*)
	Action	
9.1	Review current complaints and IDRP policies to determine whether still fit for purpose	CoP14: para 213-219 GCS19: P8.1, P8.3 TPRDD: AOF5
9.2	Publicise complaints and IDRP policies to scheme members and employers	CoP14: para 235-238

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9.3	Ensure employers have appropriate processes in place to fulfil their obligations under complaints and IDRP policies., and make sure this is recorded by administering authority	GCS19: P8.2 TPRDD: AOF5
9.4	Develop improved reporting of complaints and compliments to facilitate analysis and improvement	TPRDD: AOF5

10 Reporting breaches of the law		
	Action	Source / requirement (*)
10.1	Review current reporting breaches of the law policy to determine whether still fit for purpose	CoP14: para 245-246 GCS19: P9.2
10.2	Publicise reporting breaches of the law policy to scheme members, employers, and other responsible persons	CoP14: para 244 GCS19: P9.1
10.3	Develop improved reporting of potential breaches to facilitate analysis and improvement	CoP14: para 247-271 GCS19: P9.3

11 Other areas for improvement		
	Action	Source / requirement (*)
11.1	A formal business plan should be developed for the fund in accordance with CIPFA requirements	GAP18: Recom2
11.2	Budget for pension fund to be developed in accordance with business plan. Reporting process to be developed	GAP18: Recom2
11.3	Pension Board expenses to be included in pension fund budget	GCS19: E2