

## **Isle of Wight Council Pension Fund**

### **Governance Compliance Statement (31 August 2022)**

#### **Areas of non-compliance and related action plan**

Based on the Hymans Robertson Governance Compliance Checklist (HRGCC) there are 9 areas of non-compliance (out of 78 criteria – 11%). These are as follows:

#### **General Requirements:**

- 1) Pension board to have its own policy on knowledge and understanding requirements
- 2) All pension board members to have a personalised training plan in place that is regularly monitored and updated

#### **Knowledge and Understanding:**

- 3) Administering authorities should offer pre-appointment training or mentoring if appropriate
- 4) The members of the pension board should be familiar with the AVC options offered by the Fund, including the choice of investments offered to members and the relative performance of those investment options

#### **Conflicts of Interest**

- 5) The administering authority should maintain a register of all conflicts (and potential conflicts) that are raised , reviewing them appropriately
- 6) Declaration of conflicts (or potential conflicts) of interest should be disclosed on appointment and at regular intervals

#### **Internal Dispute Resolution Procedure**

- 7) The administering authority has ensured all scheme employers have appropriate arrangements in place for dealing with stage 1 disputes
- 8) The administering authority should regularly review its dispute process to ensure its effectiveness and that the necessary timescales are being met (inc. the employer processes at stage 1)

#### **Breaches of the Law**

- 9) The administering authority should be satisfied that those responsible for reporting breaches of the law are made aware of their legal requirements and the Pensions Regulator's guidance.

Actions to improve each area of non-compliance are included in the tables below, including allocated responsibility and deadline dates.

Board members are asked to agree the proposed action plan and request regular updates on progress.

Ref	Principle	Detail of best practice principle	Statement of Compliance
<b>General Requirements : Knowledge and Understanding (HRGCC items 1-3)</b>			
<b>E2</b>	<b>All pension board members to have a personalised training plan in place that is regularly monitored and updated</b>	The administering authority should have a person designated to take responsibility for ensuring training plans are followed and regularly review the members training requirements and keep appropriate records of their learning activities and the board as a whole	<p><i>Enter here whether individual training plans have been completed and where it can be found</i></p> <p>The pension fund committee agreed at its July 2022 meeting that the fund will participate in the Hymans Robertson National Knowledge Assessment 2022, encouraging both committee and board members to complete the assessment.</p> <p>The output from this assessment will support the development of a fund-specific knowledge and understanding policy and individual learning plans for both pension fund committee and pension board members.</p> <p>There remains a need to develop and implement a comprehensive induction programme for both board and committee members.</p> <p>The role profile for pension board members includes a requirement that all modules of the Pension Regulator's online toolkit be completed within 6 months of joining the board.</p> <p>There is also a recommendation that all committee members complete the online toolkit.</p> <p>Progress towards completion of the required modules is reported at each committee and board meeting.</p>
<b>Rectification action:</b>		<b>Responsibility:</b>	<b>Deadline:</b>
a) All remaining board members to complete all TPR modules (due within 6 months of appointment). <a href="http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx">http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx</a>		Michael Lilley (appt 21-Jul-21) Ashley Curzon (appt 19-Jan-22) Neil Cain (appt 1-Apr-22)	To be agreed with each board member
b) All remaining board members to complete Hymans Online Learning Academy Modules <a href="https://aspire.hymanslearning.co.uk/">https://aspire.hymanslearning.co.uk/</a>		Michael Lilley Ashley Curzon Liz Kingston (module 6) Trevor Ould Neil Cain Barbara Milton	To be agreed with each board member
c) National Knowledge Assessment 2022 logins to be circulated once launched.		Jo Thistlewood Hymans Robertson	Expected end September 2022 Launched 30 September 2022
d) All Board and committee members to complete NKA questionnaire by due date.		Pension fund committee Pension board	Tbc Deadline 19 October 2022.

e)	Following results of NKA, develop personalised training plan for all board members.	Jo Thistlewood Board members	Tbc
f)	Development of pension fund knowledge and understanding policy.	Jo Thistlewood Hymans Robertson Learning and Development	Tbc (following NKA output)
g)	Development of board members induction programme and information pack.	Jo Thistlewood Hymans Robertson	Tbc (following NKA output)

Ref	Principle	Detail of best practice principle	Statement of Compliance
<b>Knowledge and Understanding (HRGCC item 4)</b>			
<b>P1.5</b>	<b>The members of the pension board should be familiar with the AVC options offered by the Fund, including the choice of investments offered to members and the relative performance of those.</b>	Information of the AVC options is provided to the local pension board members	<i>Enter here how information of the AVC options are provided to the local pension board members (e.g. induction training, contained in the training plan, provided with an information pack)</i> No information has been provided to board members on this matter.
<b>Rectification action:</b>		<b>Responsibility:</b>	<b>Deadline:</b>
a)	Confirm contract with Prudential as AVC provider.		
b)	Obtain information about options available to members.		
c)	Request Prudential to provide development session for board and committee members.		

Ref	Principle	Detail of best practice principle	Statement of Compliance
<b>Conflicts of Interest (HRGCC items 5-6)</b>			
<b>P2.3</b>	<b>The administering authority to maintain a register of all conflicts (and potential conflicts) that are raised, reviewing them appropriately</b>	The administering authority should retain and regular review a register of all conflicts (and potential conflicts) that have been raised. Conflicts should be reviewed, and any action taken forward.	<p><i>Enter here whether a register of conflicts exists, where it can be found and the post title(s) of the person(s) responsible for maintaining it.</i></p> <p><i>Details of the review process and action taken should be clearly documented</i></p> <p>The current declaration form is the same as that required for all elected members, much of which is irrelevant for the pension board member role.</p> <p>Following the change in board membership between September 2021 and March 2022, board members (other than those who are elected members of the council or are employed by the council) have not yet been asked to complete a declaration of interest on appointment.</p> <p>As part of development of new conflicts of interest policy, a new declaration form to be developed and completed.</p> <p>These forms will be maintained by the council's democratic services team.</p>
<b>Rectification action:</b>		<b>Responsibility:</b>	<b>Deadline:</b>
a) IWC Conflicts of interest policy to be reviewed to determine fitness for purpose for pension board.		Jo Thistlewood Martin Doyle Monitoring Officer	
b) Pension fund-specific conflicts of interest policy, including 'declaration of interests' form, to be prepared, reviewed and adopted.		Jo Thistlewood Martin Doyle Monitoring Officer	
c) All board members to complete declarations of interest form.		Board members	
d) Declarations to be published on fund website along with board membership information.		Jo Thistlewood	
e) Annual review of declarations of interest to be scheduled into board workplan.		Jo Thistlewood Martin Doyle Democratic Services	

Ref	Principle	Detail of best practice principle	Statement of Compliance
<b>Complaints and Internal Disputes (HRGCC items 7-8)</b>			
P8.2	<b>The administering authority has ensured all scheme employers have appropriate arrangements in place for dealing with stage 1 disputes</b>	A 'specified person' has been nominated by the scheme employer. The appropriate timescales known by the scheme employer for their reply.	<i>Enter here if a list of the 'specified person' for each employer is in existence, where it is held and who maintains it.</i> Unknown: as part of the approval process for the updated Internal Dispute Resolution Procedure, contact will be made with all scheme employers to determine and record their internal processes.  No progress has been made on this issue since the last reporting period.
P8.3	<b>The administering authority should regularly review its dispute process to ensure its effectiveness and that the necessary timescales are being met (inc. the employer processes at stage 1)</b>	The administering authority to complete an annual review of its dispute process. Ongoing and completed disputes to be logged appropriately. Timescales for completion of dispute cases reviewed.	<i>Enter here the details of the annual review, where it is held and the post title(s) of the person(s) responsible for maintaining it.</i> <i>Is this accessible on the Fund's website?</i> The published Complaints and Internal Disputes Resolution Procedure is overdue for review.
<b>Rectification action:</b>		<b>Responsibility:</b>	<b>Deadline:</b>
a) Current "Complaints and Internal Dispute Resolution Process" to be reviewed and updated (review date Nov-20).		Jo Thistlewood Martin Doyle Monitoring Officer	
b) Development sessions to be arranged for officers, board and committee members on roles and responsibilities.		Jo Thistlewood	
c) Employer briefing on process to be held.		Jo Thistlewood	
d) Employers asked to confirm their own procedures and nominated officers for stage 1.		Jo Thistlewood	
e) Scheme member bulletin promoting process to be issued.		Jo Thistlewood	
f) Periodic review of process and named individuals/roles to be scheduled.		Jo Thistlewood Democratic Services	

Ref	Principle	Detail of best practice principle	Statement of Compliance
<b>Reporting Breaches of the Law (HRGCC item 9)</b>			
<b>P9.1</b>	<b>The administering authority should be satisfied that those responsible for reporting breaches of the law are made aware of their legal requirements and the Pensions Regulator's guidance.</b>	Those responsible for reporting breaches are made aware of the legal requirements and the regulator code of practice. Relevant training should be provided to those responsible for reporting breaches. Sign off required on completion of training and understanding. All those that are responsible to report breaches, should establish and operate appropriate and effective procedures to ensure that they are able to meet their legal obligation.	<p><i>Enter here the details of all training provided and the corresponding training documentation.</i></p> <p><i>-Include the procedures used</i></p> <p><i>-List of names and roles that should report breaches within the Fund</i></p> <p><i>-Training list document</i></p> <p><i>-Annual review of post holders involved</i></p> <p>Board members are encouraged to complete the Pension Regulator's online toolkit module dealing with reporting breaches of the law within 6 months of their joining the board.</p> <p>Further improvements are required in the level of understanding of officers, committee and board members in terms of what constitutes a breach, and what should be included on the breaches log.</p>
<b>Rectification action:</b>		<b>Responsibility:</b>	<b>Deadline:</b>
a)	Current "Reporting Breaches of the Law to the Pensions Regulator" policy to be reviewed and updated (review date Nov-18)	Jo Thistlewood Martin Doyle Monitoring Officer	21 December 2022 (board meeting)
b)	Development sessions to be arranged for officers, board and committee members on roles and responsibilities.	Jo Thistlewood	
c)	Employer briefing on responsibilities to be held.	Jo Thistlewood	
d)	Breaches log to be updated and reported at each board meeting.	Jo Thistlewood Matthew Collier	