

ITEM No ...12.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD

REPORT ON: TAYSIDE PENSION FUND ANNUAL GOVERNANCE & GOVERNANCE COMPLIANCE STATEMENTS

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 165-2020

1 PURPOSE OF REPORT

To present the Annual Governance Statement and Governance Compliance Statement for approval and inclusion into the unaudited Annual Accounts for the year ended 31 March 2020. This report sets out the governance arrangements of Tayside Pension Fund and the extent to which it complies with regulations.

2 RECOMMENDATIONS

It is recommended that the Committee:

- approves the Annual Governance and Governance Compliance Statements which are included as an Appendix to this report;
- instructs the inclusion of the statements in the Annual Accounts for the year to 31 March 2020.

3 BACKGROUND

The governance structure is the framework through which the Fund is directed and controlled. The structure is set out in the Governance Compliance Statement, which the Fund is required to prepare, maintain and publish under the Local Government Pension Scheme Regulations (Scotland) 2014.

The relevant statutory provisions regarding the preparation of the Annual Accounts are contained in the Local Authority Accounts (Scotland) Amendment Regulations 2014 which require an annual review of the effectiveness of a local authority's system of internal control. The findings of that review are to be considered by elected members, and following that review, members must approve an Annual Governance Statement.

4 FINANCIAL IMPLICATIONS

There are no financial implications.

5 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues, other than Risk Management itself, which is addressed through the register.

6 CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

7 BACKGROUND PAPERS

None

**GREGORY COLGAN
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

11 SEPTEMBER 2020



ANNUAL GOVERNANCE STATEMENT & GOVERNANCE COMPLIANCE STATEMENT

ANNUAL GOVERNANCE STATEMENT

Dundee City Council is the administering authority and scheme manager of Tayside Pension Fund, a local government pension fund covering the three local authorities in the former Tayside area, and over 40 other large and small employers. The main functions of the Administering Authority are the administration of scheme benefits and the investment of the assets of the Fund. These functions are conducted in accordance with the Local Government Pension Scheme (Scotland) Regulations which are statutory instruments made under the Superannuation Act 1972.

Role of the Administering Authority

The role of Dundee City Council as the Administering Authority of Tayside Pension Fund is carried out via:

- The Pension Sub-Committee
- The Pension Board
- The Corporate Finance Service within the Corporate Services function of the Council

The Council has set up the Pension Sub-Committee with delegated responsibility to control and resolve all matters relating to the investment of assets and the overall governance of Tayside Pension Fund. It is the role of the Pensions Committee to:

- Ensure that the Fund is:
 - Compliant with the Local Government Pension Scheme Regulations and all other legislation that governs the administration of the fund.
 - Valued as required and that reports received on each valuation are considered.
- Be responsible for:
 - Setting the investment objectives and policy and the strategic asset allocation in the light of the Fund's liabilities.
 - Appointing, reviewing, and assessing the performance of investment managers, investment consultants, custodians and actuaries.
 - Ensuring appropriate arrangements are in place for the administration of benefits.
 - Ensuring appropriate additional voluntary contributions arrangements are in place.
 - Providing scrutiny for the Fund, reviewing the Annual Governance Statement, Annual Accounts and all audit reports and arrangements.
- Prepare, maintain and publish the following:
 - Governance Compliance Statement.
 - Funding Strategy Statement.
 - Statement of Investment Principles.
 - Environmental, Social and Corporate Governance Policy.
 - Administration Strategy
 - Communications Policy
 - Treasury Policy and Strategy

The Pension Sub-Committee consists of 6 elected members from the administering authority, supported by officers of the administering authority (including the Executive Director of Corporate Services, who carries out the Section 95 duties on behalf of Dundee City Council). The Committee meets quarterly at joint meetings with the Pensions Board. Additional meetings are arranged as required should the need arise.

The Pension Board is separate from the Pension Sub-Committee, and responsible for assisting Dundee City Council (as Scheme Manager) in relation to securing compliance with the 2014

Regulations and other legislation relating to the governance and administration of the Scheme, as well as the requirements of the Pensions Regulator. The Pension Board may consider any matter concerning pensions it deems relevant to the activities of the Pensions Sub-Committee in relation to its remit and role defined in the 2014 regulations.

The Pensions Board consists of an equal number of trade union representatives and employer representatives, drawn from councils and scheduled or admitted bodies within the Fund.

Under the same 2014 regulations, the governance arrangements also included the introduction of the national Scheme Advisory Board, whose role is to provide advice to the Scottish Ministers as requested and furthermore to provide advice to the Scheme Managers or the Scheme's Pension Boards in relation to the effective and efficient administration and management of the Scheme and any Funds within the Scheme. The Scottish Public Pensions Agency (SPPA) is responsible for maintaining the rules of the Local Government Pension Scheme in Scotland on behalf of the Scottish Ministers and is deemed a "Responsible Authority" under the terms of the 2013 Act

In addition, the powers of the Pensions Regulator were also extended to cover standards of governance and administration in the Local Government Pension Scheme.

Internal Audit and other governance measures

Internal audit services for the Tayside Pension Fund have been provided by PricewaterhouseCoopers (PwC) under the Crown Commercial Service Framework for the provision of a full internal audit service to fulfil the service requirements of annual audits for both 2019/20 and 2020/21. PwC's services are delivered in accordance with the Internal Audit Charter, with methodology aligned to the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing, and in conformance with Public Sector Internal Audit Standards (PSIAS).

In order to provide independent assurance on the overall risk management, internal control and corporate governance processes relating to the Fund (Article V of the Minute of Meeting of the Pension Sub-Committee of the Policy and Resources Committee and Pension Board of 23rd September 2019, Report No 306-2019 refers), PwC undertook a risk assessment. This informed an audit approach focussing on the key issues and risks, and a plan was prepared driven by the Fund's strategic goals and associated risks. Considerations were given to the most significant risks and the control environment, as well as the areas where review would be most beneficial to the fund. Tayside Pension Fund's Risk Assessment and 2019/2020 & 2020/2021 Internal Audit Plans were approved by the Pension Sub-Committee (Report No.151-2019 refers).

PwC, taking cognisance that Internal Audit is one of a number of sources of assurance, in developing the risk assessment and internal audit plan considered the following sources of assurance and reliance:

- Audit Scotland, as external auditors
- Dundee City Council Internal Audit (annual progress review)
- National Fraud Initiative

In order to conform with PSIAS which apply to all internal audit service providers within the public sector, and the Local Authority Accounts (Scotland) Regulations 2014, the Head of Internal Audit is required to provide an annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control framework based upon, and limited to the audit work undertaken with the aim of providing reasonable assurance.

To enable opinion to be provided, the following internal audit reviews were undertaken:

- Record keeping and amendments to standing data
- Pension benefits and payments

Being satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and controls, PwC have given the assurance that no major weaknesses in internal control systems, and that in relation to business critical areas, these are generally satisfactory, but that there are some areas of weakness which could

potentially put achievement of objectives at risk. The Internal Audit Annual Report was presented to the Pensions Sub-Committee in accordance with emergency measures (Report No.164-2020 refers).

The Fund takes part in the National Fraud Initiative in order to identify if fraud has been committed and pensions have been wrongly paid, and take subsequent recovery action. Occasionally incorrect payments may be made because of genuine error and this could result in payments to pensioners being increased. This exercise therefore help promote the best use of public funds. No significant fraud or errors were identified during this process.

The Fund also holds annual investment forums for employers and the trade unions. The agenda for these meetings include presentations by the Fund's Investment and Administration specialists and from the Fund's Actuary, when appropriate. The topics covered include the actuarial and funding position, the benefits structure and investment performance, changes to legislation or regulations, and review of effectiveness. Although this event was scheduled, the event was unable to take place due to the current COVID-19 crisis.

Scope of Responsibility

Dundee City Council have the responsibility for ensuring that the business of Tayside Pension Fund is conducted in accordance with the law and appropriate standards, and for ensuring there is a sound system of governance (incorporating the system of internal control) and that monies are safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory duty under the Local Government in Scotland Act 2003, to make arrangements to secure best value, which is defined as continuous improvement in the way its functions are carried out.

In discharging these overall responsibilities, Councillors and senior officers are responsible for implementing effective arrangements for governing the Council's affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk.

Dundee City Council has adopted a Local Code of Corporate Governance that is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) framework 'Delivering Good Governance in Local Government'. In 2016, CIPFA extensively revised the Code in its publication "Delivering Good Governance in Local Government: Framework and the accompanying Guidance notes for Scottish Authorities, 2016 edition. This statement explains how Dundee City Council delivers good governance through the seven key principles within the framework and reviews the effectiveness of those arrangements and how it meets the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

The Governance Framework

Tayside Pension Fund operates within the wider governance framework of Dundee City Council. The governance framework comprises the systems, processes, cultures and values by which the Council is managed. It enables the Council to monitor the achievement of objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services; and also provides direction for stakeholder engagement and communication.

The Local Code of Corporate Governance is supported by detailed evidence of compliance which is regularly reviewed by a working group of senior officers.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The overall control arrangements include:

- Identifying the Council's objectives in the Council Plan, Community Plan and Local Outcomes Improvement Plan (City Plan).
- Monitoring of objectives by the Council and senior officers.

- A systematic approach to monitoring service performance at elected member, senior officer and project level.
- Reporting performance regularly to Council committees.
- Clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers.
- A Monitoring Officer to ensure compliance with laws and regulations.
- Council Management Team, as well as service management teams.
- A Scrutiny Committee, as well as Service Committees, also responsible for scrutiny.
- Approved anti-fraud and corruption strategies including "whistle-blowing" arrangements under the Public Interest Disclosure Act 1998.
- An Integrity Group, and a Serious Organised Crime Group.
- Participating in National Fraud Initiative strategy for sharing and cross-matching data.
- Formal project appraisal techniques and project management disciplines.
- Setting targets to measure financial and service performance.
- Formal revenue and capital budgetary control systems and procedures.
- Clearly defined capital expenditure guidelines.
- The assurances provided by internal audit through their independent review work of the Council's internal control systems.
- Dundee City Council's People Strategy

Review of Effectiveness

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services and take into account comments made by external and internal auditors and other review agencies and inspectorates and prepare actions plans as appropriate.

The effectiveness of the governance framework is reviewed annually by a working group of senior officers. The 2019/2020 review of governance arrangements against the Local Code of Corporate Governance has identified the Council as being 96% (2018/2019: 96%) compliant with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives) framework Delivering Good Governance in Local Government. This review incorporates the role of Dundee City Council as Administering Authority for Tayside Pension Fund.

In addition to the above, Executive Directors across the Council undertake an annual a self-assessment, in conjunction with their senior management teams, of their own governance, risk management and internal control arrangements. This involved the completion of a 55-point checklist covering seven key governance areas of Service Planning and Performance Management; Internal Control Environment; Fraud Prevention and Detection; Budgeting, Accounting and Financial Control; Risk Management and Business Continuity; Asset Management; and Partnerships. As a service component of Corporate Services, Tayside Pension Fund is incorporated into that service assessment. The outcome is reported at an organisational level, and this indicates that a high level of compliance for Dundee City Council has been maintained, with an overall score above 89% for 2019/2020 (2018/2019: 89%).

In addition to the Internal Audit Service delivered by PwC, the Council's Internal Audit Service also operates in accordance with the Public Sector Internal Audit Standards and reports functionally to the Scrutiny Committee. Conformance with the PSIAS has been confirmed independently, through the completion of a formal External Quality Assurance process. Internal Audit undertakes an annual programme of work, which is reported to the Scrutiny Committee. The Senior Manager – Internal Audit provides an independent opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework. The overall audit opinion is that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2020.

The Executive Director of Corporate Services complied fully with the five principles of the role of the Chief Financial Officer, as set out in CIPFA guidance.

Impact of Coronavirus Pandemic on Corporate Governance

The Covid-19 emergency has impacted on all areas of society and on all aspects of normal daily life, particularly since the implementation of the national lock-down on the 23rd March 2020. These impacts have been severe and are likely to continue throughout the period of the current lock-down and beyond. All levels of government have taken action to support and protect the most vulnerable citizens, local businesses, key suppliers and the third sector during this challenging and unprecedented time.

Tayside Pension Fund are following the guidance issued by the Pensions Regulator in order to provide the most appropriate response to employers and members who have been impacted. These actions seek to maintain resilience and to ensure that the Fund's members and employers are well supported in order to emerge from this crisis.

The governance arrangements of Dundee City Council has also been affected by the restrictions put in place since lock-down. Changes to decision making arrangements and the conduct of meetings were introduced following a meeting with Senior Elected Members on 19th March whereby alternative procedures were implemented for all Council Committee business (including Tayside Pension Fund). The following procedures were implemented with immediate effect, and these arrangements will remain until further notice:

- All non-essential Committee business has been deferred to ensure that all Elected Members and all Officers can concentrate the maximum possible time and effort on supporting the City through the Coronavirus period;
- Referring to the Council's existing Scheme of Delegation of Powers to Officers Standing Orders (pages 153-199) in order to ensure that Services act in accordance with the powers which the Council has already delegated; and
- All essential Committee business which is not covered by the Scheme of Delegation of Powers to Officers will be dealt with as Urgent Matters Arising Between Meetings (i.e. by the Chief Executive / relevant Executive Director, in consultation with the nominated Member of the Administration Group, nominated Members of the Labour Group, Conservative Group and Liberal Democrat Group, the Independent Member and the Lord Provost.

Continuous Improvement Agenda

The following are service improvements specific to Tayside Pension Fund achieved during 2019/20:

- Review of a number of policies as follows:
 - Treasury Management Policy & Strategy
 - Statement of Investment Principles
 - Environmental, Social and Corporate Governance Policy
 - Funding Strategy Statement
 - Risk Management Policy & Strategy
- Employer covenant review
- Address tracing exercise
- Training & CPD program for Pension Board and Pension Sub-Committee members
- Staff training needs analysis and training program
- Increased system utilisation, enabling bulk processing and task management
- Full remote working capabilities with appropriate system and communication security

The following are service improvements specific to Tayside Pension Fund planned for 2020/21:

Business Area	Item	Description	Status / Information
Finance & Governance	Employer Support	Providing assistance to employers by undertaking assessment of requests for amendments to contributions in line with the	Application process opened in March 2020 for contributions of 2020/21.

		Pensions Regulators guidance	
	Employer Covenant	Employer engagement following outcome of review undertaken 2019/20 with aim of implementing recommendations	Exercise will be undertaken by PwC following return end of contingency measures
	Admission Agreements	Standardisation of admission agreements	Exercise will coincide with covenant exercise
Investment	Actuarial Valuation	Finalisation of 2020 valuation exercise and implementation of any changes to employer contribution rates which may be required following outcome	Valuation report expected to be reported to Pension Sub-Committee in December 2020
	Investment Strategy	Review of strategy as the result of outcome of valuation	Following report in December 2020, review to be undertaken and reported to Pension Sub-Committee in March 2021
	Active Stewardship	Membership of Climate Action 100	Initial stage requires membership of the Institutional Investors Group on Climate Change (IIGCC) - September 2020
	Actuarial Service	Procurement exercise	Will be undertaken following outcome of 2020 valuation
Administration	Pension System	Procurement exercise	Will be undertaken following issue of Annual Benefit Statements
	Policy & processes	Annual review of strategy and implementation of formalised version control for processes	To be undertaken in-keeping with internal audit recommendations
	Management Reporting	Review of system reporting provision following implementation of task management for all administration key tasks	Will be undertaken following issue of Annual Benefit Statements

Information on the Fund is available from the following links:

Minutes of Joint Pension Sub-Committee and Pension Board meetings – http://www.dundee.gov.uk/minutes/meetings?in_cc=35&in_dat=1

Fund Website - <http://www.taysidepensionfund.org/tayside-pension-fund/about-us/forms-and-publications>

- The Statement of Investment Principles, concerning the approach to the investment of the fund.
- The Business Plan, communicating the aims and objectives of the Fund for the forthcoming year.
- The Treasury Management Policy and Strategy for the forthcoming year.
- The Actuary's report on the 2017 valuation.
- The Funding Strategy Statement, concerning the management of the identification and management of the Fund's liabilities.
- The Risk Policy & Register
- The Governance Policy Statement which sets out the Funds approach
- Environmental, Social and Corporate Governance Policy for investment.
- Pension Administration Strategy

- Communications Policy
- The Governance Compliance Statement, setting out the governance arrangements and compliance with regulations.

Conclusion

The annual review demonstrates sufficient evidence that the Code's principles of delivering good governance in local government operated effectively and compliance with the Local Code of Corporate Governance in all significant respects. The Fund are committed to monitoring the implementation of improvement actions noted in the Annual Governance Statement at next year's annual review.

GOVERNANCE COMPLIANCE STATEMENT

1. Role and Responsibilities

Dundee City Council has statutory responsibility for the administration of the Local Government Pension Scheme (“LGPS”) in respect of the three local authorities in the former Tayside area, and over 43 other large and small employers.

The main functions are:

- management and investment of scheme funds; and
- administration of scheme benefits

These functions are carried out in accordance with the Local Government Pension Scheme (Scotland) Regulations which are statutory instruments made under the Superannuation Act 1972.

Dundee City Council carries out its role as Administering Authority via:

- The Tayside Pension Fund Sub-Committee of the Policy & Resources Committee;
- Tayside Pension Fund within the Financial Services Section of the Councils Corporate Services Department.

Tayside Pension Fund also acts as a payroll agent for compensatory added years payments within the Teachers Superannuation Scheme.

2. Delegation

The function of maintaining the Tayside Pension Fund is delegated by Dundee City Council to its Tayside Pension Fund Sub-Committee. The Fund’s policy documents are available at:

<http://www.taysidepensionfund.org/about-us/forms-and-publications.aspx>

3. Terms of Delegation

The terms, structure and operational procedures of delegation are set out in the report to Dundee City Council’s Policy & Resources Committee on 9th February 2015. The report is available at:

<http://www.dundee.gov.uk/reports/reports/447-2014.pdf>

4. Committee Meetings

Regular meetings of Tayside Pension Fund Sub-Committee are held quarterly. Committee meeting dates are listed in the Council Diary which is available at:

<http://www.dundee.gov.uk/reports/reports/399-2016.pdf>

5. Representation

The Tayside Pension Fund Sub-Committee is comprised solely of elected members of Dundee City Council. Employing authorities and scheme members are represented by Tayside Pension Fund Pension Board.

6. Compliance

The following demonstrates the assessment to the extent that the Fund is in compliance with guidance given by Scottish Ministers and, to the extent that it does not so comply, the reasons for not complying:

GOVERNANCE COMPLIANCE STATEMENT

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
Structure			
<p>The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.</p>	<p>Principal responsibility for the administration of benefits and strategic management of fund assets rests with the Pension Sub-Committee of the Policy & Resources Committee of Dundee City Council as the scheme manager for Tayside Pension fund. Report 447-2014 Review of Governance Arrangements – Tayside Pension Fund states:</p> <p><i>Tayside Pension Fund is administered by Dundee City Council as the administering authority with responsibility for the management of pension investment delegated to the Tayside Pension Sub-Committee with day to day operational matters further delegated in the main to the Director of Corporate Services.</i></p> <p>The responsibilities to be discharged by the Committee include:</p> <ul style="list-style-type: none"> • Preparing, maintaining and publishing the Governance Compliance Statement. • Ensuring that the Scheme Manager complies with the Local Government Pension Scheme (Scotland) Regulations and all other legislation governing the administration of the Fund. • Preparing, maintaining and publishing the Funding Strategy Statement. • Preparing, maintaining and publishing the Pensions Administration Strategy. • Ensuring the Fund is valued as required and receiving and considering reports on each valuation. • Ensuring appropriate arrangements for the administration of benefits are in place. • Setting the admissions policy. • Preparing, maintaining and publishing the Communication Policy Statement. • Ensuring appropriate AVC arrangements are in place. • Preparing, maintaining and publishing the Statement of Investment Principles. - Setting the investment objectives and policy and the strategic asset allocation in the light of the Fund's liabilities. • Appointing, dismissing and assessing the performance of investment managers and custodians. • Preparing, maintaining and publishing the Corporate Governance Policy • Ensuring appropriate arrangements for the Local Pension Board are in place and maintaining and publishing information about the Pensions Board. • Approving the Business Plan. • Ensuring that an effective system of internal financial control is maintained. • Receiving and agreeing the Annual Report and Accounts. • Ensuring that contributions received are in accordance with the Schedule of Rates and Adjustments. 	<p>Yes</p>	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
	The Committee reviews the role and responsibilities of service providers to the Fund. The actions of the Committee are reviewed and scrutinised by the Local Pension Board.		
	<p>Dundee City Council, as Scheme Manager, has established a Local Pension Board. Report 447-2014 Review of Governance Arrangements – Tayside Pension Fund states:</p> <p><i>Dundee City Council as Scheme Manager is required to establish a Pension Board separate from the Tayside Pension Fund Investment Sub-Committee that acts as the Scheme Manager.</i></p> <p><i>The Pension Board is the body responsible for assisting the Scheme Manager in relation to securing compliance with the 2014 Regulations and other legislation relating to the governance and administration of the Scheme and the requirements of the Pensions Regulator.</i> <i>The Pension Board may consider any matter concerning pensions it deems relevant to the activities of a Pensions Committee including the following (in relation to their remit and role defined in the 2014 regulations):</i></p> <ul style="list-style-type: none"> • <i>Reports produced for the Pensions Sub-Committee</i> • <i>Requisition reports from the scheme managers on any aspect of the fund</i> • <i>Monitor investments and the investment principles/strategy/guidance</i> • <i>The fund annual report</i> • <i>External voting and engagement provisions</i> • <i>Fund administrative performance</i> • <i>Actuarial reports and valuations</i> • <i>Funding policy</i> • <i>Any other matters that the Pension Board deem appropriate</i> 	Yes	
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	<p>Membership of the Pension Sub-Committee comprises of six councillors from Dundee City Council with voting rights.</p> <p>Membership of the Pension Board will consist of equal numbers of trade union representatives and employer representatives, drawn from councils and scheduled or admitted bodies in membership of the fund. Pension Board representatives must not also participate in or act as members of the Pensions Sub-Committee. Local Authority employer representatives will normally be Elected Members serving as part of the Council.</p> <p>There are 4 employer representatives appointed by the respective employer organisations as follows:</p>	Yes	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
	<p>Councils 2 (1 x Angus Council, 1 x Perth & Kinross Council) Scheduled & Admitted bodies 2</p> <p>There are 4 trade union representatives appointed from the following trade unions: GMB 1 Unite /UCATT 2 UNISON 1</p> <p>Advisors to the Pension Board may attend meetings of the Pension Board in a non-voting capacity.</p>		
<p>That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.</p>	<p>Meetings of the Pension Sub-Committee and Pension Board are joint and concurrent with administered by Dundee City Council as the administering authority. Report 447-2014 Review of Governance Arrangements – Tayside Pension Fund states:</p> <p><i>While the statutory roles and function of the Pensions Sub-Committee and Pension Board are separate, the normal practice will be that both bodies will meet at the same time to consider the same agenda, with the Chair of the Pensions Sub-Committee chairing the concurrent meeting. The aim is to engender a positive and proactive partnership culture where in practice the two bodies act as one.</i></p>	Yes	
<p>That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.</p>	<p>All members of the Pension Sub-Committee are members of the Dundee City Council Policy & Resources Committee.</p>	Yes	
	<p>The membership of the Committee and Local Pension Board is independent of one another, as provided for in the Regulations, as it is believed that separate membership is preferable for the discharge of their statutory duties.</p>	Yes	
	<p style="text-align: center;">The Scheme of Delegations to the Fund's Officers</p> <p>The Council's Scheme of Delegations authorises the Chief Executive, Corporate Directors and Officers authorised by them to exercise the powers and carry out the duties arising from the functions for which they are responsible.</p> <p>The authorised Officers are the Executive Director of Corporate Services, The Head of Corporate Finance and the Senior Financial Services Manager.</p>		

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
	<p style="text-align: center;">Procurement Procedures</p> <p>Procurement of works, goods or services on behalf of the Fund is required to comply with guidelines provided by Dundee City Council as scheme manager and in line with national frameworks.</p> <p style="text-align: center;">The Fund's Officers</p> <p>The main duties of the Officers are set out below. The Officers will:</p> <ul style="list-style-type: none"> • Advise the Committee and Local Pension Board on all matters which they need to be aware of in order to discharge their responsibilities in relation to the administration and investment of the Fund. • Prepare the Budget and Service Plan. • Maintain the system of internal financial control. • Prepare the Annual Report and Accounts. • Manage the triennial and interim actuarial valuations. - Manage the preparation of the Funding Strategy Statement. • Manage the preparation of the Governance Compliance Statement. • Manage the preparation of the Communication Policy Statement. • Manage the preparation of the Pensions Administration Strategy. • Ensure that the Pensions Service adheres to best practice. <p>In relation to the investment of the Fund, the Officers will:</p> <ul style="list-style-type: none"> • Review the content of the Statement of Investment Principles. • Review the content of the Environmental, Social and Corporate Governance Policy. • Monitor developments that may affect the approach to the investment of the Fund. • Monitor the investment management structure and arrangements in order to verify that the investment policy of the Committee is being implemented. • Monitor the investment managers in order to maintain an awareness of their investment views and strategies and to verify that the strategies being implemented are in accordance with investment mandates. • Maintain records that monitor the investment performance of investment managers and the Fund. • Maintain a record of the Fund's assets. • Monitor the security and efficiency of the custodians in order to verify that the assets are secure, the custodians' records of the Fund's assets agree with in house records and managers' records and the custodians' actions are in accordance with the agreements. • Manage cash flow, allocate money between investment managers in order to ensure that the Fund does 		

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
	<p>not become over or under invested and invest the residual cash balances. In relation to the administration of benefits, the Officers will:</p> <ul style="list-style-type: none"> • Monitor developments that may affect the administration of benefits. • Promote membership of the Fund. • Manage the admissions policy. • Collect and reconcile the employer and employee contributions. • Pay pension benefits. • Maintain records in relation to the entire membership. • Devise and implement training, consultation and communication strategies for the employers. • Devise and implement consultation and communication strategies for the members. • Manage the AVC arrangements. 		
Representation			
<p>That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:</p> <p>i) employing authorities (including non-scheme employers, e.g. admitted bodies);</p> <p>ii) scheme members (including deferred and pensioner scheme members);</p> <p>iii) where appropriate, independent professional observers; and</p> <p>iv) expert advisors (on an ad-hoc basis).</p>	<p>The Pension Sub-Committee includes 6 councillors from Dundee Council. The Pension Board has 2 employer representatives of employing authorities and 2 admitted employers.</p> <p>The Pensions Board has 4 Trade Union representatives who represent all scheme members (including deferred and pensioner scheme members) as required by regulation.</p> <p>The External Investment Advisor, AON Hewitt, attend annual Committee meetings. The Actuary, Barnett Waddingham, attends Committee meetings as required.</p>	<p>Yes</p> <p>Yes</p> <p>Partial</p>	<p>There has been no request to appoint further independent observers or advisors</p>

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
		Partial	
That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights	<p>All members of the Committee are treated equally in terms of access to papers, meetings and training. They are given full opportunity to participate and contribute to the decision making process as appropriate and required.</p> <p>All members of the Local Pension Board are treated equally in terms of access to papers and meetings, training and are given full opportunity to participate in their decision making process.</p>	Yes	
Selection and Role of Lay Members			
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	<p>Members are made aware of the full details of status, role and function prior to selection and appointment. This area is also covered in their training program.</p> <p>Local authority members are subject to the code of conduct of their respective council. The trade union and employer representatives are required to agree to accept the same code of conduct applicable to their role and duties to Tayside Pension Fund.</p>	Yes	
That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda related to specific matters on the agenda	Declaration of interests is a standard procedure at the start of all Sub-Committee and Local Pension Board meetings. This is stated at the start of each agenda, and any declarations are noted in the minutes.	Yes	
Voting			
The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or	<p>All Sub-Committee members have voting rights. This is detailed in the Tayside Pension Funds Statement of Investment Principles.</p> <p>Each member of the Pension Board will have an individual voting right but it is expected the Pension Board will as far as possible reach a consensus. The Chair of the Pension Board will have the final casting vote which will be reported to the Scheme Manager.</p>	Yes	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
group represented on main LGPS committees.			
Training / Facility Time / Expenses			
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	<p>All new members of the Pension Investment Sub-Committee are offered training by officers. Further training is offered periodically, generally from investment consultants, investment managers of the fund and actuaries. In addition, if other training opportunities are identified, including attendance at conferences and seminars, these are offered to members, as appropriate. Costs and expenses incurred are met by the Pension Fund.</p> <p>The Scheme Manager recognises that effective financial administration and decision-making can only be achieved where those involved have the requisite knowledge and skills.</p> <p>The Scheme Manager is using the following to promote :</p> <ul style="list-style-type: none"> • CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills • CIPFA Pensions Panel Framework for Elected Members and Non Executives in the Public Sector to use as the basis of the Training Policies and Programmes. • CIPFA Pensions Panel Technical Knowledge and Skills Framework for Local Pension Boards <p>Training programmes are undertaken that reflect specific needs, and which include the appropriate requirements of the Pensions Regulator’s Codes of Practice.</p> <p>Costs and expenses incurred are met by the Pension Fund.</p>	Yes	Continuous training programme in line with needs. New Committee & board members will undergo training accordingly
That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Training requirement is applicable to all members of the Pension Sub-Committee and Board.	Yes	
That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training	Training programmes are undertaken to reflect specific needs, and which include the appropriate requirements of the Pensions Regulator’s Codes of Practice. The training programme is reviewed regularly and members of the Sub-Committee and Pension Board assess their individual requirements.	Yes	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
undertaken.			
Meetings (Frequency/Quorum)			
That an administering authority's main committee or committees meet at least quarterly.	<p>The Sub-Committee and Pension Board have a regular quarterly joint meeting at which it considers investment and administration matters. Additional meetings are called should any aspect of the Fund require.</p> <p>Both the Sub-Committee and Pension board require 3 members apiece to be quorate. If the Pension Board fail to achieve required membership, the Sub-Committee meeting will continue.</p>	Yes	
That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	The Sub-Committee and Board meet jointly on a quarterly basis.	Yes	
That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Employer Forum for scheduled and admitted bodies is held annually, including presentations on topical subjects.	Yes	
Access			
That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at	Subject to the management of any conflict of interest, all members are treated equally in terms of access to committee papers, documents and advice.	Yes	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
meetings of the main committee.			
Scope			
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	The agendas include reports on training, admission agreements, policies on discretions, pensions administration, regulatory changes, budget monitoring, local performance indicators, the service plan, internal and external audit, valuation issues, the funding level, the asset value and asset allocation, proposals to develop the investment management structure, investment performance at Fund and manager level.	Yes	
Publicity			
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Governance Policy Statement was approved in May 2009, following consultation with all employers. The governance arrangements may be viewed on the Fund's website at: http://www.taysidepensionfund.org/about-us/forms-and-publications.aspx	Yes	Governance Policy Statement and Governance Compliance Statement are available on the Council website.

