

<b>Essex Pension Fund Board</b>	<b>EPB/26/12</b>
<b>date: 27 September 2012</b>	

## **Governance Policy and Compliance Statement**

Joint Report by the Secretary to the Board, the Pensions Services Manager and the Group Manager Investments

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### **1. Purpose of the Report**

- 1.1 To ask the Pension Fund Board to agree the Fund's updated Governance Policy and Compliance Statement.
- 1.2 To ask the Pension Fund Board to note that a Fund Conflicts of Interest Policy will be developed and brought back to the Board for approval at a later date.

### **2. Recommendations**

- 2.1 To agree the Fund's updated Governance Policy and Compliance Statement.

### **3. Background**

3.1 Under the Local Government Pension Scheme Regulations, each Pension Fund Administering Authority is required to produce and keep under review a Governance Policy detailing the following:

- whether the authority delegates its function, or part of its function, in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the authority;
- if it does so—
  - the terms, structure and operational procedures of the delegation,
  - the frequency of any committee or sub-committee meetings,
  - whether such a committee or sub-committee includes representatives of employing authorities (including authorities which are not Scheme employers) or members, and, if so, whether those representatives have voting rights.

3.2 The Policy must also outline the extent to which the Administering Authority complies with guidance given by the Secretary of State and, to the extent it does not so comply, the reasons for not complying.

### **4. Amendments to Governance Policy**

4.1 The Board last approved the Governance Policy on 29 June 2011. Only minor changes are necessary to the Policy as shown on the attached version. As you can see from the final section in the policy, the Fund fully complies with the Secretary of State's guidance.

4.2 Guidance has recently been issued by CIPFA stating that LGPS Administering Authorities should have in place a Policy on Conflicts of Interest. Officers are intending to develop a draft Conflicts of Interest Policy for agreement by the Board which will be incorporated into the Governance Policy. However, as some members of the Board may know, Essex County Council is currently considering its position in relation to its own Code of Conduct (which includes elements relating to Conflicts of Interest). It would therefore be more appropriate to defer the development of a Fund policy until the Essex County Council approach has been agreed.

### **5. Link to Essex Pension Fund Objectives**

5.1 This paper has relevance to the following Fund objectives:

- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
- Understand and monitor risk and compliance

### **6. Risk Implications**

6.1 None.

**7. Communication Implications**

7.1 The Policy will be published on the Fund's website.

**8. Finance and Resources Implications**

8.1 There are no financial or resource implications.

**9. Background Papers**

9.1 None.