

Essex Pension Fund Advisory Board	PAB 04
Date: 22 September 2021	

PAB Governance Effectiveness Review

Joint Report by the Compliance Manager and Independent Governance and Administration Adviser (IGAA)

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Executive Summary

An outline of the approach for the PAB Governance Effectiveness Review has been provided by the Fund's IGAA.

1. Purpose of the Report

- 1.1 To provide details of the forthcoming plans for the next stage of the Fund's Governance Effectiveness Review to be undertaken by the Fund's IGAA.
- 1.2 This is the final stage of the Review, and builds on the recent outcome of the Essex Pension Fund Strategy Board (PSB) and Investment Steering Committee (ISC) Review, which was reported to the July 2021 PSB meeting.

2. Recommendation

- 2.1 The Board should note the plans set out in this report including the requirement for Members to complete a survey on the effectiveness of the PAB which will be issued to Members in early October 2021.

3. PAB Effectiveness Review Plan

- 3.1 In preparing the plan set out in this paper the IGAA held a call with the PAB Chairman, Investment Manager and the Compliance Manager on 07 September 2021.
- 3.2 The Chairman has requested the PAB be consulted on the areas to be covered within a Survey of the Membership. Suggested areas of the Review to be covered include:
- Meeting Effectiveness – incorporates questions relating to the length of meetings, engagement during meetings, meeting format (virtual/hybrid/face to face);
 - Accessibility, Format and Usefulness of Information – incorporates questions relating to whether the Board receive timely, sufficient and appropriate information in their meeting packs and presented at the meetings;
 - Knowledge, Understanding and Succession Management – incorporates questions relating to knowledge and skills including effectiveness of induction training, overall understanding of role on the PAB including on appointment and how to minimise unnecessary change in Board membership;
 - The Board's role – incorporates questions relating to whether the Board feel its business appropriately covers all areas as expected by the responsibilities in the terms of reference and best practice;
 - The Independent Chairman's role – what do PAB Members expect from their Chairman;
 - Summary and final comments – will include a question relating to any impacts from Covid-19.

4. Next steps

- 4.1 The activity to review the PAB's effectiveness will include a survey of PAB Members to gather their views.
- 4.2 The survey will be provided electronically to Members (with an option for a paper version). The proposed timeline for this process is detailed below:

Event	Date
Issuing of draft Survey to Director for EPF and PAB Chairman incorporating comments from the PAB	27 September 2021
Aon to issue Survey to PAB Members for completion	04 October 2021
Deadline for completion of Survey	15 October 2021
Review of initial findings and initial report to Director for EPF and PAB Chairman	05 November 2021
Findings presented to PAB for discussion and clarification	15 December 2021
Final Report presented to PSB	23 March 2022

5. Risk Implications

- 5.1 A review of the effectiveness of the PAB forms part of the Fund's governance and enables the Fund's key risks to be managed as part of the overall governance arrangements.

6. Communication Implications

- 6.1 Other than ongoing reporting to PAB and PSB as to the findings of the Review there are no communication implications.

7. Finance and Resource Implications

- 7.1 The Fund is still awaiting the costs relating to this Review. At this stage it is not covered within the Fund's 2021/22 Budget.