



Teesside Pension Fund Governance Working Party

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Prepared by Aon Hewitt

Retirement & Investment

Presentation to Teesside



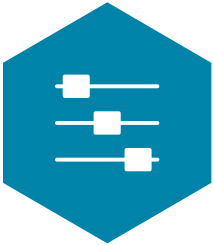
Presentation topics

- Governance review
 - Overview of Governance review
 - Key findings
 - Quick fixes and key priorities

- Panel representation



Overview and key findings
















Methodology and Summary



Summary








- Overall governance is good
- It meets legal requirements on the whole
- Particularly strong in:
 - Quality of investment monitoring
 - Use of officers' and advisers' expertise

Key Policies and Strategies – high level overview of findings

	Fund Version?/Version Date	Adheres to Legislation and Guidance	Process/decision making
Funding Strategy Statement (FSS)	Yes – March 2017		
Investment Strategy Statement (ISS)	Yes – March 2017		
Governance Policy and Compliance Statement	Yes – Last updated 2011		
Communications Policy	Yes – Last updated 2010		
Admin Authority Discretionary Policy	Yes – Last updated in 2009 *		
Administration Strategy	Yes – Last updated 2011		
Risk Management Policy and Statement	No		N/A

*Scheme of delegation update December 2016

Key Policies and Strategies – high level overview of findings

	Fund Version?/Version Date	Adheres to Legislation and Guidance	Process/decision making
Annual report and accounts	Yes – 2015/16		
Knowledge and Skills/Training Policy	No		
Conflicts of interest Policy	No		
Breaches of the Law Procedure	No		
Treasury Cash Management	Being Prepared		
Employer (admission/cessation/bulk transfer) Policy	Yes	Good Practice Only	

*Scheme of delegation update December 2016

Other areas for improvement

- Lack of training records, plan and review for Local Pensions Board and Panel
- Need for compliance check against The Pension Regulator's Code of Practice
- Oversight of Administration function
- Monitoring of wider performance measures
- Reinvigorate the risk register
- Time elapsed since key policies and strategies were reviewed and structure/key contents
- Fund business plan – incorporate:
 - Tasks and projects, not just committee business
 - Budgets
- Review terms of reference/ Constitution/ officer and adviser delegations
- Employer forum or other means of regular engagement



Quick fixes and key priorities



Quick Fixes

Strategy/Policy	Fix
Governance Policy and Compliance Statement	Review policy and update
Admin Authority Discretionary Policy	Review policy and update
Risk Management Policy and Statement	Develop policy and statement
Knowledge and Skills/Training Policy	Developing policy and log
Conflicts of interest Policy	Develop policy and log
Breaches of the Law Procedure	Develop procedure and log

Key Priorities

- Develop and deliver training plan
- Pension Regulator's review
- Increase focus on administration
- Employer forum (end of year perhaps?)
- Not key – but timely (due to asset pooling) - review terms of reference / Constitution / delegations

And update business plan to incorporate your improvement plan



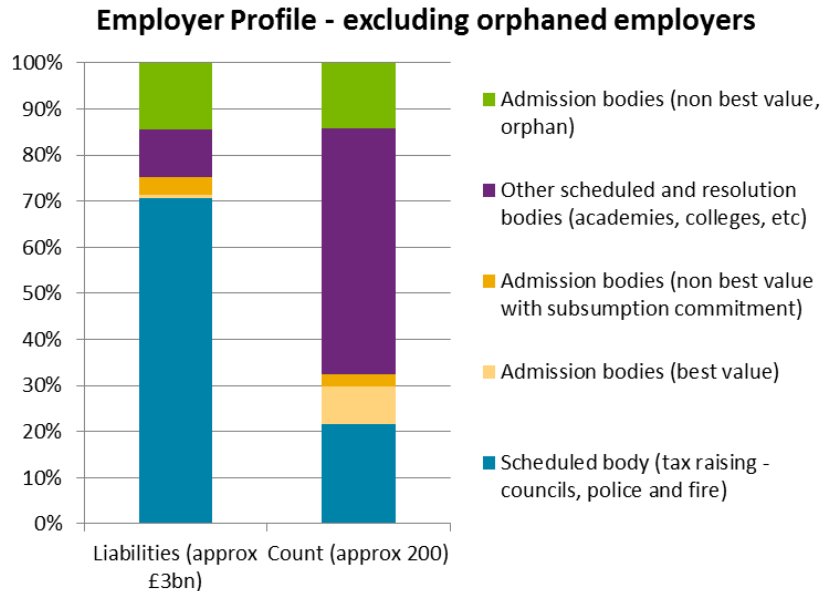
Panel representation



Pension Panel (Committee) Representation

Considerations

- Legal obligations with Middlesbrough = 50%+?
- Scheme member and employer representation good practice
- With voting rights now more common
- Representation on Pension Board
- Scheme member representatives – how many and from where?
- Employer representation – how many and from where?
 - Consider numbers v liabilities
 - Consider ‘guarantors’



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