

MANDATORY KEY SYSTEMS			Days
PEN0001	Corporate and Community Services	Pensions Payroll & Administration incl. assurance for partners and Pensions Governance Arrangements	25

The above days are directly attributable and do not include management or review time etc.

Management Action Plan

Please complete both the Management Action Plan

For any one concern, you may decide upon one or more countermeasures

PLEASE CUT AND PASTE THE TICK SHOWN INTO THE APPROPRIATE COUNTERMEASURE(S) CELL(S)

Audit Title: Pensions Governance 2015/16

Report No: 9008

REF	CONCERN	RISK	CAUSE	Counter Measure				COUNTER MEASURE EXPLANATION	RESPONSIBLE OFFICER	TARGET DATE	DATE: TRANSFER OR TERMINATE
				Treat	Tolerate	Transfer	Terminate				
1	As Administering Authority, difficulties could arise if governance arrangements relating to the Berkshire Pension Fund are not appropriately documented and readily accessible. O/S Reports: 2012/13 (Concern 1) 2013/14 (Concern 1) 2014/15 (Concern 1)	Moderate	Whilst the Constitution contains the Terms of Reference relating to the Berkshire Pension Fund Panel and Advisory Panel, there is lack of clarity over the delegated powers granted to the Head of Finance and Pension Fund Manager. Delegated emergency power (authorised by Council 23/2/2010) is not detailed in governance documentation.	√				Pension Fund Panel will be asked to approve a scheme of delegation on Feb 9th	Nick Greenwood	29/02/2016	
2	Without a review of specific competencies and the technical skills required, the Pension Fund Panel and Advisory Panel may be unable to: a) fulfil all areas identified in their Terms of Reference. b) demonstrate that Members can fulfil their responsibilities. O/S Reports: 2011/12 (Concern 1) 2012/13 (Concern 2) 2013/14 (Concern 2) 2014/15 (Concern 2)	Moderate	Primary responsibilities and duties of the Pension Fund Panel and Advisory Panel are outlined in the Terms of Reference. No specific competency or technical skill requirements have been identified. Regulations are awaited, in respect of Public Services Pensions Act 2013.		√						

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3	Members will not be aware of the correct procedure to follow.	Moderate	The Pension Board Terms of Reference (approved 26th November 2015) details a quorum of 50% of employer representatives and scheme members (minimum one of each) This would equate to three members, whereas the Constitution details four members for a quorum.	√				Request has been made of Democratic Services to amend the Council Constitution to read a quorum of 3.	Kevin Taylor	31/03/2016	
4	A conflict of interest by a Pension Board Member may go undetected. Non adherence to the Code of Conduct and Conflict of Interests Policy.	Moderate	Declarations of interests have not been completed by all members of the Pension Board.	√				7 out of 10 received. Other 3 members will be chased at next Board meeting.	Kevin Taylor	22/02/2016	
5	A conflict of interest by an officer may go undetected.	Moderate	Staff declaration of interests are not completed on an annual basis. Documentation held dated June and July 2014. Evidence not seen to confirm that new staff employed since December 2014 have completed a Declaration of Interest.								
6	Governance could be weakened as it may be difficult to assess progress.	Moderate	Action Tracking Reports have not been seen in the 2015 minutes monitoring actions recorded at previously meetings.	√					Nick Greenwood	09/02/2016	
7	Governance will be weakened as members will not be aware of the correct procedure to follow.	Moderate	The Investment Working and Liability Management Working Group Terms of Reference, whilst being reviewed on 13th January 2015, do not detail members and define the quorum for meetings. This was incorporated in the Terms of Reference approved on 23rd July 2012, following a previous audit.								
8	The Risk Register will not provide an effective management tool if appropriate controls have been omitted.	Moderate	The Risk Register does not include a control relating to the Pension Board in respect of Terms of Reference and Protocol.	√				To be added to risk register as PEN029.	Kevin Taylor	22/02/2016	

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9	Incorrect payments could be made or incorrect documentation held, if invoices are not appropriately checked.	Moderate	The Reassurance invoices for October and November are incorrect and do not add up to the net monthly payment due (difference £50k).					Has now been rectified			
10	There is no regular update or monitoring of the longevity arrangement to ensure that this is operating in accordance with the approval in 2008/09.	Minor	Evidence has not been seen in minutes provided that the longevity arrangement is reported to the Pension and Advisory Panel on an annual basis.	√	√						
11	The Terms of Reference cannot be confirmed as the current approved document.	Minor	Terms of Reference for the Pension Board has not been signed and dated by the Chairs of the Administering Authority and Pension Board.	√				Will be rectified at next Panel and Board meeting	Kevin Taylor	22/02/2016	
12	Conflicts and disputes may arise, which could affect the Pension Fund if the Administering Authority cannot demonstrate members have received the guidance document detailing the responsibilities and requirements of Board/Panel/Committee Members. O/S Report 2012/13 (Concern 17), 2013/14 (Concern 12) 2014/15 (Concern 6)	Minor	A completed members log book recording receipt of the Members Handbook has not been seen.	√				Handbook published on-line and all amendments to be made on-line. Email to be sent to Members requesting an acknowledgment from them that they know the handbook is available and how they can gain access it.	Kevin Taylor	31/01/2016	

