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**GOVERNANCE POLICY AND COMPLIANCE STATEMENT  
UPDATE**

**Report by Chief Financial Officer**

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**PENSION FUND COMMITTEE**

**18 June 2013**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This report proposes amendments to the Scottish Borders Council Pension Fund's Governance Policy and Compliance Statement.**
- 1.2 **Appendix 1** contains an update to the Governance Policy to reflect recent and proposed changes to the Scheme of Administration.
- 1.3 The Governance Compliance Statement is included as an appendix to the Policy and demonstrates that the Fund is, subject to Council approval of the changes to the Scheme of Administration on the 26 June 2013, in full compliance with the best practice guidance.

**2 RECOMMENDATIONS**

- 2.1 **It is recommended that the Committee approves the revised Governance Policy and Compliance Statement, subject to Council approval of the amendment to the Scheme of Administration on the 26 June 2013, for inclusion in the Pension Fund Annual Report and Accounts 2012/13.**

### **3 BACKGROUND**

- 3.1 It is a requirement of the current LGPS Regulations that the Pension Fund maintains a Governance Policy and Compliance Statement.
- 3.2 In the 2011/12 Annual Report and Accounts for the Pension Fund reported to the Pension Fund Committee in June 2012, the Governance Compliance Statement highlighted two areas where there was only partial or non-compliance in relation to the best practice areas.
- 3.3 Work has progressed during the past 12 months to address these areas and as a result of this, and agreed and proposed changes to the Scheme of Administration, it is necessary to update the Governance Policy and associated Compliance Statement. These changes will be reflected in the Annual Report for 2012/13.

### **4 GOVERNANCE POLICY STATEMENT AND COMPLIANCE STATEMENT**

- 4.1 **Appendix 1** contains a revised Governance Policy to incorporate the changes that have been agreed in relation to the Scheme of Administration in August 2012 and those now proposed for Council agreement on 26 June 2013.
- 4.2 The Governance Policy also contains, at appendix B, a copy of the updated Governance Compliance Statement. The key changes are that the Fund is not in compliance with the best practice in relation to training and the equal treatment of all the members of the Committee. This latter point is subject to Council approval of the proposed amendment of the Scheme of Administration on the 26 June 2013.

### **5 IMPLICATIONS**

- 5.1 **Financial**  
There are no financial implications relating to this proposal.
- 5.2 **Risk and Mitigations**  
This report is part of the governance framework to manage the operation of the Pension Fund and reflects the compliance with the best practice recommendations.
- 5.3 **Equalities**  
It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report as this policy applies to all elected members and observers of the Committee equally.
- 5.4 **Acting Sustainably**  
There are no direct economic, social or environmental issues with this reports which would affect the Council's sustainability.

## 5.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

## 5.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

## 5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to the proposed Scheme of Administration or Scheme of Delegation.

## 6 CONSULTATION

- 6.1 The Head of Corporate Governance, the Head of Strategic Policy, the Head of Audit and Risk, HR Manager and the Clerk to the Council will be consulted on the report and their comments will be reported to the Committee.

### Approved by

David Robertson  
**Chief Financial Officer**

**Signature** .....

### Author(s)

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### Background Papers:

#### Previous Minute Reference:

Pension Fund Sub-Committee, 13 June 2012

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