

## GOVERNANCE COMPLIANCE STATUTORY GUIDANCE

Principle	Surrey's Approach	Compliance
<b>STRUCTURE</b>		
The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Surrey County Council delegates the management of the Surrey Pension Fund to the Pension Fund Board. The Board is responsible for these areas under the terms of reference contained in the Council's Constitution.	Comply
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Surrey is compliant with these principles. Employers and employee representatives are represented on the Pension Fund Board. The Board comprises county councillors, borough/district councillors, an external employer representative and a union representative to represent employees and pensioners. All Board members have full voting rights.	Comply
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	There is currently no secondary committee. This will be reviewed by end 2013.	n/a
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	There is currently no secondary committee. This will be reviewed by end 2013. Should a secondary committee be established, all members of that secondary committee would sit on the main Pension Fund Board.	n/a

Principle	Surrey's Approach	Compliance
<b>REPRESENTATION</b>		
<p>That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:</p> <ul style="list-style-type: none"> <li>• employing authorities (including non-scheme employers, e.g., admitted bodies);</li> </ul>	<p>With over 100 employer bodies, not all stakeholders are directly represented on the Pension Fund Board. All stakeholders are free to make representations in writing to the Board. The County Council, the eleven districts and boroughs, Office of the Police and Crime Commissioner and employees are directly represented on the Pension Fund Board.</p>	<p>Explain</p>
<ul style="list-style-type: none"> <li>• scheme members (including deferred and pensioner scheme members);</li> </ul>	<p>The Pension Fund Board membership includes a trades union representative.</p>	<p>Comply</p>
<ul style="list-style-type: none"> <li>• independent professional observers; and</li> </ul>	<p>The Board employs an independent consultant who is an experienced ex Chief Investment Officer of an investment house. The consultant is present at all Board meetings.</p>	<p>Comply</p>
<ul style="list-style-type: none"> <li>• expert advisors (on an ad hoc basis).</li> </ul>	<p>Expert advisors attend the Board as required, depending on the nature of the decisions to be taken. For example, the actuary attends when the valuation is being considered and the investment consultant attends when strategic asset allocation decisions and investment matters are being discussed.</p>	<p>Comply</p>
<p>That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.</p>	<p>All members are treated equally in terms of access to papers and to training that is given as part of the Board processes.</p>	<p>Comply</p>

<b>Principle</b>	<b>Surrey's Approach</b>	<b>Compliance</b>
<b>SELECTION AND ROLE OF LAY MEMBERS</b>		
That Board or Panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Board members are given initial and ongoing training to support them in their role as trustees.	Comply
<b>VOTING</b>		
The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Surrey is fully compliant with this principle. Most decisions are reached by consensus, but voting rights remain with the Pension Fund Board because the Council retains legal responsibility as the administering authority.	Comply
<b>TRAINING/FACILITY TIME/EXPENSES</b>		
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	This falls within the County Council's normal approach to member expenses. Pension Fund Board members receive expenses. Training has been referred to above.	Comply
That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	The policy applies equally to all members of the Pension Fund Board. All members currently enjoy voting rights.	Comply

<b>Principle</b>	<b>Surrey's Approach</b>	<b>Compliance</b>
<b>MEETINGS (FREQUENCY/QUORUM)</b>		
That an administering authority's main committee or committees meet at least quarterly.	Surrey is fully compliant with this principle by holding quarterly and special appointment meetings. The Chief Finance Officer sends performance data and relevant information as appropriate. The quorum for the committee is three.	Comply
That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	There is currently no secondary committee.	n/a
That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented	The Pension Fund holds an annual meeting in November each year to which all key stakeholders are invited. The meeting is a two-way process in which all delegates have the opportunity to ask questions and express their views. The Board welcomes representations on any issue in writing at any time.	Comply
<b>ACCESS</b>		
That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	All members of the Pension Fund Board have equal access to committee papers, documents and advice.	Comply
<b>SCOPE</b>		
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements	Surrey is fully compliant with this principle by bringing all investment, liability, benefit and governance issues to the Pension Fund Board. An agenda will usually include a fund monitoring report, individual reports from managers, and reports on specific investment,	Comply

	administration and governance issues. A business plan is approved each year.	
<b>Principle</b>	<b>Surrey's Approach</b>	<b>Compliance</b>
<b>PUBLICITY</b>		
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Surrey is fully compliant with this principle by publishing statements in the Annual Report and on its website.	Comply