

# The Trustee toolkit downloadable

## The trustee's role

### Tutorial two: Trustee meetings

By the end of this tutorial you will better understand:

- ▶ what happens before, during and after trustee meetings

This tutorial is part of Scenario one.

#### Glossary

A detailed glossary of technical terms can be downloaded from the Resources tab when you log in at [www.trusteetoolkit.com](http://www.trusteetoolkit.com)

## Introduction

Trustee board meetings are a very important part of maintaining regular oversight of the running of the scheme. In many schemes, these meetings take place quarterly.

Meetings are usually planned months in advance so you should ensure that the relevant meeting dates are in your diary. In many cases, trustees get an opportunity to check their diaries when the meetings are fixed. As a result, trustees are expected to attend all scheme meetings (including sub-committee meetings where relevant) wherever possible. You should only excuse yourself from meetings if there are exceptional circumstances.

Trustees should ensure that meetings are quorate, ie that there are a sufficient number of trustees at the meeting to enable decisions to be made in line with the trustee board's policy/articles of association.

## Before the meeting

You will need to set aside some time to prepare for the meeting.

### Agenda

The Chair normally defines the agenda. If a trustee wants to request an additional item to be put on the agenda then they should contact the Chair before the agenda is drawn up.

### Papers

The secretary to the board must distribute papers in good time (at least a week beforehand is advisable). These include:

- ▶ agenda
- ▶ minutes
- ▶ action points from last meeting
- ▶ supporting papers

### Preparation

Trustees should:

- ▶ read everything in advance
- ▶ be prepared to ask questions and discuss the issues in the meeting
- ▶ request additional material before the meeting takes place if they have insufficient information
- ▶ alert the chair or secretary to any learning needs so that training or support can be organised in good time
- ▶ try to advise the Chair before the meeting starts if they intend to raise an issue under any other business (this helps with timing)

## The meeting: Typical agenda

A typical agenda for a quarterly meeting would contain most of the items below:

- ▶ apologies for absence
- ▶ conflicts of interest
- ▶ minutes of previous meeting
- ▶ matters arising from minutes (if not covered elsewhere on the agenda)
- ▶ management information (MI)
- ▶ covenant review (DB only)
- ▶ investment monitoring
- ▶ scheme administration
- ▶ communications
- ▶ scheme risks
- ▶ scheme costs and charges
- ▶ trustee training/TKU
- ▶ legal update
- ▶ any other business

If the same item always appears on the agenda then it is often called a 'standing item'. Agendas may also contain other standing items such as cases requiring the trustees to exercise their discretion, or complaints.

In addition to the quarterly standing items, there will also be other items on the agenda. The scheme's business plan should be consulted when the agenda is being devised, to ensure that all of the scheduled items are dealt with.

Before taking decisions, particularly in relation to services to DC schemes where members bear some or all of the relevant costs, trustees should take account of any potential impact on value for members.

# The meeting: The trustee's role

Your role in the meeting is to:

## Declare conflicts of interest

Declare 'actual, potential or perceived' conflicts of interest at the start of the meeting and act accordingly – even if 'conflicts of interest' isn't on the agenda.

You can learn more about this in the Tutorial: 'Conflicts of interest' later in this module.

## Participate fully

You should:

- ▶ listen attentively
- ▶ contribute views as appropriate
- ▶ ask questions for clarification on topics that are not fully understood
- ▶ carefully consider, and be prepared to challenge, advice given by the scheme's advisers and service providers
- ▶ if appropriate, challenge views of other trustees

## Refer to documents and procedures

Refer, as appropriate, to:

- ▶ the trust deed and rules
- ▶ the trustee powers and responsibilities
- ▶ previous minutes
- ▶ other relevant documents including policy documents
- ▶ any procedures (eg the internal dispute resolution procedure (IDRP), use of discretions, delegation)

In meetings, trustees may be able to rely on the secretary to the board or advisers to provide access to relevant documents.

## The meeting: Considerations

Here are some other areas to take into consideration.

### Time management

If you think that your trustee meetings are taking too long you might consider using some of the following tips.

- ▶ Trustees should prioritise the time available during meetings. The time allocated to discussion of different topics should reflect their relative importance in risk or financial terms to the scheme as a whole.
- ▶ The Chair can estimate likely timings in advance and identify these on the agenda. This helps advisers who are only attending one part of the meeting, as well as trustees.
- ▶ Some distributed papers can be taken as read rather than as being for discussion.
- ▶ Trustees can avoid wasting valuable meeting time by prolonging a discussion unnecessarily. However, they should not overlook significant matters simply due to time pressures. The Chair plays an important role in directing this.

### Possible problems at trustee meetings

Some trustee boards work better than others. For example:

- ▶ some schemes spend a lot of time discussing one area (eg investments) and very little time discussing other aspects of a scheme (eg administration and risk)
- ▶ some schemes that have both DB and DC elements, and offer mixed benefits, do not allow sufficient time for consideration of DC issues

If you think that too much emphasis is being placed on one part of the scheme at the expense of another area then consider raising the issue and suggesting a solution.

### Possible solutions

The trustee board could:

- ▶ add trustees or co-optees with more knowledge of a 'neglected area'
- ▶ schedule neglected items earlier in the agenda or allocate more time to them (eg in a mixed-benefit scheme where DC agenda items have been added to the end of agendas, it may be appropriate to have whole meetings devoted to DC issues to address them in detail)
- ▶ set up sub-committees to ensure certain issues get more attention (eg administration)
- ▶ arrange training sessions for individual trustees or for the trustee board

## After the meeting

Following the meeting there are still some activities to carry out.

### Minutes

Draft minutes are usually circulated soon after a meeting and are approved at the next meeting. Make sure that you check the minutes of each meeting to ensure that they reflect correctly the decisions made.

They are important documents recording what occurred at the meeting, and will be valuable if questions are ever asked about the thoroughness of the trustees' consideration of a matter, or what was decided and why.

### What's included?

Trustees must keep written records of meetings which show:

- ▶ date, time and place of meeting
- ▶ names of trustees invited
- ▶ names of trustees at the meeting and not at the meeting
- ▶ names of other attendees (this includes advisers)
- ▶ decisions made
- ▶ matters deferred for later discussion and decision
- ▶ date, time and place of any decisions made since the last meeting, including urgent decisions and the names of trustees who took part

### Between meetings

Trustees should:

- ▶ check draft minutes (and 'flag' immediately if they identify errors of significance)
- ▶ participate in any discussions and decisions between meetings as requested
- ▶ suggest agenda items for the next/future meetings
- ▶ keep up to date with financial matters (eg reading the business pages in the press)
- ▶ attend to their learning needs