



**Open Report on behalf of Andrew Crookham,
Executive Director - Resources**

Report to:	Pensions Committee
Date:	07 January 2021
Subject:	Report by the Independent Chair of the Lincolnshire Local Pension Board

Summary:

The purpose of this report is:

A) To update the Pensions Committee on the work of the Pension Board (PB) during the last few months;

B) For the Pensions Committee to receive assurances gained from the PB's work; and

C) For the Pensions Committee to consider recommendations from the PB.

Recommendation(s):

The Pensions Committee is requested to note the report.

Background

1.0 OUTCOMES FROM PENSION BOARD MEETING ON 15 OCTOBER 2020

1.1 The PB met on the 15 October and a particular focus was on several issues, namely:

- a) Internal Disputes Resolution Procedures.
- b) Internal Audit of Lincolnshire and West Yorkshire Pension Funds.
- c) External Audit.
- d) Employer Monthly Submissions and Contribution Monitoring.
- e) Data Scores
- f) Cyber Security.

1.2 **Internal Disputes Resolution Procedures (IDRP)** – the IDRP was outlined to the PB and it was confirmed that the two-stage process was thorough and cases were looked at by independent senior officers, who did not have any personal interest in the cases and could provide an impartial decision. The

PB was assured that the WYPF's Business Development Manager, who acted as the independent senior officer for stage two cases, did not have a conflict of interest and acted independently. It was confirmed that WYPF was not involved with employer stage one disputes.

- 1.3 **Internal Audit of Lincolnshire and West Yorkshire Pension Funds** – the PB reviewed an exempt report on the internal audit of several aspects of the pensions service, including annual benefit statements, accuracy of contributions recorded on member records and transfers in. The overall conclusion of the review was that LCC's Internal Audit Team continues to be able to place reliance on the assurance work of the pensions administration function undertaken by the WYPF. There were a number of recommendations which management accepted and are being acted upon.
- 1.4 **External Audit** – the PB also considered the report which summarised the findings from the work undertaken by LCC's External Auditors, Mazars. The PB was advised that Mazars expected to issue an unqualified opinion on the Lincolnshire Pension Fund Report & Accounts by the end of October 2020. In the event, the deadline of 30th November was missed because of a technical issue raised late on LCC's main Accounts. This is disappointing and underlines the need for separate audit certificates, a request that has been made previously.
- 1.5 **Employer Monthly Submissions and Contribution Monitoring** – the PB considered the standard report on employer monthly submissions for the period April to June 2020. Although 25 data submissions and 11 payments of contributions had been received late for the quarter, there was a recognition that given the difficult operating conditions as a result of the virus this was understandable. The PB will continue to monitor the position.
- 1.6 **Data Scores** – although WYPF had produced a report, the data remained unchanged since the update received at the July meeting. It was therefore agreed that future reports would be provided to the Board on a six-monthly basis to fit in with the reporting to the Pensions Regulator. The Head of Pensions agreed to circulate some benchmarking information on data scores from Border to Coast partner funds the members of the PB. The information suggests that Lincolnshire's data scores are disappointing in comparison to the other partner funds, an issue which will be discussed at the next PB meeting.
- 1.7 **Cyber Security** – the PB considered an exempt comprehensive report on Cyber Security and gained some assurance that the issue is taken very seriously by the WYPF through Bradford City Council.

Conclusion

ASSURANCES GAINED BY THE BOARD

- 2.1 The PB was content with the IDRP.

- 2.2 Although an unqualified report will be received in respect of the Pension Fund Accounts, the PB is disappointed that Mazars were late in signing their certificate.
- 2.3 The PB was pleased that the LCC Internal Audit Team continues to be able to place reliance on the assurance work of the pensions administration function undertaken by the WYPF.
- 2.4 The vast majority of employers pay their contributions on time and submit the required documentation.
- 2.5 The PB has some concerns about the data scores and cannot provide full assurance on this aspect.
- 2.6 The PB gained some assurance that the issue of Cyber Security is taken very seriously by the WYPF through Bradford City Council.

Roger Buttery
Independent Chairman

December 2020

Consultation

a) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the Head of Pensions.

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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