



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

Report to:	Pensions Committee
Date:	22 September 2022
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):

That the Committee consider the work of the Pension Board and the assurances gained from their work.

Background

1.0 OUTCOMES FROM THE PENSION BOARD MEETING ON 14 JULY 2022

1.1 The PB met on the 14 July and the main focus was on the following issues:

- a) Data Quality Report
- b) Risk Register
- c) Key Performance Indicators
- d) Internal Audit
- e) Annual Report and Accounts

1.2 **Data Quality Report** – the PB received a further update from WYPF on the data scores for the Lincolnshire Pension Fund as reported to the Pensions Regulator. The current data scores are Common 96.06% and Scheme Specific 86.54%. Much

of the missing data is historic and therefore currently it is not reported in the data fields. WYPF has now found optical reader software to enable the data to be identified, extracted, and added into the correct fields in the administration system. WYPF is expecting a significant improvement in the Scheme Specific scores in 2023. The PB will continue to monitor the position, because the Pensions Regulator expects an improvement in data quality for all public sector schemes.

- 1.3 **Risk Register** – the PB received a presentation from the Principal Risk Officer who outlined the process of managing the Council’s Risk Register, highlighting that only risks which were a threat to achieving the Pension Committee’s objectives were required to be documented. There was a lengthy debate on the various risks included. The PB welcomed the new approach with the focus on documenting the risks which are a genuine threat and are being actively managed, and removing risks from the register that are accepted by the Pension Fund and are being managed by routine work and activities.
- 1.4 **Key Performance Indicators (KPIs)** – as part of the discussion on the Pensions Administration Report, the PB was informed that WYPF is undertaking a review of the KPIs which will include a comparison of those operating in other funds. The PB welcomed this initiative and stressed the importance of having effective and suitable KPIs.
- 1.5 **Internal Audit** – Lincolnshire County Council’s (LCC) Internal Audit Team had undertaken two reviews of the pensions service. The first covered various aspects of the pensions administration service. LCC’s Internal Audit Team continue to place assurance on the robust nature of the audits completed by Bradford MDC. The second covered Key Control Testing. The review found that processes are well controlled and continue to work well. The LCC Internal Audit Team therefore provided a high assurance opinion.
- 1.6 **Annual Report & Accounts 2021/2022** – the PB also considered the Pension Fund draft Annual Report & Accounts and congratulated the Head of Pensions on an excellent document. The PB raised a few queries which were satisfactorily resolved.
- 1.7 **External Appointment** – the Board congratulated the Head of Pensions on her appointment to the PLSA Local Authority Policy Committee.

Conclusion

2.0 ASSURANCES GAINED BY THE BOARD

- 2.1 The PB has concerns about the progress on the data scores and cannot provide full assurance on this aspect.
- 2.2 The PB welcomed the new approach to the Risk Register.

- 2.3 The PB was pleased that WYPF is undertaking a review of the key performance indicators.
- 2.4 The PB was pleased that the LCC Internal Audit Team continue to place high assurance on the work of the pensions administration function undertaken by the WYPF.
- 2.5 The draft Report & Accounts demonstrates excellent stewardship.

Roger Buttery
Independent Chairman

August 2022

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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