



Pensions Audit Sub Committee

2.00pm, Monday, 27 September 2021

Agenda Planning

1. Recommendations

The Pensions Audit Sub Committee (Committee) is requested to:

- 1.1 note the agenda planning document; and
- 1.2 note that the Pension Board members are invited to comment on agenda items during Committee meetings.

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Agenda Planning

2. Executive Summary

- 2.1 This report and the agenda planning document (appendix 1 of this report) provides the Committee with an overview of the proposed agendas for future meetings of the Pensions Committee and Pensions Audit Sub Committee and the annual cycle.
- 2.2 There will, of course, be specific matters and papers which need to be brought to the attention of the committees in addition to those set out herein.

3. Background

- 3.1 In order for the Committee and Pension Board to gain an overview of the content of future meetings, and also an awareness of the annual cycle of items, an agenda planning document is submitted each quarter.
- 3.2 Committee meetings are held on a quarterly basis and the Audit Sub Committee meetings are generally held three times a year.

4. Main Report

- 4.1 The proposed agendas for the December and March meetings are set out below, based on the usual Committee cycle plus any additional and intra-cycle requests.

December 2021

| Pensions Committee | Audit Sub Committee |
|--|---|
| <ul style="list-style-type: none">• Referrals/ recommendations from Pensions Audit Sub Committee• Benchmarking• Employer Covenant Review (deferred from September)• Stewardship and Engagement• Operating Plan and Budget Update• Risk Management Summary• ICT Migration Update• Project Forth Update | <ul style="list-style-type: none">• EU Tax Claims and Other Income Tax Recoveries• Pensions Data Quality• Investment Income Review-Cross-Border Withholding Tax• Global Custody Services Performance• Risk Management In-depth review |

March 2022

Pensions Committee

- Referrals/ recommendations from Pensions Audit Sub Committee
- Audit plans and reports (internal and external)*
- Policies and Strategies Update (including communications policy)
- Pensions Administration Strategy update
- Pensions Dashboard
- Employers Participating in Lothian Pension Fund
- Operating Plan Update and Budget
- Risk Management Summary

*Draft audits and plan will be developed in consultation with the Convenor of the Audit Sub Committee and, if appropriate, the Independent Professional Observer and circulated to the Audit Sub Committee members for comment.

Future Pensions Committee and Audit Sub Committee dates

Please note that Pensions Committee and Audit Sub Committee meetings will be held virtually until further notice. The Committee meeting dates for 2021/22 are set out below:

| Pensions Committee | Audit Sub Committee |
|--|--|
| <ul style="list-style-type: none">• Wednesday, 8 December 2021, 2.00pm, venue/virtual meeting (tbc)• Tuesday, 22 March 2022, 2.00pm, venue/virtual meeting (tbc)• Wednesday, 29 June 2022, 2.00pm, venue/virtual meeting (tbc) | <ul style="list-style-type: none">• Tuesday, 7 December 2021, 2.00pm, venue/virtual meeting (tbc)• Tuesday, 28 June 2022, 2.00pm, venue/virtual meeting (tbc) |

5. Financial impact

5.1 None.

6. Stakeholder/Regulatory Impact

- 6.1 The Pension Board, comprising employer and member representatives, is integral to the governance of the fund and they are invited to comment on the relevant matters at Committee meetings.
- 6.2 There are no adverse health and safety, governance, compliance or regulatory implications as a result of this report.

7. Background reading/external references

7.1 None.

8. Appendices

Appendix 1 – LPF’s Annual Agenda Planning Cycle

| Frequency | Pensions Committee | Audit Sub Committee | Month |
|-----------|--|---|-----------|
| Biennial | Administration Strategy (biennial from March 2016) next review due September 2022 | N/A | September |
| | Administering Authority Discretions Policy. Next review due September 2022 | N/A | September |
| Annually | Audit Plans (Internal and External) | <i>Draft internal audits and plan will be developed in consultation with the Convenor of the Audit Sub Committee, the CEO (LPF) and, if appropriate, the Independent Professional Observer and circulated to the Audit Sub Committee members for comment.</i> | March |
| | Policies and Strategies Update (including revised Pension LPF Budget) | N/A | March |
| | | N/A | March |
| | LPF Annual Report and Accounts (Unaudited) | LPF Annual Report & Accounts (Unaudited) | June |
| | Statement of Investment Principles | N/A | June |
| | Joint Investment Strategy Panel Activity | N/A | June |
| | Annual Investment Updates - Lothian Pension Fund and Scottish Homes Pension Fund | N/A | June |
| | Annual LPF Group Governance Update | N/A | June |
| | | LPF Group Controls and Compliance | June |
| | | | |
| | Employer Covenant Review | N/A | September |
| | Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund (including the Annual Report by External Auditor) | Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund (including the Annual Report by External Auditor) | September |
| | N/A | Irrecoverable overpayment of pensions – decisions made under delegated authority | September |
| | N/A | Fraud Prevention | September |
| | Lothian Pension Fund Contract Awards Report | N/A | September |

| Frequency | Pensions Committee | Audit Sub Committee | Month |
|-------------------------|---|---|---|
| | Annual Report by External Auditor | Annual Report by External Auditor | December (or September if available) |
| | Benchmarking | N/A | December |
| | N/A | EU Tax Claims and Other Income Tax Recoveries | December |
| | N/A | Investment Income Review-Cross-Border Withholding Tax | December |
| | Stewardship and Engagement | N/A | December |
| | N/A | Pensions Data Quality | December |
| | N/A | Global Custody Services Performance | December |
| | | Risk Management: In-depth review | December |
| Semi Annually | Employers Participating in Lothian Pension Fund | N/A | March & September |
| 3 Times per year | Operating Plan and Budget Update | N/A | March ¹ , September & December |
| | Referrals / recommendations from Pensions Audit-Sub | N/A | June, September & December |
| Quarterly | Risk Management Summary | Risk Management Summary (In-depth report in December) | March, June, September and December |

¹ The March update will have the dual purpose of an operating plan update, budget review and budget approval for the forthcoming financial year.

| Frequency | Pensions Committee | Audit Sub Committee | Month |
|---------------|---|--|-------------------------------|
| Every 3 years | Actuarial Valuation: LPF SHPF Funding Strategy Statement (next due March 2022) Operating Plan (next due March 2023) | N/A | December or March March |
| As required | Delegated authorities (provider appointments) Discretions (death grants etc.) N/A Regulatory Update Investment Strategy Reviews (at least every 3 years) Next due June 2021 | N/A N/A Internal Audit Reports N/A N/A | |