

## **Pensions Audit Sub Committee**

2.00pm, Tuesday, 7 December 2021

### **Agenda Planning**

#### **1. Recommendations**

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

- 1.1 note the agenda planning document;
- 1.2 note that the Pension Board members are invited to comment on agenda items during Committee meetings; and
- 1.3 note that an update on the return of physical meetings will be provided in advance of the March 2022 Pension Committee meeting.

#### **Struan Fairbairn**

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# Agenda Planning

## 2. Executive Summary

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- 2.1 This report and the agenda planning document (appendix 1) provide 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

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- 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.
- 3.3 In response to the Covid-19 emergency the Pension Committee meetings have been held virtually since June 2020 in line with the arrangements set out for all City of Edinburgh Council committee meetings.

## 4. Main Report

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- 4.1 The proposed agendas for the March and June meetings are set out below, based on the usual Committee cycle plus any additional and intra-cycle requests.
- 4.2 The cyber security update requested by the Audit Sub Committee to be scheduled at its December meeting has not been finalised. It is proposed that the findings are either circulated to Audit Sub Committee Members when the report is ready or that the Pensions Committee are provided with an update on conclusions in March with the full report being considered by the Audit Sub Committee at its next meeting in June.

### March 2022

#### Pensions 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
- Benchmarking
- 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.

## June 2022

<b>Pensions Committee</b>	<b>Audit Sub Committee</b>
<ul style="list-style-type: none"> <li>• Referrals/ recommendations from Pensions Audit Sub Committee</li> <li>• LPF Annual Report and Accounts (Unaudited)</li> <li>• Statement of Investment Principles</li> <li>• Joint Investment Strategy Panel Activity</li> <li>• Annual Investment Updates – Lothian Pension Fund and Scottish Homes Pension Fund</li> <li>• Annual LPF Group Governance Update</li> <li>• Risk Management Summary</li> </ul>	<ul style="list-style-type: none"> <li>• LPF Annual Report and Accounts (Unaudited)</li> <li>• LPF Group Controls and Compliance</li> <li>• Risk Management Summary</li> </ul>

## Project Forth

Depending on the decision of the Committee, and subsequently full Council, in December there may be additional Project Forth updates added to the March and June cycles.

## Future Pensions Committee and Audit Sub Committee dates

Council elections will be held on 5 May 2022 and although no material disruption to committee business is anticipated, LPF will continue to keep the committee and board informed of any changes that may affect the committee during this time.

Please note that Pensions Committee and Audit Sub Committee meetings will be held virtually until further notice, a further update at the beginning of the 2022 in advance of the March committee meeting will be provided. The Committee meeting dates for 2021/22 are set out below:

<b>Pensions Committee</b>	<b>Audit Sub Committee</b>
<ul style="list-style-type: none"> <li>• Tuesday, 22 March 2022, 2.00pm, venue/virtual meeting (tbc)</li> </ul>	<ul style="list-style-type: none"> <li>• Tuesday, 28 June 2022, 2.00pm, venue/virtual meeting (tbc)</li> </ul>

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| <ul style="list-style-type: none"><li>• Wednesday, 29 June 2022, 2.00pm, venue/virtual meeting (tbc)</li></ul> |  |
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## **5. Financial impact**

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5.1 None.

## **6. Stakeholder/Regulatory Impact**

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- 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**

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- 7.1 [City of Edinburgh Council, Review of Political Management Arrangements – August 2021](#)

## **8. Appendices**

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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
<b>Semi Annually</b>	Employers Participating in Lothian Pension Fund	N/A	March & September
<b>3 Times per year</b>	Operating Plan and Budget Update	N/A	March <sup>1</sup> , September & December
	Referrals / recommendations from Pensions Audit-Sub	N/A	June, September & December
<b>Quarterly</b>	Risk Management Summary	Risk Management Summary (In-depth report in December)	March, June, September and December

<sup>1</sup> 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 (review due June 2023 with final version presented for approval in March 2024) 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 2024)	N/A N/A Internal Audit Reports N/A N/A	