



Pensions Audit Sub Committee

2.00pm, Tuesday, 6 December 2022

Agenda Planning

1. Recommendations

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

- 1.1 Agree that the Pension Audit Sub Committee should hold an additional meeting in March 2023.
- 1.2 note the agenda planning document; and
- 1.3 note that the Pension Board members are invited to comment on agenda items during Committee meetings.

David Vallery

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Agenda Planning

2. Executive Summary

- 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

- 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 additionally as required; the Audit Sub Committee meetings are generally held three times a year.

4. Main Report

- 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 In September the Committee agreed to hold an additional committee meeting in November. Due to insufficient information being available for the committee to consider the convenor agreed that the meeting be rescheduled to the new year.
- 4.3 A review of the committee agenda will take place at the beginning of next year, the purpose of the review is to ensure that the papers for consideration are fully aligned with the committee's terms of reference and that where possible, duplication of committee papers between audit sub-committee and pension committee is reduced. During January and February, the team will consult with Convenors and a proposal will be presented to committee in March.
- 4.4 To enable the Audit Sub Committee to provide sufficient scrutiny of the Internal Audit plans and reviews it is recommended that the Audit Sub Committee agree to hold an additional meeting in March 2023.

March 2023

Pensions Committee

- LPF Strategy and Business Plan (operating plan) and Budget
- Audit Plans (Internal and External)
- LPF Internal Audit Review
- Policies and Strategies Update
- Benchmarking
- Risk Management Summary
- Project Forth Update
- Agenda Planning review

June 2023

Pensions Committee

- Referrals/ recommendations from Pensions Audit Sub Committee
- LPF Annual Report and Accounts (Unaudited)
- Statement of Investment Principles
- Joint Investment Strategy Panel Activity
- Annual Investment Updates – Lothian Pension Fund and Scottish Homes Pension Fund
- Annual LPF Group Governance Update
- Funding Strategy Statement
- Risk Management Summary
- Project Forth Update

Audit Sub Committee

- LPF Annual Report and Accounts (Unaudited)
- Internal Audit Update
- Risk Management Summary

Future Pensions Committee and Audit Sub Committee dates

The Committee meeting dates for 2022/23¹ are set out below and calendar invites will be sent to you via committee services shortly. These meetings will be held in person with the option, if required, to attend virtually.

Pensions Committee

- Thursday, 23 March 2023, 2.00pm,
- Wednesday, 21 June 2023, 2.00pm,

Audit Sub Committee

- Monday, 19 June 2023, 2.00pm,

5. Financial impact

5.1 None.

¹ Please note that the 2023 Pension Committee dates will be subject to change depending on progress with Project Forth.

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 |
|--|--|---|-------------------|
| Every 3 years | Actuarial Valuation: LPF SHPF (next report due Mar 2024) | | December or March |
| | Funding Strategy Statement (review due June 2023 with final version presented for approval in March 2024) | N/A | March |
| Biennial | Pension Administration Strategy (presented in March 2022) | N/A | September |
| | Administering Authority Discretions Policy. Next review due September 2022 | N/A | September |
| Annually | LPF Strategy and Business Plan and Budget | | March |
| | 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 |
| | LPF Annual Report and Accounts (Unaudited) | LPF Annual Report & Accounts (Unaudited) | June |
| | LPF Internal Audit Opinion | LPF Internal Audit Opinion | 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 |
| | 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 | |
| Stewardship Code Review | | 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 |
| | N/A | Risk Management: In-depth review | December |
| | N/A | LPF Group Controls and Compliance | 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 N/A | Risk Management Summary (In-depth report in December) Internal Audit Update | March, June, September and December |
| As required | Delegated authorities (provider appointments) | N/A | |
| | Discretions (death grants etc.) | N/A | |
| | Regulatory Update | N/A | |
| | Investment Strategy Reviews (at least every 3 years - next due June 2024) | N/A | |

¹ The March update will have the dual purpose of a business strategy update, budget review and budget approval for the forthcoming financial year.