



Local Pension Board Annual Report

5 May 2022

Contents

Chairman’s introduction	2
Legal basis of LPB and annual reporting	3
LPB members register and declarations of interest	4
LPB approved training plan and members training logs.....	5
LPB workplan and outcomes.....	8
Outcomes and LPB recommendations made to the Administering Authority (Pension Committee)....	8
LPB Actions log.....	12
Summary of LPB communications outlining links to the website.....	13
LPB operational costs for 2021-22 & budget for 2022-23	14
Assurance of the LPB Annual Report	15
LPB Annual timetable 2022-23 and proposed work plans	15

Chairman's introduction

Welcome to the Annual Report of the Local Pension Board (LPB) of Wiltshire Pension Fund (WPF). This report covers the period from 1st April 2021 to 31st March 2022 during which the LPB held 4 meetings. Owing to the Coronavirus all of these meetings were held virtually, with the public having full access to all of the non-confidential agenda items, via a weblink available on the Wiltshire County Council website.

The focus of the LPB has been on ensuring the LPB and WPF governance complies with the Public Service Pensions Act, all of the relevant LGPS regulations, LGPS best practice guidance issued by the national LGPS Advisory Board or CIPFA, and the requirements of the Pensions Regulator (TPR).

I am pleased to say that, with the support of the officers and advisors to the Wiltshire Pension Fund Committee, the Board continued to make good progress in fulfilling its terms of reference during the 2021/22 financial year, and the LPB is again able to provide assurance that the WPF is complying with its statutory duties.

During 2021/22 the LPB undertook a wide range of work, as set out in the "Outcomes and LPB recommendations made to the Administering Authority" section of this Annual Report, on pages 8 to 12, which provides details of the work undertaken and the recommendations made to the Pensions Committee, all of which were accepted by the Committee.

During the year, a number of key areas were examined in detail by the Board given their importance to the Fund and its members. These included:

- **Pensions/Payroll Database Reconciliation.** A significant number of discrepancies between the records held on the Pensions Administration system and the payroll system were identified which needed to be investigated and corrected as appropriate. Significant progress was made during the year, and it is pleasing to be able to report that additional budgetary provision has been agreed by the Pension Committee to complete this task during 2022/23, to ensure that all pension payments are correct.
- **Data Security, Cyber resilience and Business Continuity Planning.** A detailed examination of this area, in relation to the two external suppliers of IT services to the Wiltshire Fund, led the Board to recommend, to the Committee, that an external examination by an IT specialist was required in order to provide further assurance to the Board and Committee. This was accepted, and Aon Consulting have been appointed to undertake this review and report back to the Board and Committee.

In terms of further governance and administration issues, the Board also highlighted administration backlogs which, unless significant additional resources were made available, would have taken 6+ years to clear, and would have had a negative impact on other areas of pensions administration performance. It is again pleasing to report that the Committee was supportive in providing additional resources in the 2022/23 budget which should facilitate the removal of these backlogs.

In March 2022 a self-assessment of the compliance with TPR Code of Practice 14 was undertaken, as reported on page 12 of this report. This review confirmed that whilst most of the areas reviewed were found to be adequately controlled and the risks well managed, a number of areas (some of which had been highlighted by the Board during the year), fell below the standards required.

An action plan to address these issues has been formulated and will be submitted to the May 2022 meeting of the Board. This will be monitored by the Board during 2022/23 to ensure that effective action is taken.

The Board has also regularly examined the risk register of the fund and the outcomes from internal and external audit reports, as set out in the “Outcomes” table and in the audit section of the annual report on page 13. In relation to the internal audit findings, an action plan to address all of the improvement areas highlighted will be submitted to the May 2022 meeting of the Board, and to subsequent meetings to enable the Board to ensure that adequate action is being taken in relation to the weaknesses identified.

Finally, the Pension Board can only function effectively with the input of all Board members, and I would like to thank my fellow Board members for their support and commitment to their roles on the LPB during the last financial year, and I commend this report to you.

Mark Spilsbury - Independent Chair of the Wiltshire Local Pension Board.

Legal basis of LPB and annual reporting

The Local Government Pension Scheme Regulations 2013 (“the Regulations”) established Wiltshire Council as the administering authority for the Wiltshire Pension Fund. The Regulations further require that Wiltshire Council establish a Local Pension Board for the purposes of assisting it;

- to secure compliance with the LGPS Regulations, other legislation relating to the governance and administration of the LGPS, and the requirements imposed by the Pension Regulator in relation to the LGPS; and
- to ensure the effective and efficient governance and administration of the LGPS

The functions of the Local Pension Board do not sit neatly within to local authority committees, including the Pension Fund’s Pension Committee. Importantly, it cannot be delegated to carry out the functions and responsibilities that legally pertain to the administering authority and has no decision-making authority.

The creation of a Local Pension Board does not change the way the administering authority delegates its pension functions, it serves an advisory and compliance role for the Fund. The role of the Local Pension Board is sometimes likened to that of a “critical friend”.

The Regulations require that the Local Pension Board must be constituted of at least 4 members, who can two of whom act for the membership and two who will act for the fund’s employers. While it is permissible for the Local Pension Board to contain “independent” members, such members are not permitted to vote. Details of how the Chair and members of the Local Pensions Board are appointed can be found in the terms of reference.

<http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

The Wiltshire Pension Fund Local Pension Board is comprised of;

- 3 scheme member representatives, and
- 3 employer representatives, and
- 1 non-voting Independent Chair

The Regulations do permit an administering authority to combine its Local Pension Board with the pension committee to which it has delegated some or all of its decision-making responsibilities in

respect of the maintenance of the fund, however the express permission of the Secretary of State for the Dept. of Levelling Up, Housing & Communities is required. Wiltshire Council has chosen not to operate a combined Local Pension Board and Pension Committee.

The Public Service Pensions Act 2013 also brought about a new role with the LGPS for The Pensions Regulator. The Regulator now oversees the good governance within all Public Service Schemes, adopting the same powers of enforcement as it does over other Schemes.

While there is no statutory obligation for the Local Pension Board to publish a report, it is recognised as best practice for the Board to report on its activities for the year and its future plans. In addition, the administering authority is required to publish a governance compliance statement which, in addition to information on the governance of the Fund, should include details of the terms, structure and operational procedures relating to its Local Pension Board.

The Board is accountable solely to the administering authority for the effective operation reporting only to the Pension Committee on its work that it has done, typically in the form of recommendations. The scope of the Board's reports shall include:

- a) a summary of the work undertaken since the last report:
- b) the work plan for last year and the programme for the next 12 months:
- c) areas to be investigated since the last report and how they were dealt with:
- d) any risks or other areas of potential concern it wishes to raise:
- e) details of training received since the last report and planned:
- f) details of all expenses over the past 12 months and projected for next year; and
- g) details of any conflicts of interest identified and how they were dealt with.

The Governance Compliance Statement of the Wiltshire Pension Fund can be found here http://www.wiltshirepensionfund.org.uk/media/4115/governance_compliance_statement.pdf

LPB members register and declarations of interest

Role	Member	Date of Appointment	Date left Office	Number of meetings attended in 2021/22 (maximum 4)
Independent Chairman	Mark Spilsbury	01/04/2020	-	4
Employer Member Representatives	Clr. Richard Britton	16/05/2017	16/05/2021	0
	Paul Smith	25/02/2020	-	3
	Ian Jones**	26/11/2019	10/03/2022	2
	Laura Fisher*	03/09/2021	-	2
Scheme Member Representative	Mike Pankiewicz	14/07/2015	-	3
	Rod Lauder**	26/11/2019	17/02/2022	4
	Marlene Corbey	20/10/2020	-	4

*Attendance includes being present as an observer

**Nominations for replacements in progress

Biographies of the Local Pension Board Members

Independent Chairman:

Mark Spilsbury, former Head of the Gloucestershire Local Government Pension Fund & Chair of the Local Pension Board for the Cornwall Pension Fund.

Employer Member Representatives:

Richard Britton, Wiltshire Councillor

Paul Smith, Head of Finance and Deputy S151 officer - Swindon Borough Council

Ian Jones, Chief Operating Officer - The White Horse Federation

Laura Fisher, HR Consultant, Wiltshire Council

Scheme Member Representative:

Mike Pankiewicz, Unison representative, retired member

Rod Lauder, Wiltshire Council employee, active member

Marlene Corbey, Unison representative, retired member

Full biographies for all Board Members can be found here

<http://www.wiltshirepensionfund.org.uk/wiltshire-pension-fund/about-us/local-pension-board/>

The register of interests for members of the Local Pension Board can be found here

<http://cms.wiltshire.gov.uk/ieListMeetings.aspx?CId=1280&Year=0>

LPB approved training plan and members training logs

The Public Service Pensions Act 2013¹ requires that members of Local Pension Boards have an appropriate level of knowledge and understanding to carry out their role. Members must be conversant with:

- The regulations of the Local Government Pension Scheme, including historical regulations and transitional provisions, to the extent that they still affect members; and
- any document recording policy about the administration of the scheme

Local Pension Board members must also have knowledge and understanding of;

- the law relating to pensions, and
- such other matters as may be prescribed in other legislation

The degree of knowledge and understanding must be appropriate for the purposes of enabling the individual to properly exercise their role. The Wiltshire Pension Fund is committed to supporting members to achieve the level of knowledge and understanding they require by providing the appropriate training and assistance.

Degree of Knowledge and Understanding

Members must “be conversant with” the rules of the LGPS and the policies of the Fund i.e. a working knowledge of what is relevant to the subject under discussion. A Board member be able to identify and challenge a failure to comply with:

- the LGPS Regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by the Pensions Regulator; and
- any failure to meet the requirements set out in any relevant tPR code of practice

¹ The Public Service Pensions Act 2013 made amendments to the Pensions Act 2004 (see s248A)

Areas of Knowledge and Understanding

The areas in which Local Pension Board Members would be expected to be conversant include, but are not limited to:

- Scheme approved policies
- Risk assessment and management
- Scheme booklets and other members' communications
- The role of Local Pension Board Members and the scheme manager (Wiltshire Pension Fund)
- Policies in relation to the exercise of discretions
- Communications with scheme members and employers
- Key policy documents on administration, funding, and investment

Achieving the required level of knowledge and skills

The Board members approved training programme covering the period 2021 to 2025 has been fully implemented and is designed to develop the necessary level of knowledge and skills for members. The strategy integrates with the Pension Fund Committee members training programme & aims to offer the widest opportunity for development. In line with the CIPFA 2021 guidance the Fund approved and published its member training policy, which can be found here: [link](#)

The Local Pension Board's training plan can be viewed here

[Wiltshire Local Pension Board Training Plan](#)

This year the Local Pension Board received the following training sessions:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	IJ	LF	MP	RL	MC
20/05/2021	The Role of the Scheme Advisory Board	20	✓	✓				✓	✓
17/02/2022	Breaches of Law refresher	20	✓	✓		✓	✓	✓	✓

The following were joint training sessions with the Pension Committee:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	IJ	LF	MP	RL	MC
24/06/2021	Administering Authority's Discretions Policy	20					✓		✓
08/07/2021	Impact investing and affordable housing	150	✓		✓		✓	✓	✓
02/09/2021	Investment Manager presentation - Magellan - Listed Infrastructure	30					✓	✓	
14/09/2021	Climate Change Scenario Modelling & Analysis	120	✓	✓	✓				✓
30/09/2021	Analytics for Climate transition	30	✓				✓		
19/11/2021	New member Induction training	150				✓			✓
25/11/2021	Investment Manager presentation - Partners - Unlisted Infrastructure	45					✓		
25/11/2021	Investment Manager presentation - NinetyOne - Emerging Markets	45					✓		
29/11/2021	Climate Change Investment Training	240	✓				✓	✓	✓
16/12/2021	Valuation training 2022	60	✓				✓	✓	
09/02/2022	Private Markets	120				✓			✓
03/03/2022	Private Markets, Infrastructure and Renewal Infrastructure & Private Debt	45					✓		✓
03/03/2022	Global Secured Credit Fund	45					✓		✓

The following was additional training opportunities undertaken by Board Members:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	IJ	LF	MP	RL
n/a	TPR on-line toolkit completion	420				✓		
n/a	LOLA - Module 1 - An introduction to the LGPS	60	✓	✓	✓	✓		
n/a	LOLA - Module 2 - LGPS Governance & Oversight Bodies	60	✓	✓	✓	✓		
n/a	LOLA - Module 3 - Administration & Fund Management	75	✓	✓	✓			✓
n/a	LOLA - Module 4 - Funding and Actuarial Matters	60	✓	✓	✓			✓
n/a	LOLA - Module 5 - Investments	70	✓					
n/a	LOLA - Module 6 - Current Issues	25	✓					
01/04/2021	Review of Code of Practice consultation	30						✓
18/05/2021 & 19/05/2021	PLSA Conference	810	✓					✓
26/05/2021	Climate Change – Focusing on Long Term Opportunities and Risks	60						✓
30/06/2021	PLSA ESG webinar	45					✓	
02/07/2021	PLSA ESG webinar	45						
15/09/2021	ESG Summit	30		✓	✓			
21/09/2021	Setting a Course to Net Zero	60						✓
27/09/2021	Brunel Investor Day - Session 1	120						
27/09/2021	Brunel Investor Day - Session 2	120	✓					
29/09/2021	Diversity	30						
12/10/2021	LGPS Fundamental training - Day 1	285						
20/10/2021	LGPS Actuarial Procurement Frameworks	30						✓
07/11/2021	TPR Pension Scams	45						
09/11/2021	LGPS Fundamental training - Day 2	285				✓		
09/11/2021	Pension Scams	45						
30/11/2021	LGPS Administration challenges & changes	60						✓
02/12/2021	LGPS Fundamental training - Day 3	270				✓		

Key:

HP – Mark Spilsbury, Independent Chair

PS – Paul Smith, Employer Representative

IJ – Ian Jones, Employer Representative

LF – Laura Fisher, Employer Representative

MP – Mike Pankiewicz, Member Representative

RL – Rod Lauder, Member Representative

MC – Marlene Corbey, Member Representative

Richard Britton, a former Employer Representative, has his

training record recorded in the Fund's Annual Report and

Accounts

TPR – The Pension Regulator

LOLA – LGPS On-line Learning Academy

PLSA – Pension & Lifetime Savings Association

LPB workplan and outcomes

In pursuit of the Local Pension Board's aim to assist the Administering Authority as set out in the Legal Basis section, it has set up a work plan intended to operate in conjunction with the workplan of the Fund whilst being committed to its own primary function.

To achieve this Local Pension Board's terms of reference requires that it develops and reports to the Wiltshire Pension Fund Committee, at least annually, on its work plan for the year. Examples of the areas work it considers it will include (but are not limited to) can be found in paragraphs 80 and 81 of its terms of reference. <http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

Outcomes and LPB recommendations made to the Administering Authority (Pension Committee)

Decisions about the running of the Pension Fund are made by the Wiltshire Pension Fund Committee which is delegated to carry out that function by Wiltshire Council in its capacity as the Administering Authority for the Wiltshire Pension Fund.

The creation of the Local Pension Board does not change the core role of the Administering Authority nor the way it delegates its pension functions to the Pensions Committee. The role of the Local Pension Board is to oversee decisions made by the Administering Authority and to make recommendations to improve the efficient and effective administration and governance of its pension function, including funding and investments.

This year the Local Pension Board has fulfilled its role in the following ways;

Date - Ref	Area	Minute	Outcome
All meetings	Pension Committee and Investment Sub-Committee decision making	The Local Pension Board actively scrutinises all Pension Committee and Investment Sub-Committee papers and minutes.	Minuted in LPB minutes
20 May 2021 (Min 12)	Low Volume Key Performance Indicators	Resolved: In view of the low level of activity recorded within the annual report the Board recommended that the content is only submitted to the Committee on an exceptional basis, where it is felt that a material operational need is present that would warrant the attention of the Committee	The Board recommendation was accepted
20 May 2021 (Min 14)	Responsible Investment (IR)	Resolved: To request the receipt of biannual updates from officers	Officers accepted the Board's request
20 May 2021 (Min 18)	Risk Register update	Resolved: To recommend the following risks be reviewed by the Committee and that risk PEN022 be amended to make it clear that it	Committee meeting dated 24 June 2021, minute 17. The Board's

Date - Ref	Area	Minute	Outcome
		<p>covers the payroll/pensions reconciliation due to GMP and other issues.</p> <ul style="list-style-type: none"> • PEN007b, PEN021 & PEN045 <p>To maintain red risks</p> <ul style="list-style-type: none"> • PEN022, PEN041, PEN042 PEN048, PEN052 & PEN055 	<p>recommendations were accepted</p>
<p>20 May 2021 (Min 22)</p>	<p>Pension Payroll Database Reconciliation</p>	<p>Resolved: The Board a) Confirmed its support for the recommendations approved by the Pensions Committee on 30 March 2021 in relation to the reconciliation (See Committee minute 264) b) Recommended that before any recovery processes are started, the Fund obtains advice on its legal position concerning the recovery, or partial recovery, of over-payments of pension. Past case law and the robustness of decision making should also form part of that advice.</p>	<p>Officers sought legal advice from the LGA & Eversheds Sutherland. Subsequent recommendations were approved by Committee on 24 June 2021, minute 23.</p>
<p>20 May 2021 (Min 23)</p>	<p>New pensioner payroll and immediate payments system</p>	<p>Resolved: The Board supports, and recommends to the Pension Committee, the proposals for a new system</p>	<p>The Committee accepted the Board's recommendation, however both groups remain in negotiation with Wilshire Council concerning the arrangements</p>
<p>20 May 2021 (Min 24)</p>	<p>Key Financial Controls</p>	<p>Resolved: The Board have concerns with the continued delay in the auditor's sign-off of the Administering Authority accounts for 2019/20 and recommended that the Pension Committee requests an update from the Council by their next meeting.</p>	<p>Updates have been received from the Council however the 2019/20 Annual Report & Account remain unsigned</p>
<p>24 August 2021 (Min 41)</p>	<p>Risk Register update</p>	<p>Resolved: To recommend the following risks be reviewed by the Committee.</p> <ul style="list-style-type: none"> • PEN009, PEN011, PEN012, PEN024, PEN026, PEN052, PEN055 & PEN058 <p>To maintain red risks</p> <ul style="list-style-type: none"> • PEN022, PEN041, PEN042 & PEN048 <p>To make dormant risks</p> <ul style="list-style-type: none"> • PEN014, PEN020 & PEN046 <p>To split risk PEN058 into</p> <ul style="list-style-type: none"> • PEN058a & PEN058b 	<p>Committee meeting dated 30 September 2021, minute 40. The Board's recommendations were accepted</p>
<p>24 August 2021 (Min 41)</p>	<p>Fund Data Security, Cyber resilience & Business Continuity Planning</p>	<p>Resolved: To a) Reduce the PEN018 risk rating to Amber. b) Liaise with Aquila Heywood in respect of the recommendations regarding AH. c) Recommend a report is produced for the December Committee meeting by the Council's ICT dept. Plus, officers address the key recommendations in the SWAP audit, namely, officers establish a common</p>	<p>The risk register rating was initially reduced to Amber but has since been raised to Red again. Since these recommendations it has been recommended by the</p>

Date - Ref	Area	Minute	Outcome
		framework of compliance borders with ICT and that ICT update the Committee on SWAP's recommendations. d) Agree access to SWAP audits and draft an IT security and resilience policy e) That a member of ICT attend the December Committee meeting & f) that future cyber security summaries are submitted on an exception basis, or where a provider has not provided evidence as required by the Fund	Board and approved by the Committee that an external review of the Fund's cyber security arrangements takes place. Aon Consulting have been appointed to undertake this review in 2022.
11 November 2021 (Min 58)	Training update	Resolved: a) To recommend to the Pensions Committee the approval of the new members training policy b) To approve and adopt the 4-year knowledge and skills framework and to recommend that the framework be adopted and approved by both the Committee and senior officers of the Fund c) To approve and adopt the training plan for 2022/23 and to recommend that this training plan be approved by the Committee	Committee meeting dated 16 December 2021, minute 81. The Board's recommendations were accepted
11 November 2021 (Min 59)	Annual Benefit Statement 2021 review	Resolved: To agree not to report the minor shortfall in statements (0.5%) as a tPR breach	Officers agreed the Board's recommendation
11 November 2021 (Min 61)	Pension Payroll Database Reconciliation	Resolved: To request future monitoring reports every 6 months and the move to an integrated pensioner payroll system	Officers agreed the Board's recommendation
11 November 2021 (Min 62)	Audit update	Resolved: a) To recommend to the Committee that they approve the scope of audits and auditors for 2022/23. Namely, the Fund's Annual Report & Accounts, Key Financial controls, BPP Pension transfers, BPP cost transparency, compliance against tPR Code of Practice, Fund's Pensioner Payroll reconciliation, Investment governance, Cyber Security, Statutory Returns and Administering Authority internal arrangements b) To recommend that within the 2022/23 budget appropriate provision is made for the appointment of specialist auditors & c) To recommend to the Committee that it reaffirms the terms of reference it expects appointed auditors to adhere to.	Committee meeting dated 16 December 2021, minute 80. The Board's recommendations were accepted
11 November	Investment Strategy Statement	Resolved: To recommend to the Committee that the updated ISS be approved	Committee meeting dated 25 November 2021, minute 64. The

Date - Ref	Area	Minute	Outcome
2021 (Min 65)			Board's recommendation was accepted
11 November 2021 (Min 67)	Risk Register update	<p>Resolved: To recommend the following risks be reviewed by the Committee. a)</p> <ul style="list-style-type: none"> • PEN030 <p>To add new risks</p> <ul style="list-style-type: none"> • PEN060 & PEN061 <p>To maintain red risks</p> <ul style="list-style-type: none"> • PEN022, PEN041, PEN042 & PEN048 <p>b) That, with the proposed increase of risk PEN030 from green to amber, a new audit be added to the 2022/23 audit plan, to examine the adequacy of the Administration Authority internal arrangements in the context of the contract management framework requirements for external contracts</p>	Committee meeting dated 16 December 2021, minute 80. The Board's recommendations were accepted with the exception of the cyber security risk PEN018 which was increased to Red.
17 February 2022 (Min 82)	Training update	<p>Resolved: a) To recommended that the Fund's breach policy was reviewed every three years & b) To request that reminders be sent to Members who had not completed their mandatory training</p>	Committee meeting dated 5 April 2022, minute xx. The Board's recommendations were accepted
17 February 2022 (Min 84)	LPB Budget 2022/23	<p>Resolved: To recommend that the Local Pension Board's budget be submitted to the Pension Fund Committee that this is included in the Fund's administration budget for 2022-23</p>	Committee meeting dated 5 April 2022, minute xx. The Board's recommendations were accepted
17 February 2022 (Min 85)	Key Financial Controls	<p>Resolved: That the Terms of Reference for the Cyber Security Review be finalised & include a technical examination from an independent IT consultant concerning the information provided by the Fund's two key software providers.</p>	Officers agreed the Board's recommendation and updated the terms of reference
17 February 2022 (Min 88)	Investment Governance	<p>Resolved: To review and endorse the process for approval of 2020 Stewardship Code reporting, and the Treasury Management Strategy</p>	Committee meeting dated 5 April 2022, minute xx. The Board's recommendations were accepted
17 February 2022 (Min 89)	Scheme of sub-Delegation	<p>Resolved: a) Recommended changes be made to the Scheme of sub-delegation document, namely officer titles and guidance arising from the Good Governance Review and new Single Code of Practice b) That changes to the guidance to the delegations, appendix be made, namely groups responsibilities and that the Fund &</p>	Officers agreed the Board's recommendation

Date - Ref	Area	Minute	Outcome
		BPP's arrangements are clearly reflected & c) That the Board's role was clearly highlighted as an advisory & scrutiny role.	
17 February 2022 (Min 90)	Risk Register update	<p>Resolved: a) To recommend the following risks be reviewed by the Committee.</p> <ul style="list-style-type: none"> • PEN043, PEN052 & PEN057 <p>To maintain red risks</p> <ul style="list-style-type: none"> • PEN018, PEN022, PEN042 & PEN048 <p>To make dormant risks</p> <ul style="list-style-type: none"> • PEN057 <p>b) In addition, work should be undertaken regarding PEN30 & PEN60, concerning the corporate recharge for implementation in the 2023-24 financial year. Regular updates on progress should be received in the Key Financial Controls reports</p>	Committee meeting dated 5 April 2022, minute xx. The Board's recommendations were accepted

LPB Actions log

The Local Pension Board use an Actions Log to track the progress of its actions. The Actions Log forms part of the Board's minutes and is considered at every meeting.

Review of LPB compliance with the Pension Regulator's Code of Practice No.14

One of the key responsibilities of the Local Pension Board is to assist the Administering Authority, Wiltshire Council, to ensure compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme. This guidance can be viewed on the following link;

[Governance and administration of public service pension schemes | The Pensions Regulator](#)

Self-assessment against Pension Regulator's Code of Practice 14

In March 2022 Officers of the Wiltshire Pension Fund undertook an internal review of its compliance against the Regulators Code of Practice the results of which were submitted to the Board in May 2022.

Using the Fund's standard questionnaire composed of 84 questions covering all areas of the Fund's internal controls officers reported a fall in the Fund's compliance with the Code of Practice for the first time in 5 years. Whilst answers to most of the areas reviewed were found to be adequately controlled & the risks well managed, the notable areas falling below the required standard were identified as data retention, systems access & contribution reconciliation. In addition, in line with the Board's observation concerning breach reporting the Fund's breach policy had also been recorded as falling below the required standard. Finally, further observations were also made in connection with the low regularity of contract management reviews, which again followed a Board recommendation relating to the failure to procure & contract manage service providers appropriately & a risk relating to casework backlogs which had made no significant improvement in the last scheme year.

In conjunction with the Fund's new business plan approved by the Pension Fund Committee on 5 April 2022, an action plan is to be prepared to address the areas falling below the required standard for compliance. This new business plan incorporated the findings made by the South-West Audit Partnership (SWAP) audit report dated March 2022 (see below) and is supported by the findings of the Fund's Code of Practice self-assessment.

On agreement with the Board the results of the March 2022 review would not subject to independent audit. With the anticipated introduction of a new Single Code of Practice in 2022, the Board agreed that no SWAP audit would take place until 2023.

Internal Audit Update

The South-West Audit Partnership (SWAP), the internal auditor's annual review provided a "no assurance" rating in March 2022, making a range of recommendations for the Fund to take forward. The key findings of their report are stated below;

- New enrolments are not always processed in line with SLAs, reconciliations are time consuming and not reviewed.
- Employer contribution rate checks were not robustly controlled and there is not clear ownership for escalating issues.
- Lump sum payments were not always processed in line with SLAs, supporting documentation was not always saved on file & there was inadequate segregation of duties between the person processing calculations and approving payments.
- Accounting errors noted when processing members transferring into the Fund.
- Amendments are not always processed in line with SLAs and supporting documentation is not always saved on file
- The process of distributing tasks to team members and ensuring robust monitoring of SLAs and team capacity/backlogs requires review. A formal quality assurance process should be implemented to ensure work is carried out correctly
- Weaknesses identified in the management of the Fund's projects
- There was a backlog of historic tasks relating to aggregations, frozen refunds, retired members and no liability members
- Pensions system access review – the action to implement a schedule of software licenses for systems used within the Fund has not been implemented

In all instances a progress plan against the audit recommendations has been implemented and will be regularly submitted to the Local Pension Board for monitoring.

External Audit Update

Whilst an external audit had been undertaken by Deloitte the Board noted that for the third year in a row the auditor had not signed the Fund's Annual Report and Accounts. This year's accounts being the 2020/21 Scheme Year. It is noted that whilst the 2018/19 Accounts had finally been signed off, the signing of the Annual Report & Accounts for 2019/20 was still outstanding. During 2021/22 the Board made several enquiries to Wiltshire Council concerning the nature of the delayed sign offs and in turn Wiltshire Council continued to report that the nature of the auditor's delay lay with the Council's accounts and not the Fund's.

It is noted that the Fund's accounts are joint accounts with the Administering Authority, Wiltshire Council, and therefore the auditor will sign off the Fund's accounts at the same time as the Council's accounts. In light of the assurance provided by the Council that the auditor was satisfied with the Fund's accounts being in good order, it was felt that no further action could be taken by the Board. However, recognition of all the delayed signings of Accounts have been recorded on the Fund's TPR breach log. As a result of the delay, it is noted that no recommendations for improvement can be forthcoming from the external auditor for this period.

[Summary of LPB communications outlining links to the website](#)

Under the LGPS Regulations each Fund must produce a statement setting out how it will communicate with its members, member's representatives, prospective members and the many

employers who participate in the Fund. A Communication Strategy was approved in December 2021 setting out the Fund's fulfilment of this responsibility over the following 3-year period. The Strategy is accompanied the Pension Administration Strategy, as well as a new Customer Service policy with a focus on customer KPIs designed to foster the continued high standards of service the Fund expects to offer its members.

"My Wiltshire Pension" The Fund's members self-service portal is embedded into the Fund's digital arrangements with its membership continuing to grow as a result of both an ongoing campaign to sign new members up, as well as the rolling out of additional functionality allowing members a greater self-service experience. This service allows members to see their pension online, amend details, carry out approximate pension forecasts, as well as a new function being introduced where eligible members can retire online.

The Fund continues to publish members annual benefit statements online via "My Wiltshire Pension" improving its publication percentage rates by the statutory deadline and fulfilling its aim to operate in a more environmentally friendly & cost-effective manner. We have been working with our members through targeted communications to ensure we have supported them through this transition however, members can still request to receive their statements by post if they wish.

In addition, to the above the Fund's website provides a platform for unlimited resources to our members which we are continuously building upon through a variation of mediums ensuring accessibility for our members and employers alike. The website offers dedicated areas for our members, employers and pensioners enabling us as a Fund to create bespoke, appropriate and informative content through GOSS.

The complete Communications Strategy can be seen here;

https://wiltshirepensionfund.org.uk/media/6142/Communications-strategy/pdf/Communications_strategy.pdf?m=637506307791730000

Main website link: www.wiltshirepensionfund.org.uk

LPB operational costs for 2021-22 & budget for 2022-23

The cost of the Wiltshire Pension Fund Local Pension Board is part of the overall running costs of the Fund and should be seen in the context of its role in assisting with the good governance and administration of the Fund.

The budget for the Local Pension Board is approved by the Pension Fund Committee as part of the process of setting the Fund's budget for the year. Any additional expenditure must be approved by the Wiltshire Council's Corporate Director of Resources & Deputy Chief Executive, s151.

The budget for 2021-22 and 2022-23 can be seen below.

	2021-22 Budget £	2021-22 Actual £	2022-23 Budget £
Independent Chair Remuneration	£10,609	£10,339	£10,672
Consultancy Fees	£4,000	£4,000	£2,000
Training	£3,400	-	£2,000
Committee Services	£3,000	£3,000	£3,000
Travel & Subsistence & costs	£1,000	£106	£1,000
Catering	£400	-	£400
Insurance	£2,800	£1,521	£3,760
Total	£25,209	£18,966	£22,832

Assurance of the LPB Annual Report

It is the role of the Local Pension Board to assist Wiltshire Council as the Administering Authority for the Wiltshire Pension Fund to secure compliance with;

- The LGPS Regulations and related legislation
- The requirements of the Pensions Regulator; and
- to ensure the effective and efficient governance and administration of the Scheme

The Local Pension Board is not intended to replace existing bodies such as the Wiltshire Pension Fund Committee, nor be responsible for the auditing of the Wiltshire Pension Fund. In carrying out its role, the Local Pension Board has;

- Considered the minutes of the Pension Fund Committee
- Considered the main policies and documents of the Wiltshire Pension Fund
- Considered the Funds Business Plan, Audit Report and Risk Management Strategy
- Received a report on the Fund's compliance with the Pension Regulator's Code of Practice No. 14
- Received legal and regulatory updates on LGPS matters
- Received training from external advisers and Fund officers.

The funds external auditors have reviewed the LPB annual report as part of their annual audit of the Wiltshire Pension Fund, but they do not provide any assurance over its contents.

This report is intended for the information of Wiltshire Council, the Scheme members and employers who participate in the Wiltshire Pension Fund. This report has been formally noted by the Wiltshire Pension Fund Committee at their meeting of 29th July 2022.

LPB Annual timetable 2021-22 and proposed work plans

[The Board's workplan for 2021-22](#)