

AGENDA

Meeting: Wiltshire Pension Fund Committee
Place: Kennet Room - County Hall, Trowbridge BA14 8JN
Date: Thursday 11 September 2014
Time: 10.30 am

Please direct any enquiries on this Agenda to Jessica Croman, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718262 or email jessica.croman@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225) 713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

Briefing arrangements:	Date	Time	Place
Chairman's Briefing	11 September 2014	0930	Kennet Room, County Hall

Membership:

Wiltshire Council Members:

Cllr Tony Deane (Chairman)
Cllr Charles Howard (Vice-Chair)
Cllr Mark Packard
Cllr Sheila Parker
Cllr Roy While

Substitute Members

Cllr Chris Hurst
Cllr Bob Jones MBE
Cllr Gordon King
Cllr Christopher Newbury
Cllr Fleur de Rhé-Philippe
Cllr Ian Thorn
Cllr Philip Whitehead

Swindon Borough Council Members

Cllr Steve Allsopp
Cllr Brian Ford

Substitute Members

Cllr Oliver Donachie

Employer Body Representatives

(Vacancy)
(Vacancy)

Observers

Mr Tony Gravier
Mr Mike Pankiewicz

PART I

Items to be considered when the meeting is open to the public

1 **Membership**

2 **Attendance of Non members of the Committee**

3 **Apologies for Absence**

4 **Minutes** *(Pages 1 - 4)*

To confirm the minutes of the meeting held on 17 July 2014 *(copy attached)*.

5 **Chairman's Announcements**

6 **Declarations of Interest**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

7 **Public Participation and Councillors' Questions**

The Council welcomes contributions from members of the public.

Statements

If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. Please contact the officer named above for any further clarification.

Questions

To receive any questions from members of the public or members of the Council received in accordance with the constitution. Those wishing to ask questions are required to give notice of any such questions in writing to the officer named above (acting on behalf of the Corporate Director), no later than 5pm on 4 September 2014. Please contact the officer named on the first page of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Committee members prior to the meeting and made available at the meeting and on the Council's website.

8 **External Audit Report** *(Pages 5 - 26)*

A report by KPMG presenting the Final Audit report on the 2013-14 Annual Report for the Wiltshire Pension Fund for information.

9 **Pension Fund Risk Register** (Pages 27 - 34)

An update from the Head of Pensions on the Wiltshire Pension Fund Risk Register is circulated for Members' consideration.

10 **Budget Monitoring 2014-15 Report** (Pages 35 - 36)

A report of the current budget monitoring position for the Wiltshire Pension Fund for the year based on the latest position for information.

11 **Officers Training Update** (Pages 37 - 44)

A report providing an update on the progress of Officers training plans for information.

12 **Appointment of Employer Representatives to the Wiltshire Pension Fund Committee** (Pages 45 - 46)

A report by Head of Pensions updating Member's of the progress in appointing two new employer representatives.

13 **Date of Next Meeting**

To note that the next regular meeting of the Committee will be held on 11 December 2014.

14 **Urgent Items**

Any other items of business which, in the opinion of the Chairman, should be considered as a matter of urgency. Urgent items of a confidential nature may be considered under Part II of this agenda.

15 **Exclusion of the Public**

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 16 – 19 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

PART II

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

16 **Investments Quarterly Progress Report** *(Pages 47 - 104)*

A confidential report is circulated updating the Committee on the performance of the Fund's investments for the quarter.

17 **Investment Review Update - Options for the Bond Allocation** *(Pages 105 - 152)*

A confidential report is circulated outlining to the Committee's potential options for the Fund's bond allocation in light of the current market conditions.

18 **Barings - An Update on the Recent Personnel Changes** *(Pages 153 - 194)*

A confidential report is circulated by the Head of Pensions and a verbal update will be provided by Barings explaining the recent changes to its investment team.

19 **Partner Group - Review of 2013-14 & Plans for the Future** *(Pages 195 - 268)*

A confidential Annual Report from Partners Group is attached and Members are asked to consider this along with the verbal report at the meeting.

WILTSHIRE PENSION FUND COMMITTEE

DRAFT MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 17 JULY 2014 AT KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Steve Allsopp, Cllr Tony Deane (Chairman), Cllr Brian Ford, Cllr Charles Howard (Vice-Chair), Cllr Mark Packard, Mr Mike Pankiewicz, Cllr Sheila Parker

Also Present:

Jim Edney
Joanne Holden
Cllr Dick Tonge

49 Membership

The Chairman welcomed all those present to the meeting.

Cllr Steve Allsopp was welcomed as the newest Member of the Wiltshire Pension Fund Committee.

An update was given on the employer body representative positions noting that one position was available for educational scheduled bodies and one for admitted bodies. Two applications had been received from the educational institutes and interviews would be held on the 4 September, no application had been received from admitted bodies at present.

50 Attendance of Non Members of the Committee

There were no non-members of the Committee present.

51 Apologies for Absence

Apologies had been received from:

- Cllr Roy While
- Tony Gravier

52 Minutes

The Minutes of the meeting held on 5 June 2014 were presented for consideration. It was;

Resolved:

To approve the Minutes of the previous meeting as a true and correct record.

53 **Chairman's Announcements**

The Chairman made the following announcements:

Baillie Gifford

The Chairman thanked Baillie Gifford for their presentation and refreshments which marked 20 years of working together.

Self Assessments

The Chairman asked the Members of the Committee to complete the self assessment forms which had been sent to them prior to the meeting, noting that these would form the basis for training sessions for the Members. Options for refresher and induction training were discussed and would be looked into to identify if it is required.

54 **Declarations of Interest**

There were no declarations of interest.

55 **Public Participation and Councillors' Questions**

There were no questions or statements submitted.

56 **Draft 2013-14 Annual report**

The draft annual report was discussed by Members. It was noted by the Head of Pensions that Wiltshire Council had recently been audited and he was currently unaware of any issues but this would be reported on at the September meeting. It was;

Resolved

To approve the draft Wiltshire Pension Fund Annual Report & Financial Statement 2013- 14 for publication.

57 **Statement of Investment Principles (SIP)**

The SIP was presented to Members and noted that there had not been any changes or amendments. It was;

Resolved

To approve the 2014 Statement of Investment Principles.

58 Local Government Pension Scheme Reforms Update

A consultation update was given noting that the deadline for comments would be the 15 August 2014. The Members were also informed that a Pension Board, to assist the Wiltshire Pension Fund Committee with compliance, would need to be in place by 1 April 2015. It was noted that the guidelines for setting the board up were at present brief and that there were a number of key issues to address before the board could be set up. It was;

Resolved

- a) To delegate the approval of the formal response from the Wiltshire Pension Fund to the consultation to the Head of Pensions, after consultation with the Chairman and Vice Chairman taking into consideration the points raised at the meeting; and**
- b) To note that officers will consider the issues for implementation of a local pension board and update this Committee in September.**

59 Date of Next Meeting

The next meeting of the Wiltshire Pension Fund on the 11 September 2014 was noted.

60 Urgent Items

There were no urgent items.

61 Exclusion of the Public

Resolved

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 62 to 64 because it is likely that if members of the public were present there would be disclosure to them of exempt information defined in paragraph 3 of Part 1 of the Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public. Paragraph 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information).

62 **Western Asset Management - Review of 2013-14 & Plans for the Future**

Marian George and Paul Shuttleworth gave a verbal update on the annual report for the Pension Fund, and took questions from the Committee on the progress and future plans for that mandate. Following which it was,

Resolved

To thank the representatives from Western Asset Management for their attendance and noted the update.

63 **Barings - Review of 2013-14 & Plans for the Future**

Brian Corris and Andrew Cole gave a verbal update on the annual report for the Pension Fund, and took questions from the Committee on the progress and future plans for that mandate. Following which it was,

Resolved

To thank the representatives from Barings for their attendance and noted the update.

64 **Asset Allocation Update & Review of Strategic Allocation to Bonds**

The Head of Pensions and Mercers gave an update on the current asset allocation position and reviewed the Fund's strategic asset allocation to bonds. Discussions focused on the options available to the Committee and it was;

Resolved

To allow officers to look at options for expanding the bond allocation to include Multi Asset Credit and Absolute Return Investments with and update provided in September.

(Duration of meeting: 10.30 am - 1.30 pm)

The Officer who has produced these minutes is Jessica Croman, of Democratic Services, direct line 01225 718262, e-mail jessica.croman@wiltshire.gov.uk

Press enquiries to Communications, direct line (01225) 713114/713115

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

11 September 2014

FINAL EXTERNAL AUDIT REPORT

Purpose of the Report

1. The purpose of this report is to present the Final Audit Report for the Wiltshire Pension Fund prepared by KPMG.

Background

2. There is a requirement for a separate annual audit to be carried out on the Wiltshire Pension. The audit has been carried out by Wiltshire Council's external auditor, KPMG.
3. KPMG completed an interim audit visit in May 2014 but did not issue an interim report as there were no significant issues arising from this work. Over the summer they have carried out the main audit and again no significant issues were raised. Therefore, as there are no issues to report the resulting Final Audit Report has been included within the main one for the Wiltshire Council (see attached). This report was presented and approved on the 31 July 2014 meeting of the Final Accounts & Audit Committee.
4. KPMG's final audit opinion and certificate on the Wiltshire Pension Fund Annual Report is due to be signed on 3 September 2014.
5. The draft Wiltshire Pension Fund Annual Report for 2013-14 was approved by this committee at the meeting on 17 July 2014.

Considerations for the Committee

6. The attached draft Final Audit Report (page 5&6) which states there are no issues relating to the Wiltshire Pension Fund that would cause KPMG to delay the issue of their certificate of completion of the audit.

Environmental Impact of the Proposal

7. There is no known environmental impact of this proposal.

Safeguarding Considerations/Public Health Implications/Equalities Impact

8. There are no known implications at this time.

Financial Considerations & Risk Assessment

9. There are no financial consideration resulting from this proposal and the paper reviews risk as part of the audit.

Proposals

10. The Committee is asked to note the attached Final Audit Report.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: Catherine Dix, Strategic Pension Manager

Unpublished documents relied upon in the production of this report: NONE



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Report to those charged with governance (ISA 260) 2013/14

Wiltshire Council

July 2014



The contacts at KPMG in connection with this report are:

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Report sections

	Page
■ Introduction	2
■ Headlines	3
■ Financial statements	5
■ VFM conclusion	11

Appendices

1. Key issues and recommendation	15
2. Audit differences	16
3. Declaration of independence and objectivity	17

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.auditcommission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Darren Gilbert, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 0303 4448 330.

This document summarises:

- the key issues identified during our audit of the financial statements for the year ended 31 March 2014 for both the Authority and its pension fund; and
- our assessment of the Authority's arrangements to secure value for money in its use of resources.

Scope of this report

This report summarises the key findings arising from:

- our audit work at Wiltshire Council ('the Authority') in relation to the Authority's 2013/14 financial statements and those of the Local Government Pension Scheme it administers ('the Fund'); and
- our work to support our 2013/14 value for money (VFM) conclusion.

Financial statements

Our *External Audit Plan 2013/14*, presented to you in March 2014, set out the four stages of our financial statements audit process.



We previously reported on our work on the first two stages in our *Interim Audit Report 2013/14* presented in June 2014.

This report focuses on the third stage of the process: substantive procedures. Our on site work took place during June 2014.

It also includes any additional findings in respect of our control evaluation which we have identified since we issued our *Interim Audit Report 2013/14*.

We are now in the final phase of the audit, the completion stage. Some aspects of this stage are also discharged through this report.

VFM conclusion

Our *External Audit Plan 2013/14* explained our risk-based approach to VFM work and we included early findings in our *Interim Audit Report 2013/14*. We have now completed the work to support our 2013/14 VFM conclusion. This included:

- assessing the potential VFM risks and identifying the residual audit risks for our VFM conclusion;
- considering the results of any relevant work by the Authority and other inspectorates and review agencies in relation to these risk areas; and
- carrying out additional risk-based work.

Structure of this report

This report is structured as follows:

- **Section 2** summarises the headline messages.
- **Section 3** sets out our key findings from our audit work in relation to the 2013/14 financial statements of the Authority and the Fund.
- **Section 4** outlines our key findings from our work on the VFM conclusion.

Our recommendations are included in **Appendix 1**. We have also reviewed your progress in implementing prior recommendations and this is detailed in **Section 3**.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

This table summarises the headline messages for the Authority and the Fund. Sections three and four of this report provide further details on each area.

Page 10

<p>Proposed audit opinion</p>	<p>We anticipate issuing an unqualified audit opinion on the Authority's financial statements. We will also report that the wording of your Annual Governance Statement accords with our understanding.</p> <p>We also anticipate issuing an unqualified audit opinion in relation to the Fund's financial statements, as contained both in the Authority's Statement of Accounts and the Pension Fund Annual Report.</p>
<p>Audit adjustments</p>	<p>Our audit identified a total of two audit adjustments. The impact of these adjustments is to:</p> <ul style="list-style-type: none"> ■ Decrease the value of current assets by £1.3 million; and ■ Decrease the value of current liabilities by £1.3 million. <p>There is no impact upon either the net worth of the Authority or the General Fund Balance. We have included a full list of significant audit adjustments at Appendix 2. All of these were adjusted by the Authority.</p> <p>We identified a number of presentational adjustments required to ensure that the accounts are compliant with the <i>Code</i>. These have also been corrected by the Authority in the most recent version of the Authority's financial statements.</p> <p>Our audit of the Fund did not identify any material misstatements. We identified a small number of presentational changes in the accounts which have been amended by the Authority.</p> <p>We have raised one recommendation for the Authority to strengthen their controls around their rolling revaluation programme. The details of this are set out in Appendix 1.</p>
<p>Key financial statements audit risks</p>	<p>We review risks to the financial statements of the Authority and the Fund on an ongoing basis.</p> <p>Since we presented our <i>External Audit Plan 2013/14</i> in March 2014 we have identified one additional risk area in relation to the accounting required for the completed Housing PFI. Details of this are included in Section 3 of this report.</p> <p>We have worked with officers throughout the year to discuss specific risk areas. The Authority has addressed all issues appropriately.</p>
<p>Accounts production and audit process</p>	<p>Despite significantly advancing the accounts production timetable by over three weeks for both the Authority and Fund accounts, the Authority has maintained the strength of its financial reporting process and draft accounts were available for us to review on the 9 June 2014.</p> <p>The quality of working papers provided to us by Finance and the Pension team were of a high standard and met the standards specified in our <i>Accounts Audit Protocol</i>. However, we did encounter some delays during the financial statements audit as a result of key staff working across multiple sites. We have discussed this with the Associate Director of Finance and identified improvements for next year.</p> <p>The Authority has implemented all of the recommendations in our <i>ISA 260 Report 2012/13</i> relating to the financial statements.</p>

This table summarises the headline messages. The remainder of this report provides further details on each area.

<p>Completion</p>	<p>At the date of this report our audits of the financial statements of both the Authority and the Fund are substantially complete. The areas that remain outstanding are:</p> <ul style="list-style-type: none"> • Revised copy of the Annual Governance Statement; • Audit of the Whole of Government Accounts; and • A signed management representation letter which covers the financial statements of both the Authority and the Fund. <p>Before we can issue our opinion the Authority needs to have seen through their inspection period for local elector to inspect the accounts.</p> <p>We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Authority's and the Fund's financial statements.</p>
<p>VFM conclusion and risk areas</p>	<p>We have concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>We therefore anticipate issuing an unqualified VFM conclusion.</p>

Our audit of the Authority's financial statements identified a total of two audit adjustments.

The impact of these adjustments is to:

- Decrease the value of current assets by £1.3 million; and
- Increase the value of current liabilities by £1.3 million.

There is no impact upon either the net worth of the Authority, or the General Fund Balance.

We have identified no issues in the course of the audit of the Fund that are considered to be material.

Proposed audit opinion

We anticipate issuing an unqualified audit opinion on the Authority's financial statements following approval of the Statement of Accounts by the Audit Committee.

Audit differences

In accordance with ISA 260 we are required to report uncorrected audit differences to you. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

Our audit identified a total of two significant audit differences, which we set out in **Appendix 2**. These have been corrected by the Authority and are included in the most recent version of the Authority's financial statements.

The tables on the right illustrate the total impact of audit differences on the Authority's movements on the General Fund for the year and Balance Sheet as at 31 March 2014.

There is no net impact on the General Fund as a result of audit adjustments identified.

In addition, we identified a number of presentational adjustments required to ensure that the accounts are compliant with the *Code of Practice on Local Authority Accounting the United Kingdom 2013/14* ('the Code'). These have also been corrected by the Authority in the most recent version of the Authority's financial statements.

Pension fund audit

Our audit of the Fund did not identify any material misstatements.

We anticipate issuing an unqualified audit opinion following approval of the Statement of Accounts by the Audit Committee.

We identified a small number of presentational adjustments required to ensure that the accounts are compliant with the *Code*. These have been corrected by the Authority.

Movements on the General Fund 2013/14

£m	Pre-audit	Post-audit	Net impact variance
Deficit on the provision of services	50,943	50,943	-
Adjustments between accounting basis & funding basis under Regulations	(56,460)	(56,460)	-
Transfers to/from earmarked reserves	6,294	6,294	-
Decrease in General Fund	777	777	-

Balance Sheet as at 31 March 2014

£m	Pre-audit	Post-audit	Net impact variance
Property, plant and equipment	928,307	928,307	-
Other long term assets	60,363	60,363	-
Current assets	151,174	149,866	(1,308)
Current liabilities	(116,930)	(115,622)	1,308
Long term liabilities	(946,638)	(946,638)	-
Net worth	76,276	76,276	-
General Fund	(11,865)	(11,865)	-
Other usable reserves	(95,972)	(95,972)	-
Unusable reserves	31,561	31,561	-
Total reserves	(76,276)	(76,276)	-

The wording of your Annual Governance Statement accords with our understanding.

We anticipate issuing an unqualified audit opinion in relation to the Fund's financial statements.

Page 13

Annual Governance Statement

We have reviewed the Annual Governance Statement and confirmed that:

- it complies with *Delivering Good Governance in Local Government: A Framework* published by CIPFA/SOLACE; and
- it is not misleading or inconsistent with other information we are aware of from our audit of the financial statements.

We have made a number of comments to Officers on the content around the Governance Issues disclosed within the document. We have requested that some additional information is included in order to help the reader understand the background of the issues.

Pension Fund Annual Report

We have reviewed the Pension Fund Annual Report & Accounts and confirm that:

- the financial and non-financial information it contains is not inconsistent with the financial information contained in the audited financial statements.

We anticipate issuing an unqualified opinion on the Pension Fund Annual Report & Accounts at the same time as our opinion on the Statement of Accounts.

We have worked with officers throughout the year to discuss specific risk areas. The Authority has addressed the issues appropriately.


Page 14

In our *External Audit Plan 2013/14*, presented to you in March, we identified the key risks affecting the Authority's and the Fund's 2013/14 financial statements. We have now completed our testing of these areas and set out our evaluation following our substantive work.

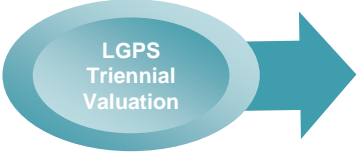

During the course of our audit we identified one additional risk as a result of the completion of the Authority's Housing PFI Scheme. We have provided further details of this risk on the following page.

The table below sets out our detailed findings for each of the risks that are specific to the Authority. Each of these relates to the financial statements of the Authority, we did not identify any specific risks for Wiltshire Pension Fund.

Additionally, we considered the risk of management override of controls, which is a standard risk for all organisations. In response to this risk, we performed controls testing and substantive audit procedures which included testing of journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual. We did not identify any issues from our work.

Key audit risk	Issue	Findings
	<p>Over recent years the Authority has been undertaking a rationalisation of its estate. This has seen significant reductions in the number of properties occupied by the Authority and will continue to do so throughout in 2014/15 and beyond. Through discussions with officers we identified that the Authority has encountered delays in relation to the vacation of sale of a number of properties (for example the Shurnhold site). As a result of this, there is an increased likelihood that the Authority will be holding vacant properties as at the year end, some of which will be classified as "held for sale".</p> <p>Where properties have been vacated, there is a risk that the value previously recorded on the Fixed Asset Register is no longer appropriate and that an impairment may have arisen. This risk increases as the duration of vacancy lengthens.</p>	<p>We reviewed the progress the Authority has made in relation to its estates strategy and undertook detailed testing in relation to both disposals and assets classified as held for sale. We have also held discussions with Officers on the status of the hubs and campuses to ensure that assets are being recorded in the correct asset category. From our testing we did not identify any issues in relation to the accounting entries made during the year.</p> <p>There are still a large number of properties to be disposed of under the Authority's estates strategy and we will continue to monitor the progress made in relation to this as part of our work for 2014/15.</p>

We have worked with officers throughout the year to discuss specific risk areas. The Authority has addressed the issues appropriately.

Key audit risk	Issue	Findings
	<p>During the year, the Local Government Pension Scheme for Wiltshire (the Pension Fund) has undergone a triennial valuation with an effective date of 31 March 2013, in line with the Local Government Pension Scheme (Administration) Regulations 2008. The Authority's share of pension assets and liabilities is determined in detail, and a large volume of data is provided to the actuary in order to carry out this triennial valuation.</p> <p>The IAS 19 numbers to be included in the financial statements for 2013/14 will be based on the output of the triennial valuation rolled forward to 31 March 2014. For 2014/15 and 2015/16 the actuary will then roll forward the valuation for accounting purposes based on more limited data.</p> <p>There is an audit risk that the data provided to the actuary for this exercise is inaccurate, which could lead to errors in the actuarial figures in the accounts. Most of the data is provided to the actuary by the Authority, which both participates in and administers the Pension Fund.</p>	<p>We have undertaken detailed testing to ensure that the Authority has correctly accounted for the results of the triennial valuation. Our work identified that the past service costs of £2.297 million had been included within finance & investment income & expenditure. These costs should have been allocated to non-distributed costs within net cost of services. This is purely a re-allocation within the Income & Expenditure Account and does not affect the General Fund balance. This adjustment forms part of our audit adjustments set out in Appendix 2.</p> <p>We have also confirmed that appropriate processes and controls have been implemented to ensure that data provided for the purposes of the valuation is accurate and complete. Our testing has identified no issues in relation to the operation effectiveness of these controls.</p> <p>In order to provide the actuarial valuation, Mercers made a series of assumptions in relation to factors such as discount rates, salary inflation and mortality figures. We have benchmarked these assumptions against our expectations and found no significant issues.</p>
	<p>During the year, the Authority completed the development of its new Housing PFI. This has resulted in the recognition of additional housing assets on the Authority's balance sheet as well as the related PFI liabilities.</p> <p>The accounting standards applicable to PFI schemes require a number of accounting entries which include an element of complexity. As a result, there is an increased risk in relation to the valuation of both the assets and liabilities.</p>	<p>The Authority completed its PFI scheme during the year, with a total of 242 units now in use. As a result the Authority recognised £16.952 million of assets within its balance sheet for the remaining units that were completed in year.</p> <p>We have confirmed that the Authority has accounted for the PFI scheme accurately and in line with the Code. Our detailed testing identified no issues.</p>

We have noted consistency in the quality of the accounts and the supporting working papers.

Officers dealt efficiently with audit queries and the audit process has been completed within the planned time scales.

The Authority has implemented all of the recommendations in our *ISA 260 Report 2012/13*.

Accounts production and audit process

ISA 260 requires us to communicate to you our views about the significant qualitative aspects of the Authority's accounting practices and financial reporting. We also assessed the Authority's process for preparing the accounts and its support for an efficient audit.

We considered the following criteria:

Element	Commentary
Accounting practices and financial reporting	<p>Despite significantly advancing the accounts production timetable by over three weeks, the Authority has maintained the strength of its financial reporting process.</p> <p>We consider that accounting practices are appropriate.</p>
Completeness of draft accounts	<p>We received a complete set of draft accounts on 6 June 2014. The draft Annual Governance Statement was subsequently provided on 19 June 2014.</p> <p>A number of presentational changes were made during the course of the audit to the draft accounts in order to ensure compliance with the Code.</p>
Quality of supporting working papers	<p>Our <i>Accounts Audit Protocol</i>, which we issued on 19 March 2014 and discussed with the Chief Accountant, set out our working paper requirements for the audit.</p> <p>The quality of working papers provided was of a high standard and met the standards specified in our <i>Accounts Audit Protocol</i>.</p>

Element	Commentary
Response to audit queries	<p>Officers resolved audit queries in a reasonable time.</p> <p>Some delays arose, however, as a result of staff working across multiple sites. We have discussed this with the Associate Director of Finance and identified improvement for next year.</p>
Pension fund audit	<p>The audit of the Fund was completed alongside the main audit and was therefore brought forward by over three weeks in order to meet the financial statement timetable.</p> <p>The quality of the working papers provided was of high standard and were clear and easy to follow. Pension team officers were responsive to audit queries as they arose.</p> <p>There are no specific matters to bring to your attention relating to the audit.</p>

Prior year recommendations

As part of our audit we have specifically followed up the Authority's progress in addressing the recommendations in last years ISA 260 report.

The Authority has implemented all of the recommendations in our *ISA 260 Report 2012/13*.

We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Authority's and the Fund's financial statements.

Before we can issue our opinion we require a signed management representation letter.

Once we have finalised our opinions and conclusions we will prepare our Annual Audit Letter and close our audit.

Page 17

Declaration of independence and objectivity

As part of the finalisation process we are required to provide you with representations concerning our independence.

In relation to the audit of the financial statements of Wiltshire Council and Wiltshire Pension Fund for the year ending 31 March 2014, we confirm that there were no relationships between KPMG LLP and Wiltshire Council and Wiltshire Pension Fund, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission's requirements in relation to independence and objectivity.

We have provided a detailed declaration in **Appendix 3** in accordance with ISA 260.

Management representations

You are required to provide us with representations on specific matters such as your financial standing and whether the transactions within the accounts are legal and unaffected by fraud. We have provided a template to the Associate Director of Finance for presentation to the Audit Committee. We require a signed copy of your management representations before we issue our audit opinion.

We have requested specific representations in relation to the valuation of fixed assets and the appropriateness of the Authority's testing for impairments in relation to such assets.

Other matters

ISA 260 requires us to communicate to you by exception 'audit matters of governance interest that arise from the audit of the financial statements' which include:

- significant difficulties encountered during the audit;
- significant matters arising from the audit that were discussed, or subject to correspondence with management;
- other matters, if arising from the audit that, in the auditor's

professional judgment, are significant to the oversight of the financial reporting process; and

- matters specifically required by other auditing standards to be communicated to those charged with governance (e.g. significant deficiencies in internal control; issues relating to fraud, compliance with laws and regulations, subsequent events, non disclosure, related party, public interest reporting, questions/objections, opening balances etc).

We have just one matter to note. As part of the Local Government Finance Act 2012, the Government implemented a Business Rate Retention Scheme from April 2013, whereby the collection and distribution of Non Domestic Rates (NDR) is collected and distributed via the Collection Fund (this has previously been managed nationally).

We have noted that this year the Authority has reported a deficit on the NDR element of the Collection Fund of £7.9 million. This has led to an overall deficit on the Collection Fund of £4.9 million.

The Authority submitted its NNDR 1 form at the start of the financial year which stated the forecasted business rate income for the year. This is based on a complex formula and a number assumptions were made by the Authority. This was due to very little guidance being issued by the DCLG in this area. During the year, the Authority made payments to/from the Collection Fund based on their forecasted income. After the year end, the Authority is required to submit a NNDR 3 which shows the final outturn position. Due to the number of assumptions that were made at the start of the year this has left the NDR balance in deficit.

The Authority has an obligation to make up the deficit but this is borne by the Collection Fund and distributed to preceptors in future years through the declaration of a surplus or deficit on the fund.

The Authority has confirmed that a more robust process for 2014/15 has been implemented.

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report or our previous reports relating to the audit of the Authority's 2013/14 financial statements.

Our VFM conclusion considers how the Authority secures financial resilience and challenges how it secures economy, efficiency and effectiveness.

We have concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Background

Auditors are required to give their statutory VFM conclusion based on two criteria specified by the Audit Commission. These consider whether the Authority has proper arrangements in place for:

- securing financial resilience: looking at the Authority’s financial governance, financial planning and financial control processes; and
- challenging how it secures economy, efficiency and effectiveness: looking at how the Authority is prioritising resources and improving efficiency and productivity.

We follow a risk based approach to target audit effort on the areas of greatest audit risk. We consider the arrangements put in place by the Authority to mitigate these risks and plan our work accordingly.

The key elements of the VFM audit approach are summarised in the diagram below.



Work completed

We performed a risk assessment earlier in the year and have reviewed this throughout the year.

The following page include further details of our VFM risk assessment and our specific risk-based work.

Conclusion

We have concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

VFM criterion	Met
Securing financial resilience	✓
Securing economy, efficiency and effectiveness	✓

We have identified a number of specific VFM risks.

In all cases we are satisfied that external or internal scrutiny provides sufficient assurance that the Authority's current arrangements in relation to these risk areas are adequate.

Work completed

In line with the risk-based approach set out on the previous page, and in our *External Audit Plan* we have:

- assessed the Authority's key business risks which are relevant to our VFM conclusion;
- identified the residual audit risks for our VFM conclusion, taking account of work undertaken in previous years or as part of our financial statements audit;
- considered the results of relevant work by the Authority, other inspectorates and review agencies in relation to these risk areas; and

- completed specific local risk based work.

Key findings

Below we set out the findings in respect of those areas where we have identified a residual audit risk for our VFM conclusion.


We concluded that we needed to carry out additional work for some of these risks. This work is now complete and we also report on this below.

Key VFM risk	Risk description and link to VFM conclusion	Assessment
	<p>As at the end of December 2013, the Authority was forecasting an overspend against its 2013/14 budget by approximately £0.5 million. This is after the identification of £3.6 million of additional savings and a £2.8m capitalisation direction in relation to voluntary redundancy costs.</p> <p>The original 2013/14 budget included a savings programme totalling £27.7 million and a drawdown of £1.7 million from the General Fund Reserve. In addition, the Authority has estimated that a further £23 million of savings will need to be delivered in 2014/15, to address the ongoing reductions to local authority funding. Against a backdrop of continued demand pressures in Adult Social Care and Children's Services it has become more and more difficult to deliver these savings in a way that secures longer term financial and operational sustainability.</p> <p>This is relevant to both the financial resilience and economy, efficiency and effectiveness criteria of the VFM conclusion.</p>	<p>Specific risk based work required: Yes</p> <p>Despite challenging savings targets for the year, the Authority's final outturn position was an under spend against budget of £0.397 million. In addition, the Authority utilised £0.777 million of General Fund balances instead of £1.7 million they were predicting.</p> <p>The Authority has continued to develop savings plans which require savings from all service areas, and has identified additional savings plans in order to compensate for budget pressures in relation to Adult Services, particularly Disability Services, and Childrens' Social Care. These cost pressures are in line with those experienced by other authorities throughout the country and, as a result, are not indicative of poor arrangements within Wiltshire.</p> <p>Performance against savings targets has been monitored throughout the year as part of the budget monitoring process in order to allow for such cost pressures to be effectively managed,</p>

We have identified a number of specific VFM risks.

In all cases we are satisfied that external or internal scrutiny provides sufficient assurance that the Authority's current arrangements in relation to these risk areas are adequate.


Page 20

Key VFM risk	Risk description and link to VFM conclusion	Assessment
	<p>During 2012/13 the Authority completed the construction of its new office building, representing the first phase of the renovation of County Hall. As the result of the valuation report produced by GVA Grimley, a downward revaluation of £14.7 million was required.</p> <p>The Authority's officers informed us that there was the potential that a similar issue was likely to arise in relation to the completion of the second phase of the County Hall renovation during 2013/14. This would result in the second consecutive year of significant investments being made in relation to assets which were subsequently valued below cost.</p> <p>We considered how the Authority has assured itself that the overall renovation project represents value for money through the benefits obtained as a result of its completion.</p> <p>This is relevant to the economy, efficiency and effectiveness criteria of the VFM conclusion.</p>	<p>Specific risk based work required: Yes</p> <p>An impairment was required in relation the second phase of the County Hall renovation, to the value of £4.333 million. This was significantly lower than that experienced in relation to phase 1. As a result, it was not necessary to disclose this separately on the face of the Comprehensive Income & Expenditure Statement as an exceptional item.</p> <p>As part of the Authority's four year rolling revaluation exercise, a number of class of assets were revalued during the year. This has led to a number significant impairment charges to the Income & Expenditure Account this year, particularly for some school assets. Even though these do then reverse out to the CAA so that there is no impact on the General Fund, such large movements within the year are notable. We have raised a recommendation within Appendix 1 in relation to this.</p> <p>As a result of the move to four main hubs (including the refurbished County Hall) the Authority has been able to dispose of 30 assets to date, generating capital receipts of £2.9 million. There are a further 74 assets to be disposed of (15 of which are in a position to be sold already) which are expected to generate receipts of £23.2 million.</p> <p>The disposal of assets has enabled the Authority to make annual maintenance and lease payment savings of £0.9 million to date. This is expected to rise to annual savings of £6.6 million once the disposal scheme has been completed.</p> <p>In addition to the financial benefits of the strategy, the renovation of the County Hall has enabled a modernisation of working methods, created a central contact point for the public as well as a more attractive public facility and made integrated working with other providers more assessable (e.g. MASH).</p>

We have identified a number of specific VFM risks.

In all cases we are satisfied that external or internal scrutiny provides sufficient assurance that the Authority's current arrangements in relation to these risk areas are adequate.

Page 21

Key VFM risk	Risk description and link to VFM conclusion	Assessment
	<p><i>(continued)</i></p>	<p>We have gained audit evidence from testing a sample of balances surrounding fixed assets and in particular reviewed additions, disposals, assets held for sale and revaluations.</p> <p>We have also held a number of discussion with Officers and reviewed supporting documentation on the hubs and campuses and the potential saving realised during the year and going forward.</p>

Appendix 1: Key issues and recommendation

We have given our recommendation a risk rating and agreed what action management will need to take.

The Authority should closely monitor progress in addressing specific risks and implementing our recommendation.

We will formally follow up this recommendation next year.

Priority rating for recommendations		
<p>1 Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.</p>	<p>2 Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</p>	<p>3 Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.</p>

No.	Risk	Issue and recommendation	Management response / Responsible officer / Due date
1	2	<p>Rolling Revaluation Programme</p> <p>Like most authorities, the Authority operates a rolling revaluation programme. This aims to secure the revaluation of all land and buildings over a four year period, with different assets classes assessed in each individual year.</p> <p>Whilst the Code allows for revaluations to be undertaken in such a way, it states that “revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period”.</p> <p>Our audit work identified a class of assets (e.g. Schools) that had large impairments during the year as a result of the revaluation exercise. For example, Melksham Oak Secondary School had an asset value of £3.8m in 2010. During 2010 this school had a significant amount of construction work performed which increased its value to £18.6m. The School was formally valued in 2014 with a value of £5m, this has resulted in an impairment of £13.6m this year.</p> <p>Whilst it is not usual to have these impairments the Code expects Authorities to assess carrying values of assets at the end of each year even though they might not have been formally valued.</p> <p>Recommendation</p> <p>Consider how to gain assurance over the material accuracy of valuations for assets which have not been revalued during the year as part of the rolling valuation programme. An option may be to revalue a percentage of assets each year where construction has been performed rather than performing valuation on only specified asset classes each year.</p>	<p>Management response</p> <p>A procedure will be designed as part of the valuation process for 2014/15 closedown.</p> <p>Responsible Officer</p> <p>Matthew Tiller</p> <p>Due Date</p> <p>March 2015.</p>

This appendix sets out the significant audit differences.

These have all been corrected in the financial statements.

Page 23

We are required by ISA 260 to report all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance (which in your case is the Audit Committee). We are also required to report all material misstatements that have been corrected but that we believe should be communicated to you to assist you in fulfilling your governance responsibilities.

Corrected audit differences – Authority

The following table sets out the significant audit differences identified by our audit of Wiltshire Council’s financial statements for the year ended 31 March 2014. These have been corrected in the most recent version of the Authority’s financial statements.

No.	Income and Expenditure Statement	Movement in Reserves Statement	Impact			Basis of audit difference
			Assets	Liabilities	Reserves	
1			Cr Cash & Cash Equivalents (£1,308k)	Dr Bank Overdraft £1,308k		In prior years the Authority has disclosed its overdraft position separately to its cash and cash equivalents. Under the 2013/14 Code, it is a requirement to present a net cash position unless the overdraft is not part of the Authority’s cash management approach. This adjustment is so that a net cash and cash equivalents position is disclosed on the balance sheet.
2	Cr Finance & Investment Income & Expenditure (£2,297k) Dr Non-Distributed Costs (Expenditure) £2,297k					The past service costs associated with the Authority’s share of the Wiltshire Pension Fund had been included within finance & investment income & expenditure. These costs should have been allocated to non-distributed costs within net cost of services.
	-	-	Cr (£1,308k)	Dr £1,308	-	Total impact of adjustments

The Code of Audit Practice requires us to exercise our professional judgement and act independently of both the Commission and the Authority.

Page 24

Requirements

Auditors appointed by the Audit Commission must comply with the *Code of Audit Practice* (the 'Code') which states that:

"Auditors and their staff should exercise their professional judgement and act independently of both the Commission and the audited body. Auditors, or any firm with which an auditor is associated, should not carry out work for an audited body that does not relate directly to the discharge of auditors' functions, if it would impair the auditors' independence or might give rise to a reasonable perception that their independence could be impaired."

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code, the detailed provisions of the Statement of Independence included within the Audit Commission's *Standing Guidance for Local Government Auditors* ('Audit Commission Guidance') and the requirements of APB Ethical Standard 1 *Integrity, Objectivity and Independence* ('Ethical Standards').

The Code states that, in carrying out their audit of the financial statements, auditors should comply with auditing standards currently in force, and as may be amended from time to time. Audit Commission Guidance requires appointed auditors to follow the provisions of ISA (UK & I) 260 *Communication of Audit Matters with Those Charged with Governance* that are applicable to the audit of listed companies. This means that the appointed auditor must disclose in writing:

- Details of all relationships between the auditor and the client, its directors and senior management and its affiliates, including all services provided by the audit firm and its network to the client, its directors and senior management and its affiliates, that the auditor considers may reasonably be thought to bear on the auditor's objectivity and independence.
- The related safeguards that are in place.

- The total amount of fees that the auditor and the auditor's network firms have charged to the client and its affiliates for the provision of services during the reporting period, analysed into appropriate categories, for example, statutory audit services, further audit services, tax advisory services and other non-audit services. For each category, the amounts of any future services which have been contracted or where a written proposal has been submitted are separately disclosed. We do this in our *Annual Audit Letter*.

Appointed auditors are also required to confirm in writing that they have complied with Ethical Standards and that, in the auditor's professional judgement, the auditor is independent and the auditor's objectivity is not compromised, or otherwise declare that the auditor has concerns that the auditor's objectivity and independence may be compromised and explaining the actions which necessarily follow from his. These matters should be discussed with the Audit Committee.

Ethical Standards require us to communicate to those charged with governance in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on our independence and the objectivity of the Engagement Lead and the audit team.

General procedures to safeguard independence and objectivity

KPMG's reputation is built, in great part, upon the conduct of our professionals and their ability to deliver objective and independent advice and opinions. That integrity and objectivity underpins the work that KPMG performs and is important to the regulatory environments in which we operate. All partners and staff have an obligation to maintain the relevant level of required independence and to identify and evaluate circumstances and relationships that may impair that independence.

We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Authority's financial statements.

Page 25

Acting as an auditor places specific obligations on the firm, partners and staff in order to demonstrate the firm's required independence. KPMG's policies and procedures regarding independence matters are detailed in the *Ethics and Independence Manual* ('the Manual'). The Manual sets out the overriding principles and summarises the policies and regulations which all partners and staff must adhere to in the area of professional conduct and in dealings with clients and others.

KPMG is committed to ensuring that all partners and staff are aware of these principles. To facilitate this, a hard copy of the Manual is provided to everyone annually. The Manual is divided into two parts. Part 1 sets out KPMG's ethics and independence policies which partners and staff must observe both in relation to their personal dealings and in relation to the professional services they provide. Part 2 of the Manual summarises the key risk management policies which partners and staff are required to follow when providing such services.

All partners and staff must understand the personal responsibilities they have towards complying with the policies outlined in the Manual and follow them at all times. To acknowledge understanding of and adherence to the policies set out in the Manual, all partners and staff are required to submit an annual ethics and independence confirmation. Failure to follow these policies can result in disciplinary action.

Auditor declaration

In relation to the audit of the financial statements of Wiltshire Council and Wiltshire Pension Fund for the financial year ending 31 March 2014, we confirm that there were no relationships between KPMG LLP and Wiltshire Council and Wiltshire Pension Fund, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission's requirements in relation to independence and objectivity.



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Page 26

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

11 September 2014

WILTSHIRE PENSION FUND RISK REGISTER

Purpose of the Report

1. The purpose of this report is to update the Committee in relation to changes to the Fund's Risk Register (see Appendix).

Background

2. The Committee approved a Risk Register for the Wiltshire Pension Fund at its meeting on 12 May 2009. Members requested that the highlights, particularly upward/downward movements in individual risks, be reported back to the Committee on a quarterly basis.

Key Considerations for the Committee / Risk Assessment / Financial Implications

3. The significance of risks is measured by interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register uses the Council's standard "4x4" approach, which produces a risk status of Red, Amber or Green (RAG).
4. There have been no significant changes since the last report in June 2014.
5. The three remaining amber risks all relate in part to the implementation of the new LGPS 2014 scheme, ***PEN018 Failure to implement the LGPS 2014 Reforms*** being the main one.
6. The LGPS 2014 implementation strategy continues, albeit the majority has now been implemented. There remain some areas of the Heywood's pension software which still require further updates and as such manual calculations are carried out in these cases in the interim. The next update of this software is due during September which will hopefully provide fixes for a number of these areas. This is the position that the majority of LGPS funds find themselves in as clients of Heywood's and is also a reflection of the late release of the new Regulations which meant the software developers have to play catch up.
7. The key procedures changes that were amended for the new LGPS 2014 scheme are being reviewed for compliance, and once completed this will provide the assurance that this risk can then be reduced.

Environmental Impacts of the Proposals

8. There is no known environmental impact of this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

9. There are no known implications at this time.

Proposals

10. The Committee is asked to note the attached Risk Register and measures being taken to mitigate risks.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: David Anthony, Head of Pensions

Unpublished documents relied upon in the production of this report: NONE

Wiltshire Pension Fund Risk Register				28-Aug-14				Current Risk Rating				Target Risk Rating							
Ref.	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in place to manage the risk	Impact	Likelihood	x	Level of risk	Further Actions necessary to manage the risk	Risk Action Owner	Date for completion of action	Impact	Likelihood	x	Level of risk	Date of Review	Direction of Travel
PEN001	Failure to process pension payments and lump sums on time	Service Delivery	Non-availability of ALTAIR pensions system, SAP payroll system, key staff, or error, omission, etc.	Retiring staff will be paid late, which may have implications for their own finances. It also has reputational risk for the Fund and a financial cost to the employers if interest has to be paid to the members.	David Anthony	Maintenance and update of ALTAIR and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work.	2	2	4	Low	Regular review of ALTAIR calculations are more thoroughly tested, especially to ensure regulations changes are correctly processed. Review of processes as part of the LGPS 2014 implementation review.	David Anthony		2	2	4	Low	28 August 2014	→→→
PEN002	Failure to collect and account for contributions from employers and employees on time	Finance	Non-availability of SAP systems, key staff, error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014	Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	David Anthony	Robust maintenance and update of ALTAIR and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. We constantly work with employers to ensure they understand their responsibilities to pay by 19th of the month.	2	1	2	Low	New electronic forms rolled out to all employers to allow collation of membership and contributions detail by member to facilitate monthly reconciliations ahead of year end. Chase letters sent as required.	Catherine Dix		2	2	4	Low	28 August 2014	→→→
PEN003	Insufficient funds to meet liabilities as they fall due	Service Delivery	Contributions from employees / employers too low, failure of investment strategy to deliver adequate returns, significant increases in longevity, etc.	Immediate cash injections would be required from the scheme employers. This shouldn't be an issue for the Fund but it looks likely that investment income might need to be used within the next 12 months.	David Anthony	Funding Strategy Statement, Investment Strategy, Triennial Valuations, membership of Club Vita, modelling of future cashflows.	2	2	4	Low	The "maturity" profile of cashflows is changing as a result of employers outsourcings and redundancy programmes. The cashflow profile is now being carefully monitored as benefits paid slightly exceeded receipts (excluding investment income) during the last financial year.	David Anthony		4	1	4	Low	28 August 2014	→→→
PEN004	Inability to keep service going due to loss of main office, computer system or staff	Service Delivery	Fire, bomb, flood, etc.	Temporary loss of ability to provide service	David Anthony	Business Continuity Plan in place. The team have the ability to work from home or remotely if required. The pension system is also hosted by its supplier, which reduces the risk should Wiltshire Council's IT servers fail.	4	1	4	Low	Business Continuity Plan has been refreshed in and approved by the CFO in Oct 2011. All the team now have laptops that would mean they can access ALTAIR remotely if required and all paperwork is scanned.	Andy Cunningham		4	1	4	Low	28 August 2014	→→→
PEN005	Loss of funds through fraud or misappropriation	Fraud / Integrity	Fraud or misappropriation of funds by an employer, agent or contractor	Financial loss to the Fund	David Anthony	Internal and External Audit regularly test that appropriate controls are in place and working. Regulatory control reports from investment managers, custodian, etc, are also reviewed by audit. Due Diligence is carried out whenever a new manager is appointed. Reliance is also placed in Financial Services Authority registration.	4	1	4	Low	None	Catherine Dix		4	1	4	Low	28 August 2014	→→→

Ref.	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in place to manage the risk	Current Risk Rating				Further Actions necessary to manage the risk	Risk Action Owner	Date for completion of action	Target Risk Rating				Date of Review	Direction of Travel
							Impact	Likelihood	x	Level of risk				Impact	Likelihood	x	Level of risk		
PEN006a	Significant rises in employer contributions for secure employers due to increases in liabilities	Economic	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current increase in Quantative Easing by the Government is forcing up the price of gilts leading to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	David Anthony	Longevity and bond yields are really beyond the control of the Fund although some Funds have considered buying longevity insurance through the use of SWAPS. However, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g.. early retirements, augmented service, etc). Quarterly monitoring in liabilities movements is undertaken providing advance warning to employers.	2	1	2	Low	The Stabilisation Policy has limited increases for secure employer. Monitor cashflow profiles to review Fund's maturity. This policy was reviewed at the July 2013 Committee meeting and is to be maintained for the 2013 Valuation. As bond yields are at historical low levels and the Stabilisation Policy takes a long term view, rates will not increase significantly over the long term.	David Anthony / Andy Cunningham		2	2	4	Low	28 August 2014	→→→
PEN006b	Significant rises in employer contributions for non-secure employers due to increases in liabilities	Economic	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current increase in Quantative Easing by the Government is forcing up the price of gilts leading to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	David Anthony	Longevity and bond yields are really beyond the control of the Fund although some Funds have considered buying longevity insurance through the use of SWAPS. However, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g.. early retirements, augmented service, etc). Quarterly monitoring as described above. The 2013 Valuation has set rates for the next 3 years.	2	2	4	Low	The rates for the 2013 Valuation were agreed and through the use of stepping in of contribution rate increases where requested the need for large increases was avoided for certain employers. This "contribution relief" policy was reviewed and maintained at the July 2013 Committee meeting for the 2013 Valuation process. Monitor cashflow profiles to review Fund's maturity.	David Anthony / Andy Cunningham		2	2	4	Low	28 August 2014	→→→
PEN007a	Significant rises in employer contributions for secure employers due to poor/negative investment returns	Economic	Poor economic conditions, wrong investment strategy, poor selection of investment managers	Poor/negative investment returns, leading to increased employer contribution rates	David Anthony	Use of expert consultants in the selection of investment strategy and selection of investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). There is a monthly review of the % of the Fund held in each mandate and strategy.	2	1	2	Low	The implementation of the Stabilisation Policy limits increases for secure employer. This policy was reviewed at the July 2013 Committee meeting and is to be maintained for the 2013 Valuation.	Catherine Dix	Mar-14	2	2	4	Low	28 August 2014	→→→
PEN007b	Significant rises in employer contributions for non-secure employers due to poor/negative investment returns	Economic	Poor economic conditions, wrong investment strategy, poor selection of investment managers	Poor/negative investment returns, leading to increased employer contribution rates	David Anthony	Use of expert consultants in the selection of investment strategy and selection of investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). There is a monthly review of the % of the Fund held in each mandate and strategy.	2	2	4	Low	The review of employers long term financial stability and the policy for stepping in of contribution rates assists in affordability issues and this "contribution relief" policy was reviewed and maintained at the July 2013 Committee meeting for the 2013 Valuation process. Valuation rates have now been agreed for the next 3 years.	Catherine Dix	Mar-14	2	2	4	Low	28 August 2014	→→→

Ref.	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in place to manage the risk	Current Risk Rating				Further Actions necessary to manage the risk	Risk Action Owner	Date for completion of action	Target Risk Rating				Date of Review	Direction of Travel
							Impact	Likelihood	x	Level of risk				Impact	Likelihood	x	Level of risk		
PEN008	Failure to comply with LGPS and other regulations	Legal / Statutory	Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc	Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc	David Anthony	Sufficient staffing, training and regulatory updates. Competent software provider and external consultants.	3	2	6	Medium	The Technical & Compliance Manager oversees training plan for the team. The new LGPS 2014 scheme has been implemented but still reviewing changes. Awaiting further guidance on transfers following pension changes in last budget.	Tim O'Connor	Dec-14	2	2	4	Low	28 August 2014	→
PEN009	Failure to hold personal data securely	Legal / Statutory	Poor procedures for data transfer to partner organisations, poor security of system, poor data retention, disposal, backup and recovery policies and procedures.	Poor data, lost or compromised	David Anthony	Compliance with Wiltshire Council's Data Protection & IT Policies.	2	2	4	Low	It is intended to do a full data protection audit for the Fund. An imaging system has now been implemented which will improve retention of documents and ultimately will lead to a paperless working environment.	Tim O'Connor	Dec-14	2	1	2	Low	28 August 2014	→
PEN010	Failure to keep pension records up-to-date and accurate	Knowledge / Data / Info	Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc	Incorrect records held, leading to incorrect estimates being issues to members and incorrect pensions potentially being paid.	David Anthony	Systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), pro-active checks done through national fraud initiative.	2	3	6	Medium	Further reconciliations have been implemented between Wiltshire Council payroll and the Fund's data. Project on-going to chase up leavers from employers and GMP records.	Martin Downes	Dec-14	2	1	2	Low	28 August 2014	→
PEN011	Lack of expertise of Pension Fund Officers and Service Director, Finance	Professional judgement & activities	Lack of training, continuous professional development and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments.	David Anthony	Officers ensure that they are trained and up-to-date in the key areas through attendance at relevant courses and seminars, reading, discussions with consultants and peers, etc. The Technical & Compliance Manager has formulated annual Training Plans and Relevant officers are also reviewed against the CIPFA Knowledge & Skills Framework to ensure adequate expertise exists.	2	2	4	Low	The team restructure now provides better technical knowledge at the right levels. All key posts are now filled.	David Anthony		2	1	2	Low	28 August 2014	→

Ref.	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in place to manage the risk	Current Risk Rating				Further Actions necessary to manage the risk	Risk Action Owner	Date for completion of action	Target Risk Rating			Date of Review	Direction of Travel	
							Impact	Likelihood	x	Level of risk				Impact	Likelihood	x			Level of risk
PEN012	Over-reliance on key officers	Organisation Management / HR	The specialist nature of the work means that there are inevitably relatively experts in investments and the local authority pension regulations	If someone leaves or becomes ill, a big knowledge gap if less behind.	David Anthony	Key people in the team are seeking to transfer specialist knowledge to colleagues. In the event of a knowledge gap, however, we can call on our external consultants and independent advisors for help in the short-term.	2	2	4	Low		David Anthony		2	1	2	Low	28 August 2014	→
PEN013	Failure to communicate properly with stakeholders	Stakeholders	Lack of clear communications policy and action, particularly with employers and scheme members.	Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc, and so the data flow from them is poor.	David Anthony	The Fund has a Communications Manager and Employer Relationship Manager dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.	2	2	4	Low	A comprehensive communication strategy has now been implemented for the LGPS 2014 scheme. Employers have also been reminded of their responsibilities for Autoenrolment.	Zoe Stannard & Andy Cunningham	Nov-14	1	1	1	Low	28 August 2014	→
PEN014	Failure to provide the service in accordance with sound equality principles	Corporate / Leadership / Organisation (Reputation)	Failure to recognise that different customers have different needs and sensitivities.	Some customers may not be able to access the service properly or may be offended and raise complaints. At worst case, this could result in a court case, etc.	David Anthony	The Fund has done an Equality Risk Assessment and has an Equality Implementation Plan in place	2	1	2	Low	None	David Anthony		2	1	2	Low	28 August 2014	→
PEN015	Failure to collect payments from ceasing employers	Finance	When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities	Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund	David Anthony	The Pension Fund Committee approved a Cessation Policy in February 2010 to provide an agreed framework for recovery of payments. All new admitted bodies now require a guarantor to join the Fund.	2	2	4	Low	Work is on-going to develop monitoring of admitted bodies who are close to cessation to enable the Fund to have an early dialogue with them to ensure costs are met.	Andrew Cunningham	Sep-14	2	1	2	Low	28 August 2014	→
PEN016	Treasury Management	Finance	The Fund's treasury function is now segregated from Wiltshire Council. This includes the investment of surplus cash in money markets.	Exposure to counterparty risk with cash held with external deposit holders could impact of Funding level of the Fund	David Anthony	The Pension Fund approved an updated Treasury Management Strategy in Feb 2014 which follows the same criteria adopted by Wiltshire Council but limits individual investments with a single counterparty to £6m.	3	1	3	Low	The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal.	Catherine Dix		3	1	3	Low	28 August 2014	→

Ref.	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in place to manage the risk	Current Risk Rating				Further Actions necessary to manage the risk	Risk Action Owner	Date for completion of action	Target Risk Rating				Date of Review	Direction of Travel
							Impact	Likelihood	x	Level of risk				Impact	Likelihood	x	Level of risk		
PEN017	Lack of expertise on Pension Fund Committee	Professional judgement & activities	Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Fund's to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee	David Anthony	Members are given Induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Help can be called on from our consultants and independent advisors too.	2	2	4	Low	The CIPFA Local Government Pension Fund Knowledge & Skills Framework require members of the committee to be regularly assessed to identify knowledge gaps and ensure training is provided to address these. Now the current training plan has ended Members have undergone a self-assessment review that will assist in formulating the 2015-17 plan.	David Anthony		2	1	2	Low	28 August 2014	→→→
PEN018	Failure to implement the LGPS 2014 Reforms	Service Delivery	Failure to implement the LGPS 2014 in time for April 2014 in terms of systems changes, data requirements, communications and training.	Unable to meet the new legislative requirements of the scheme and to administer the Fund correctly.	David Anthony	A communication policy implemented to inform all members of the changes. Implementation Plan is on-going. Systems team in close contact with Software are providers to ensure developments will be actioned. Review of process being undertaken by Technical & Compliance Manager to ensure changes are compliant.	3	2	6	Medium	The transitional regulations and GAD guidance were only issued in March 2014, a month ahead of "go-live". A number of manual calculations and work arounds are still required while the Altair pension system catches up. The next Altair release is due in September. All changes are being reviewed for Compliance.	David Anthony		2	2	4	Low	28 August 2014	→→→

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PENSION FUND ADMINISTRATION BUDGET 2014-15 - BUDGET MONITORING

	2014/15			Explanations
	Budget £000	Projected Outturn £000	Variance £000	
<u>Fund Investment</u>				
Investment Management Fees				
Segregated Funds	5,009	4,900	-109	Lower EMMA fees due to phased investment offset against higher performance fee for Baillie Gifford
Pooled Funds *	1,730	1,643	-87	Lower Permal fees due different redemption profile than originally planned
	6,739	6,543	-195	<i>These projected fee estimates are based on current market conditions and are subject to change prior to year end.</i>
<u>Fund Investment Costs</u>				
1 Investment Administration	106	105	-1	
2 Investment Custodial & Related Services	75	60	-15	The move to more "pooled fund" mandates has reduced the custodian fees
3 Investment Consultancy	136	136	0	
4 Corporate Governance Services	38	38	0	
5 Performance Measurement	47	47	0	
	402	386	-16	
<u>Fund Scheme Administration</u>				
6 Pension Scheme Administration	1,436	1,335	-101	Delayed recruitment and in year vacancies
7 Actuarial Services	106	130	24	Current projection is higher than budget due to greater than average monthly spend on employer work
8 Audit	57	57	0	
9 Legal Advice	20	23	3	
10 Committee & Governance	49	49	0	
	1,669	1,595	-74	
Total FUND COSTS	2,071	1,981	-90	
TOTAL FUND EXPENDITURE (Costs & Fees)	8,810	8,524	-286	

* Invisible costs paid through investments

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

11 September 2014

OFFICERS' TRAINING PLAN

Purpose of the Report

1. This report provides the annual update for the Committee on the training activities for officers of the Wiltshire Pension Fund.

Background

2. With the additional complexities of administering the Local Government Pension Scheme (LGPS) it is more important than ever that the Fund have officers with the requisite skills in the necessary areas. This is aligned to our aspiration of providing an excellent but cost effective service for all our stakeholders.
3. This paper aims to provide assurances that relevant training is being undertaken to ensure officers have the knowledge and skills and are keeping up to date within the LGPS environment.

Main Consideration for Committee

Qualifications of Staff

4. The Fund has a diverse range of functions, from benefits administration, accounting, investment, communications, employer relations, ICT, and governance. Therefore, a wide skill set is required.
5. To ensure the highest professional standards are attained, professional qualifications are either essential or highly desirable for most of the senior roles within the Wiltshire Pension Fund (WPF) team. Listed below are the current team's senior roles and the qualifications of the post holder:

Treasurer	Chartered Institute of Public Finance Accountant (CPFA)
Head of Pensions:	Association of Chartered Management Accountants (ACMA) Certificate in Management
Strategic Pension Manager:	Association of Chartered & Certified Accounts (ACCA) Investment Management Certificate (IMC) Chartered Institute of Payroll Professionals (CIPP) – Foundation Degree in Pension Administration (Year 1)
Pension Fund Accountant:	Chartered Institute of Public Finance Accountant (CPFA)
Investment Officer	Association of Accounting Technicians (AAT)
Accounting Technician:	Part Qualified Chartered Institute of Management Accountants
Technical & Compliance Manager:	Association of Institute of Pension Professionals (IPP), Certificate in Management (Level 5),

	Chartered Institute of Payroll Professionals (CIPP) Tutor
Employer Relationship & Fund Development Manager	Pensions Management Institute (PMI) (level 1)* PRINCE2 Practitioner
Communications Manager:	Institute of Pension Professionals (IPP) - Foundation PRINCE2 Foundation
System Manager:	Diploma in Pension Calculations (DPC)
Benefits Manager:	Institute of Pension Professionals (IPP) - Foundation Chartered Institute of Payroll Professionals (CIPP) – Foundation Degree in Pension Administration (Year 2) Certificate in Management (Level 3)
Senior Pension Officers 1:	Institute of Pension Professionals (IPP) - Foundation
Senior Pension Officers 2:	Institute of Pension Professionals (IPP) - Foundation Chartered Institute of Payroll Professionals (CIPP) – Foundation Degree in Pension Administration (Year 2)
Senior Pension Officers 3:	Chartered Institute of Payroll Professionals (CIPP) – Foundation Degree in Pension Administration (Year 2 – part qualified)

6. Other team roles do seek officers with experience and qualifications but the majority are trained in post. Nevertheless, all officers are encouraged to develop their knowledge and skills.
7. Four officers highlighted in the table above are currently studying the Chartered Institute of Payroll Professionals – Foundation Degree in Pension Administration. One is now in year 2 with the three now starting their final (year 3). A further two officers completed the Certificate in Pensions Administration course in the last year while a further two are currently undertaking this course. This provides a good foundation to develop their knowledge, understanding and appreciation of their job role within the team as sets them up to undertake the professional qualification in the future.
8. A further member of the Systems team has also been a full Associate of the Institute of Pension Professionals (IPP) since 2011.
9. The focus has been to increase the level of qualifications within the team, especially for the more senior roles and to date the response from staff has been positive.

Training Programme

10. All training is now planned, recorded and monitored by the Technical & Compliance Manager. This enables resources to be focused on the team needs as opposed to the more piecemeal approach that previously occurred.
11. Training is delivered through a number of different formats. The majority is delivered in-house, through the team for specific areas of pensions either through bite size sessions, formal structured session or on the job training. Appendix A shows the current in-house programme that has been undertaken since 2013 and the areas planned for the future. Unsurprisingly, the main focus over the past twelve months has been the new LGPS 2014 scheme.
12. The Wiltshire Council corporate training programmes also provide a useful resource for the more generic areas, in particularly the Management Matter courses that are ideal for developing the management team.
13. Other sources of training are through the external providers, i.e. Heywoods (software provider) and by attendance at conferences, workshops and seminars.
14. The Technical & Compliance Manager is also responsible for collating and reviewing all regulation and technical release changes and filtering this down to the relevant managers for

information and action. This ensures that staff are aware of changes as quickly as possible so that procedures and systems can be updated where applicable.

15. All staff are now due to receive their annual appraisal to set individual goals and objectives linked to the WPF Business Plan and this process will identify further training needs which will inform the rolling training programme.

Knowledge & Skills Framework

16. Officers involved in the areas of pension finance and governance are required to comply with the CIPFA knowledge & Skills Framework for practitioners, which is similar to that applied to members. The relevant officers' knowledge is periodically reviewed against a number of key areas which include pension legislation & governance, accounting & auditing standards, procurement & relationship management, investment performance & risk management; financial products & products knowledge and actuarial methods, standards & practices. Following this, an assessment plan is agreed to address any areas of knowledge gaps.

Benchmarking

17. A key influence of the development of the training plans was to mitigate the risk from lack of expertise from the pension fund officers. This had been compounded over recent years with the departure and retirement of long term members of the team and the difficulty to recruit this expertise and experience.
18. This was emphasised in the CIPFA benchmarking statistics which showed the Fund had a high level of officers with no relevant qualifications compared to other funds and a below average number of staff with the higher level of qualifications and expertise.
19. The latest CIPFA Benchmarking statistics show (see Appendix 2) that although the Fund continues to have a low number of qualified staff, it now has the fourth highest percentage of part qualified staff and the most staff currently in training. This is a reflection of the development of the Fund's training plans and investment in the team. When the current students complete their studies the qualified staff statistic should be at least in line with the average fund if not higher.

Summary

20. The past year has seen the Fund benefit from its more formalised training programme ensuring the team can respond quickly to changes in the Regulations. This has been critical to the successful implementation of the new LGPS 2014 scheme.
21. The response to undertake formalised qualifications by the team has been positive and assists not only the officer in their career development but provides them with a greater appreciation of their role and how it fits into the team.

Financial Implications

22. A budget of £17.5k is built into the Pension Fund Administration Budget each year for officers' development and training. To date £12k has been committed from the 2014/15 budget and last year the budget was fully utilised.

Risk Assessment

23. This report addresses the risk *PEN011: Lack of Expertise on the Pension Fund officers* identified elsewhere on this agenda. The purpose of the officers' training programme is to

reduce the risk of poor governance and administration due to them not having the necessary and most up to date level of skills and knowledge.

Environmental Impact of the Proposals

24. This is no environmental impact of these proposals.

Safeguarding Considerations/Public Health Implications/Equalities Impact

25. There are no known implications at this time.

Proposals

26. The Committee is asked to note the on-going activities in relation to officers' training.

MICHAEL HUDSON
Treasurer

Report Author: David Anthony, Head of Pensions

Unpublished documents relied upon in the production of this report: NONE

WILTSHIRE PENSION FUND OFFICERS – INTERNAL TRAINING PLAN

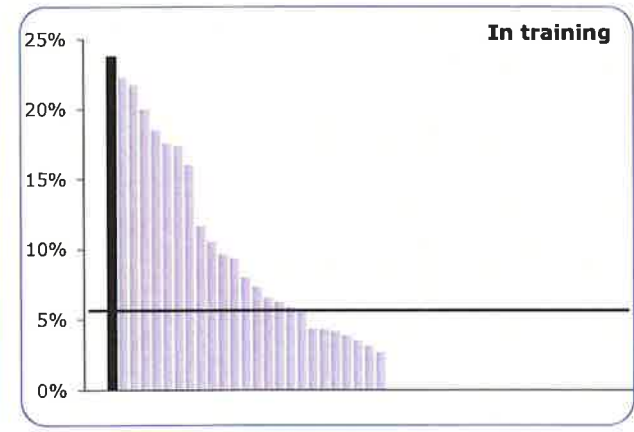
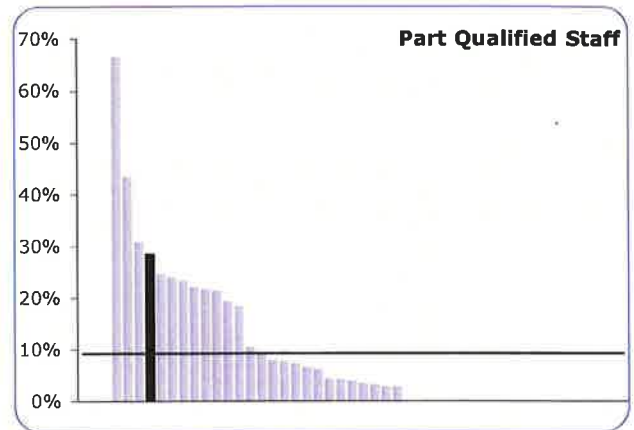
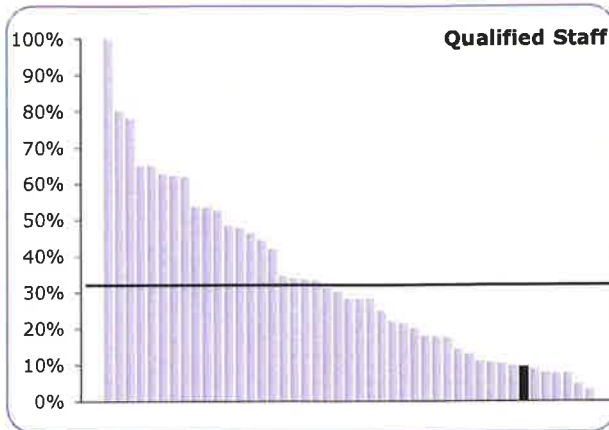
GENERAL BITESIZED TRAINING	Internal Training Events	Trainer(s)	Feedback Survey	COMPLETION TARGET DATE	Comments
Head of Pensions Role	✓	DA	✓	Jan-13	
Data Protection	✓	TOC	✓	May-13	
LGPS Scheme presentation	✓	ZS	✓	Jun-13	
Employer functions	✓	AC		Jul-13	
Accountancy Role	✓	CD		Sep-13	Follow up session required
Technical & Compliance Role	✓	TOC	✓	Nov-13	Follow up session - 29th Nov
Systems Manager Role	✓	MD		Jun-14	
Trivial Commutation	✓	TOC		Jul-14	
Annual Allowance / Lifetime Allowance		TOC		Sep-14	
Benefit Managers Role		JG		Sep-14	
Definition of Pensionable Pay & Final Pay		AC		Sep-14	
Altair Consistency Errors		MD		Sep-14	
Casuals, Variables, Registrars & Retained Firefighters		AC		Sep-14	
Data Protection refresher		TOC		Oct-14	
Certificates of protection		JG		Oct-14	
GMPS		All		Oct-14	
Deaths (incl - decision making process for death grants)		?		Nov-14	
Fire Pension Scheme [new scheme]		TOC		Nov-14	
Discretions		AC		Dec-14	
Divorce		TOC		Jan-15	

SPECIFIC TRAINING SESSIONS REQUIRED	Internal Training Events	Trainer(s)	Feedback Survey	COMPLETION TARGET DATE	Comments
Annual Benefit statements	✓	JG		Sep-13	
My site		MN		Aug-13	
Annual Allowance	✓	JG		Oct-13	Training undertaken for benefits team November 2013
Altair 5				Dec-13	2 sessions on 3rd & 4th Dec
CEP /HMRC payments	✓	TOC/ AT		Apr-14	
LGA Transfer Session	✓	TOC			
Payroll		SH			to explain how Payroll interacts with Pensions - set ups/deaths etc
SharePoint		TOC/EA			
Excel Training		TOC			
Procedures Overview		EA/MA			

LGPS NEW SCHEME 2014 TRAINING REQUIREMENTS	Internal Training Events	Trainer(s)	Feedback Survey	COMPLETION TARGET DATE	Comments
Communications		ZS		Mar-14	
Employer		AC		Mar-14	
Systems		MD	N/A	Feb-14	
Administration		JG	N/A	Feb-14	
Legislation	✓	Toc	N/A	Mar-14	Post-retirement marriage/Rule of 85/new Regs
Aggregation		AC/JG		Apr-14	Working on guidance / complexity

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STAFF QUALIFICATIONS



Staff qualifications			
	FTE	%	Avg
Qualified Staff	2.0	10%	32%
Part Qualified Staff	6.0	29%	9%
No Relevant Qualifications	13.0	62%	59%
Total	21.0		
Number in Training	5.0	24%	6%

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

11 September 2014

REVIEW OF MEMBERSHIP OF THE WILTSHIRE PENSION FUND COMMITTEE

Purpose of the Report

1. The purpose of this report is to update Members on the appointments of the two vacant employer representative posts.

Background

2. Following the resignation of Lynda Croft from Wiltshire College early this year and more recently Tim Jackson from Greensquare, a process has been undertaken to recruit two additional employer representatives. One will represent the Admission Bodies and the other covers the Educational Scheduled Bodies in the Fund.
3. On 29 May 2014, the Head of Pensions wrote to all the relevant employer bodies within the pension fund asking for nominations. Two applications were received in respect of the Educational Scheduled Bodies from Hardenhuish Academy and Holy Rood School Academy. A nomination was also received from Selwood Housing in respect of the Admission Bodies.
4. Both nominations for the Educational Scheduled Bodies have been shortlisted and will be interviewed by the Chairman, Vice-Chairman, Treasurer to the Pension Fund and Head of Pensions on 4th September 2014. The outcome of this will be reported to this meeting.
5. The nomination for the Admission Bodies will be interviewed by the same panel on the 9th September and again the outcome reported to this meeting.
6. As a reminder, the successful applicants will hold these posts for a period of four years, after which applicants will again be sought and if any applicants are made in addition to the current incumbents then another appointment process will be undertaken.

Considerations for the Committee

7. The Committee is asked to note the appointment process and the update provided at the meeting.

Environmental Impact of the Proposal

8. There is no known environmental impact of this proposal.

Safeguarding Considerations/Public Health Implications/Equalities Impact

9. There are no known implications at this time.

Financial Considerations & Risk Assessment

10. There are no known material financial considerations. There is initially a slight increase in PEN017: Lack of expertise on the Pension Fund Committee while the new members get up to speed with their role and undertake any required training, but the probability of bad decision making taking place should be minimised by the appointment of candidates with a relevant background and the fact the rest of the Committee have been fully trained.

Reasons for Proposals

11. To ensure the Committee have been kept abreast of the appointment process.

Proposals

12. The Committee is asked to note the recruitment process up to this point and the further update provided at this meeting.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: David Anthony, Head of Pensions.

Unpublished documents relied upon in the production of this report:

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