

# Scheme Advisory Board

## HYBRID MEETING – 22 JULY 2024

### ITEM 13 – PAPER F

#### COMPLIANCE AND REPORTING COMMITTEE (CRC) Update

##### Workplan update – summary of workstreams

1. This paper summarises the agreements and the work undertaken by each of the five workstreams since the last Board meeting in March 2024. The Board Secretariat wants to thank all volunteers within each workstream for their input into each project. In particular, the volunteers from the Annual Report guidance workstream and audit issues workstreams for the work on the production of the new statutory guidance for Preparing Annual Reports and the publication of the audit informer document.

##### Annual Report guidance

2. Following approval by the Board, the [Annual Report guidance document](#) was published on the Guidance page of the Board's website at the end of March 2024. The guidance applies to 2023/24 annual reports which are due for publication by 1 December 2024, and later years. The guidance states that administering authorities should use 'best endeavours' to comply fully with the requirements for the 2023/24 reporting year.
3. The guidance will be kept under regular review. An awareness session was held in March 2024 and a dedicated LGPS Live webinar was held in April 2024 to discuss the guidance. The Secretariat has received some minor feedback on the guidance and plans to review the contents later in the year, but any changes are not expected to be extensive.

##### Audit issues workstream

4. A jointly produced document by the Institute of Chartered Accountants in England and Wales (ICAEW) and the Board has been finalised and published on the [Board's website](#). The document is called the 'Local Government Pension Scheme Informer' and sets out the timeline and information flow throughout a triennial valuation period. The purpose of this document is to make clearer to all parties involved in the audit and accounting of LGPS balances, how the LGPS works in practice, show key information flows between employing bodies, pension funds and actuaries, explain key accounting requirements for employing bodies and explain the role of external auditors.
5. The Secretariat wishes to thank the ICAEW for the additional work undertaken on the final design and formatting of the document. A short video created alongside the ICAEW has been produced to promote the

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informer. The Secretariat has used all the relevant LGPS communication networks to share the document and funds have been encouraged to share the document with scheme employers.

## **Good Governance and Administration workstream**

6. Significant progress had been made in shaping the Governance Statutory guidance to implement the Good Governance recommendations. Areas of discussion covered mandating monthly data collection for employers, the specific definition of the LGPS Senior Officer role, the knowledge and skills requirements for Committee/Board members and the need for pension fund-specific conflict of interest policies.
7. It was understood that Government had been aiming for the guidance to be ready for consultation before the Summer Recess, however the calling of the General Election meant this was not possible. The Secretariat will seek to ensure that the productive work to date is continued as soon as possible by the new Government.

## **Funding Strategy Statement (FSS) guidance**

8. Membership of this workstream was increased to include wider stakeholder representation from all four actuarial advisory firms, the Government Actuary's Department, scheme employers, legal advisors, scheme member representatives and the Scottish Scheme Advisory Board.
9. The Secretariat received comprehensive feedback from the group on a revised draft. One overarching theme of the feedback has been striking a balance between providing a succinct list of what is required in a FSS for fund officers, whilst also providing and explaining issues to be covered in the FSS for a wider audience. A timetable to ensure the guidance is ready for the end of this calendar year is being created and discussed with MHCLG with the aim that the guidance is brought to the November 2024 Board meeting for approval.

## **Knowledge and Skills**

10. When the group last met, it was agreed that a workplan would be created to set out and prioritise the scheme-wide guidance needed. The workplan will aim to cover the future guidance needed for implementing the Good Governance recommendations, The Pensions Regulator's General Code and updating existing guidance such as the [CIPFA knowledge and skills framework](#) and [Code of Practice](#).

**Recommendations – that the Board notes the progress and report made on each of the five workstreams set out above.**

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