

Scheme Advisory Board

HYBRID MEETING – 6TH JUNE 2022

ITEM 8 PAPER D

COMPLIANCE AND REPORTING COMMITTEE

ACTIONS AND AGREEMENTS FROM MEETING OF 9th MAY 2022

PRESENT

Mark Wynn	Cheshire Pension Fund (Chair)
Jeffrey Dong	Swansea Council
Ian Williams	Hackney LB
Karen Gibson	Dorset CC
Nemashe Sivayogan	Merton LB
Jenny Poole	Cotswold DC
Kevin Gerard	Carmarthenshire Council
Robert Branagh	London Pensions Fund Authority
Rachel Brothwood	West Midlands Pension Fund
Richard McIndoe	Strathclyde Pension Fund
George Georgiou	GMB
Jon Richards	UNISON
John Neal	UNITE
Paul Mayers	National Audit Office
Nick Harvey	CIPFA
John Jones	Local Pension Board member
John Cornett	Audit Scotland
Fiona Miller	Border to Coast Pool
Peter Worth	TAS Accounting
Teresa Clay	DLUHC

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Alan Wareham	DLUHC
Jo Donnelly	Board Secretary, LGA
Bob Holloway	Pensions Secretary, LGA
Gareth Brown	Pensions Analyst, LGA

APOLOGIES

Apologies for absence were received from Richard Lloyd-Bithell.

Welcome, introductions and declarations

1. The Chair welcomed all in attendance and reminded members of the agreements reached at the informal meeting held on the 7th April 2022.
2. The Chair advised members of the virtual meeting's protocol.

Item 3 - Actions and agreements from the meeting of the 7th April 2022

3. The minutes of the meeting were agreed.

Item 4 – CIPFA Update

4. Bob Holloway (BH) explained that as a dual reporting committee to both SAB and CIPFA an update from CIPFA will be a standard part of each meeting's agenda.
5. On this occasion Nick Harvey (NH) advised members that there were no matters to raise. Jo Donnelly (JD) stressed the importance of the committee establishing a productive working relationship with CIPFA.

Agreed – That the committee noted the position as set out above.

Item 5 – Committee Workplan

6. BH explained that under its terms of reference the committee is required to submit an annual workplan to SAB for approval.
7. Members agreed that an inaugural draft workplan should be prepared by a small working group within the committee for delegated approval by the Chair. The conclusions of the working group would need to be submitted to the Secretariat by the 30th May 2022 to ensure

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that it can be approved by the Chair in time for it to be considered by SAB when it meets on the 6th June 2022.

7. The following committee members agreed to form the workplan working group:

- Peter Worth
- Nemashe Sivayogan
- Rachel Brothwood
- Nick Harvey
- Jon Richards

8. The committee agreed that the draft workplan should differentiate between those workstreams where work can commence immediately and those that are contingent on future events such as forthcoming public consultations. The workplan will also need to recognise that the committee will need to take on board future workstreams initiated directly by CIPFA.

9. On that basis the committee agreed that the workstreams listed below should be examined in more detail by the working group to form part of the draft workplan dealing with workstreams for the committee to commence immediately:

- Funding Strategy Statement guidance update
- Annual Report Guidance
- Audit Issues (including consideration of separate pension fund accounts but immediately to consider a draft letter for the Board to send to DLUHC following the next meeting)
- Knowledge and Skills framework
- Communication on pension fund accounting (IAS19 v LGPS method)
- Review guidance on administration, communications and governance

10. The Secretariat agreed to prepare a paper for SAB to consider when it meets on the 6th June 2022.

Agreed – That the committee noted the position as set above.

Item 6 – Working and Reporting Relationships

11. JD proposed that a discussion around the working and reporting relationships between the committee, SAB and CIPFA could be the subject of a special meeting. The committee agreed that the

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Secretariat should set up a meeting in July. (This meeting is now scheduled for the 27th June 2022).

Agreed – That the committee noted the position as set out above

Item 7 – External Audit

12. BH explained that preparation of the SAB 2021 annual report has been hampered by the failure of many administering authorities to publish their own annual report by the statutory deadline of the 1st December 2021). In most cases this is because the main local authority accounts, of which pension fund accounts form part, have not been signed off often due to issues around external audit.

13. Members generally agreed that the issues surrounding external audit must be resolved and agreed that as part of its workplan the committee should explore recommending to SAB that the Board should ask Ministers to consider separating pension fund accounts from main local authority accounts as is already the case in Scotland and Wales. Teresa Clay (TC) agreed that a letter from SAB would be helpful in this respect.

Agreed – that the committee recommend to SAB that the Chair writes to the Minister seeking separation of pension fund accounts

Item 8 – SAB Forward Look

14. JD informed members that six years on from SAB being established the time was right to review its role, scope, working practices and future workplan. A number of meetings with Board members have been held and a consensus has been achieved on a number of issues including the need to be more proactive in its activities; more effective communication with scheme stakeholders and better engagement with Ministers.

15. Members were also informed that agreement had been reached to set up a small steering group from within SAB to monitor and measure the Board's activities on a regular basis. Jon Richards (JR) highlighted the need for SAB to communicate its success stories more effectively.

Agreed – that the committee noted the position as set out above.

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Item 9 – AOB and date of next meeting

16. TC introduced members to Alan Wareham (AW) who has recently joined the pensions team at DLUHC.

17. NH stressed the importance of standard templates for ESG reporting.

18. Date of the next meeting is the 27th June 2022.

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