

<p style="text-align: center;"><u>MEETING</u></p> <p style="text-align: center;">LOCAL PENSION BOARD</p>
<p style="text-align: center;"><u>DATE AND TIME</u></p> <p style="text-align: center;">WEDNESDAY 4TH SEPTEMBER, 2019</p> <p style="text-align: center;">AT 7.00 PM</p>
<p style="text-align: center;"><u>VENUE</u></p> <p style="text-align: center;">HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ</p>

TO: MEMBERS OF LOCAL PENSION BOARD (Quorum 3)

Chairman: Geoffrey Alderman

Vice Chairman: Hem Savla

Stephen Ross

Councillor Thomas Smith

Salar Rida

Vacancy

David Woodcock

Substitute Members

Councillor Helene Richman

Alice Leach

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is Friday 30 August at 10AM. Requests must be submitted to Paul Frost - 0208 359 2205

You are requested to attend the above meeting for which an agenda is attached.

Andrew Charlwood – Head of Governance

Governance Service contact: Paul Frost - 0208 359 2205

Media Relations Contact: Gareth Greene 020 8359 7039

ASSURANCE GROUP

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ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of last meeting	5 - 10
2.	Disclosable Pecuniary interests and Non Pecuniary interests	
3.	Absence of Members	
4.	Public Question and Comments (if any)	
5.	Report of the Monitoring Officer (if any)	
6.	Members' Items (if any)	
7.	Regulatory Intervention	11 - 16
8.	Decisions made by the Pension Fund Committee	17 - 22
9.	Internal Audit Report - Pension Fund Finance and Investment	23 - 42
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13.	Any other item(s) the Chairman decides are urgent	

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Decisions of the Local Pension Board

18 July 2019

Members Present:-

AGENDA ITEM 1

Geoffrey Alderman (Chairman)

Hem Savla (Vice-Chairman)

Stephen Ross

Sala Rida

Councillor Thomas Smith

1. MINUTES OF LAST MEETING

Prior to the minutes being considered it was noted that Councillor Smith's name be correctly illustrated in the attendance list. Mr Salar Rida requested that a report should be added to a future meeting that contains reports of breaches.

Resolved:

- That the minutes of the meeting held on 09 April 2019 be approved as an accurate record subject to the above.

2. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

None.

3. ABSENCE OF MEMBERS

An apology for absence was provided by Mr David Woodcock and substitute Member Mrs Alice Leach.

The Chairman noted that there was a vacancy and therefore requested that the position be filled as soon as possible.

4. PUBLIC QUESTION AND COMMENTS (IF ANY)

None

5. REPORT OF THE MONITORING OFFICER (IF ANY)

None

6. MEMBERS' ITEMS (IF ANY)

None

7. DECISIONS MADE BY THE PENSION FUND COMMITTEE

The Head of Treasury and Pension, Mr George Bruce introduced the report, he gave an overview of the reports received by the Pension Fund Committee that had been resolved.

During the discussion, Mr Stephen Ross requested to know if the Pension Fund Committee gave full scrutiny of the data quality and if the Committee commented on The Pensions Regulator intervention. Mr Bruce said that only a verbal update had been presented to the Pension Fund Committee. However he said that the issue had been reported to both the Audit Committee and the Finance and Performance Committee. He added that the Council considered the matter very serious and stated that the Council were working with Capita to address the issues.

Mr Hem Savla made comments on the quality of data. He stated that as of 1 April there were 1880 instances of wrong retirement figures relating to member records that required amending because of errors. He requested to know:

- What the risks associated to the normal retirement age were?
- What is the risk to Members because the date of retirement age was incorrect and if Members were able to collect their pension correctly?
- Because of the errors in relation to normal retire age, was the evaluation corrupt and was the pension value therefore inaccurate?

Mr Savla concluded by stated this was a very serious matter.

The Chairman requested that the Head of Treasury and Pension respond to Mr Hem Savla in writing.

Mr Salar Rida also commented on the categories of errors and therefore he requested that the Local Pension Board received information in respect to this. Mr Rida said that it would be helpful for the Local Pension Board if a full list of errors be submitted. He also requested to know in terms of the CIV what the cause of the delay was. Mr Bruce said that the matter was with the FCA as approval was needed and therefore it was expected that there would be a development in September.

Having considered the report, the Local Pension Board:

Resolved:

That the Local Pension Board noted the procedures applied by the Pension Fund Committee when reaching decisions at recent meetings. The outcome of these discussions to be reported back to the Pension Fund Committee.

That the Local Pension Board requested that Mr Hem Savla's question be responded to in writing and provided to all Board Members before the next meeting.

8. REGULATORY INTERVENTION

Mr George Bruce introduced the report. He stated that The Pension Regulator (TPR) had issued a draft improvement notice to London Borough of Barnet to address weaknesses in the processes and controls within the administration of the Barnet Pension Fund. He informed Members that the Pensions Regulator had given a deadline of 31 August 2019 to have implemented improvements in three areas. Mr Bruce outlined what steps were in place to address concerns as outlined within the report.

Mr Stephen Ross said that Board Members are not surprised with the intervention of The Pension Regulator. He said that the Pensions Board had at every opportunity provided

scrutiny and raised concerns constantly. He stated that he felt that the Local Pension Board had been ignored and he added that he was very disappointed. Mr Ross added that the Local Pension Board Members had not received any information in regard to the pension regulator's intervention outside the meeting, this he noted had been requested. He said that the Local Pension Board had flagged at every opportunity their concerns and he felt that an option was that the Local Pension Board reports itself. Mr Ross requested to know:

- Who would pay any fine from the Regulator if imposed?
- What is the contingency if the deadlines are not met and the regulator feel that the Council is inadequate
- Requested that the Local Pension Board are notified when all areas are compliant

The Chairman said that the role of the Local Pension Board was vague but he said he felt that the Local Pension Board's role was to advise, encourage and to warn. He noted that unfortunately there had been warnings that had been minuted at both Board and Committee meetings. He said that he did not believe that the Local Pension Board had failed its duty.

Mr Hem Savla requested to know if the London Borough of Barnet were the only Borough to encounter such problem. In response to this Interim Pensions Manager Mr Nigel Keogh said that there are often challenges with data but not to the extent that Barnet had experienced.

Mr Bruce said that the process has started to put in place a contingency arrangement to appoint a new administration provider should the requirements of the improvement notice not be achieved. He said that the Council was meeting potential organisations in order to assess their ability to provide an alternative administering service. Mr Ross said that this he was disappointed that again members of the Board had not received any information that an improvement notice had been issued. He said that in his view the Local Pensions Board are not been taken seriously and he noted there is no effective communication plan. The Interim Pensions Manager Mr Nigel Keogh stated that the Council were working with Capita to deliver the improvement plan and a monthly performance report. He confirmed that an update would be provided at a future meeting.

Mr Savla noted that he took comfort knowing that the Council's Internal Audit Team would be involved in the improvement process.

Mr Bruce said that the monitoring of administration had not been effective for some time. He said that the London Borough of Barnet Pension's Team had grown and is now better resourced. He added that the Council were previously over reliant on Capita and the information provide by them. The Chairman said that at every Pension Board meeting he had advocated that a financial penalty to employers for noncompliance be imposed. He continued that he made representations at the Pension Fund Committee to advise that a fine be imposed. Mr Bruce said that instead of issuing fines Officers of the Council had sought to engage with the employers who are failing to meet the statutory requirement.

Councillor Smith said that it was critical that the 31 August deadline set by The Pensions Regulator be met. He said that he shared the views of fellow Board Members and also agreed that it was time to fine employers, he added that it was time to take a tougher approach. He added that within the report, the letter from The Pensions Regulator noted that an analytical review be completed in line with the internal audit report. Mr Bruce said that the analytical review process was now in place

The Board noted that in the event of a fine from the regulator it would be payable by the Capita or the Council. Mr Bruce said that a full update would be reported at the next meeting. He stated that full measures would be considered in order to review all available options in order for the Council to deliver an efficient pension administering function.

Having considered the report, The Local Pension Board:

Resolved;

- The Local Pension Board noted the content of the draft Improvement Notice and the actions being taken to comply
- That the Local Pension Board have at its next meeting an item that outlines a full update on the Regulatory Intervention

9. PERFORMANCE REPORT

The Interim Pensions Manager Mr Nigel Keogh introduced the Capita Performance Report for the period March to May 2019.

Mr Hem Savla provided an outline of his concerns of the data within appendix A and stated that the performance ratings were poor. He requested that it be minuted that Capita did not have enough resources to act as the London Borough of Barnet's administrator. He said that it was clear that issues were not being addresses and in many circumstances a large number of cases remained unresolved. Mr Sala Rida agreed with these comments and outlined that it was not clear how performance would be improved.

Having considered the report, The Local Pension Board:

Resolved;

The Local Pension Board noted the current performance levels.

10. OPERATIONAL IMPROVEMENT PLAN

The Local Pension Board noted that the item be withdrawn as it was not ready for consideration. Board Members raised their concerns in relation to this and requested that this be circulated when the document was available.

Mr Stephen Ross stated the intervention of the Pensions Regulator was too late and that the Members of the Board should have received information of any such intervention by the pensions regulator and any improvement plans at the earliest opportunity.

Resolved

- That the Local Pension Board noted that the item be withdraw
- That the Local Pension Board requested that the Improvement Plan be circulated to the membership as soon as it available

11. WORK PROGRAMME

The Local Pension Board noted the work programme and requested that the following items be added:

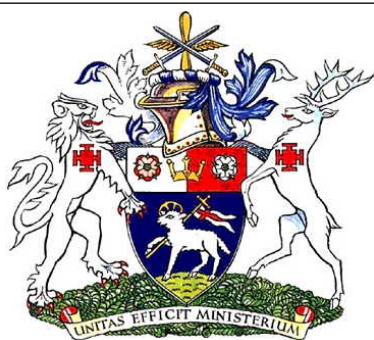
- reporting breaches of policy
- communication Plan
- Pension Regulator
- review of the risk register and cyber security

12. ANY OTHER ITEM(S) THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 21:36

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Local Pension Board

4 September 2019

Title	Regulatory Intervention
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Report of	Director of Finance
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Wards	N/A
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Status	Public
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Urgent	No
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Key	No
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Enclosures	Appendix 1 – LB Barnet TPR response (to follow)
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Officer Contact Details	Nigel Keogh, Interim Pensions Manager 02083592208 Nigel.keogh@barnet.gov.uk
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Summary

Further to the Improvement Notice issued by The Pensions Regulator (TPR) on 25 July 2019 to London Borough of Barnet to address weaknesses in the processes and controls within the administration of the Barnet Pension Fund. This paper discusses the areas of improvement and actions taken to respond to the Notice.

Officers Recommendations

The Local Pension Board are asked to note the content of the response and the actions taken to comply with the Notice.

1. WHY THIS REPORT IS NEEDED

- 1.1 On 25 July 2019, TPR issued LBB with an Improvement Notice, which stipulated improvements in three main areas by the 31 August 2019.
- 1.2 The Council did not appeal against the issue of the Notice.

Required Improvements

- 1.3 The steps required by TPR to comply with the draft Improvement Notice are set out in appendix 1. These are:
 - (1) The Scheme Manager must by **31 August 2019** have implemented monthly monitoring of contributions and be able to demonstrate that an analytical review is being undertaken in line with the actions agreed in the March 2019 Internal Audit Report carried out by the Fund (the Report). **By this date** the Scheme Manager must have demonstrated to TPR that it has implemented a series of checks on the data received in End of Year Certificates, in line with the agreed action in the March 2019 Internal Audit Report, and that the checks have been carried out. These actions relate to parts 1 b and 1 d of the Report (appendix 2).
 - (2) The Scheme Manager must by **31 August 2019** take all steps necessary to ensure it has completed the first two phases of the Conditional Data Cleanse Plan it provided to TPR on 4 January 2019.
 - (3) The Scheme Manager must by **31 August 2019** have taken all steps necessary to implement and operate adequate internal controls to provide accurate annual benefit statements for financial year 2018/19. This will be evidenced by the Scheme Manager demonstrating that a process is in place to test the quality of calculations used to populate annual benefit statements; that the process was utilised; and that corrections were made where calculation errors were identified. This also relates to action 6b of the March 2019 Report.

Action Plan

- 1.4 Since the LBB received the draft Warning Notice of an Improvement Notice being issued on 16 May 2019, the required actions set out by TPR have been the subject of discussions, planning and action by and between the Council and Capita. Council officers have been meeting with the Capita administration (including on site at Darlington) to work through the various action plans with additional regular meetings at senior management level.
- 1.5 The work undertaken so far and the outcomes achieved are set out in the attached update letter (and associated appendices) to The Pensions Regulator.

- 1.6 Officers will be communicating further with TPR during the autumn to report on the outcome of the Annual Benefit Statement exercise and progress on the reduction of the casework backlog.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Local Pension Board require assurance that the pension fund is meeting its statutory obligations.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

- 4.1 Not applicable in the context of this report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 Not applicable in the context of this report.

5.3 Social Value

- 5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

- 5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.5 Risk Management

- 5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

- 5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.
- 5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

- 5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

- 5.8.1 Where relevant, consultation and engagement is discussed in the paper.

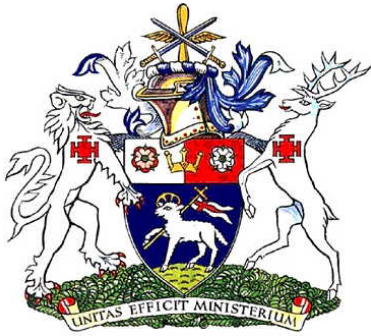
5.9 Insight

- 5.9.1 Not applicable in the context of this report.

6. BACKGROUND PAPERS

- 6.1 None

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Local Pension Board ^{AGENDA ITEM 8}

4 September 2019

Title	Decisions made by the Pension Fund Committee
Report of	Director of Finance
Wards	n/a
Status	Public
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	George Bruce, Head of Treasury, george.bruce@barnet.gov.uk - 0208 359 7126

Summary

Part of the role of the Local Pension Board is to ensure the effective governance of the Pension Fund. This role is not clearly defined but is deemed to include considering whether the decision-making processes of the Pension Fund Committee are reasonable or appropriate i.e. soundly based, consider relevant information, are consistent with the objectives and policies of the Fund and are taken after considering appropriate advice. The paper considers recent decisions by the Pension Fund Committee and summarises the rationale, the processes followed and the link with policy documents and regulations.

Officer Recommendations

That the Local Pension Board notes the procedures applied by the Pension Fund Committee when reaching decisions at recent meetings and considers any issues associated with those procedures and decisions. The outcome of these discussions is to be reported back to the Pension Fund Committee.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Board's role is to assist the administering authority in securing compliance with scheme regulations and other legislation relating to the governance and administration of the scheme and in ensuring the effective and efficient governance and administration of the LGPS for the LBB Pension Fund.
- 1.2 Part of the Board's role is to review the decision-making processes and ensure that these are soundly based, meet regulatory requirements and consider advice received as appropriate. While it is not appropriate for the Board to seek to replace its own judgments for those of the Pension Fund Committee, it is appropriate to review whether decisions have followed an appropriate process.
- 1.3 Since the last Local Pension Board meeting there has been one meeting of the Pension Fund Committee. The paper will highlight decisions made at these meetings.

Meeting 29 July 2019

- 1.4 The meeting was attended by Mr Lloyd-Thomas of BDO (external auditor), Ms Sefton of Hymans Robertson (Scheme Actuary), Mr Woodman and Mr Deal of Hymans Robertson (investment Advisor), Ms Darr (Director of Finance) and officers from Governance and Finance.
- 1.5 Each of the agenda items for which a paper was presented is discussed below.

Public Questions and Comments

- 1.6 Mr Samuel spoke on the issue of climate change and the actions being taken by the Committee to respond to the climate challenge. The Chairman and Committee members agreed that this was an important issue for which they had a strong regard. The Committee agreed that they should revisit their approach to social, ethical and responsible investing at a future meeting.

Members Item

- 1.7 Cllr Moore raised the following proposal "In light of the longstanding failure of Capita to deliver adequate pensions administration in Barnet, the Pension Fund Committee requests that the Policy and Resources Committee are provided with a detailed options paper on alternative delivery options at the next meeting of that committee."
- 1.8 The Committee discussed the resolution at some length noting that should the three tests set by the Pensions Regulator not be achieved by 31 August 2019 that The S151 officer would be submitting a report to Policy and Resources Committee. Debate centred on whether even if the tests were met that Capita could be trusted to provide a sustained level of good performance. It was agreed that as the next Committee (9th September) was immediately after the TPR deadline that the recommendation should be taken seriously and discussed at the next Committee meeting.

Annual Accounts and Auditors Report

- 1.9 Officers presented the Scheme Accounts for the year to 31 March 2019, noting that three changes had been made to contributions, benefits and related debtors and creditors post circularisation to the Committee that added £896,000 to income and assets. The Auditor, Mr Lloyd-Thomas presented the audit report and discussed the issues that arose during the audit. The Auditor noted that a clean audit report on the accounts was anticipated. The audit report is on the agenda for this Board meeting. The Committee approved the annual accounts and noted the audit findings.

Internal Audit Report

- 1.10 This report is on the Board's agenda. The Committee noted the report and requested that the risk register be presented to a future meeting.

Triennial valuation Update

- 1.11 The Scheme Actuary, Ms Sefton, provided a brief update on the progress and timetable for the triennial valuation. It was noted that the deadline to provide the Actuary with usable data was 31st July. This comprised membership data, employer level cashflows and an employers' listing. As at the meeting some membership data have been provided and early indications were that the quality was much improved. Subsequently; all three data sets had been provided and the Actuary was undertaking a detailed review. Should the data be acceptable the timetable envisaged whole fund results being available by 9th September and draft individual employer results by end November. It was noted that in the previous valuation that employers had been given insufficient time to comment on the valuation results and this would be addressed through full consultation during December and January.

Investment Strategy Update

- 1.12 The main aspect of this paper was to seek approval to invest £55 million into Adams Street 2019 Global Fund. The Committee members have received a presentation in June from this manager and their appointment was supported by a paper from Hymans Robertson. The appointment was agreed, to be funded from sales from diversified growth funds.

Quarterly Investment Performance Update

- 1.13 The Committee discussed and noted fund transactions and activity in the quarter. It was noted that the fund had benefited from the decline in the value of sterling and Hymans Robertson was asked to provide an opinion at the next meeting on increasing the level of hedging to lock in this gain. The Committee also asked for an analysis of Brexit risks to the next meeting.

AVC Review

- 1.14 Over 200 members of the Barnet Pension Fund are accumulating additional savings through AVC's with Prudential. Members noted that the provider had closed some of its 'lifestyle' options and this has required a review of alternatives. In reviewing alternatives

and the overall Prudential service, Hymans have concluded that Prudential continue to be a suitable AVC provider. The Committee noted Hymans Robertson's conclusion and that a bespoke lifestyle option agreed between Prudential and Hymans has been selected for Barnet's scheme members.

The Pension Regulator

- 1.15 The Committee discussed the improvement notice issued by the Pension Regulator that set out three tests to be achieved by 31 August. The paper discusses the areas of improvement and actions underway to address them. Officers and Capita remain confident that compliance will be achieved by 31 August. The draft improvement notice was discussed by the Board at their last meeting, with an update report on this agenda.

Annual Benefit Statements

- 1.16 The report outlined that Annual Benefit Statements must be issued to active and deferred scheme members by 31 August. The paper discusses Capita's plan to meet the statutory deadline. Officers have reviewed the plan and considered it to be sufficiently robust to ensure that Scheme members receive an accurate ABS by the statutory deadline.

Admission agreements, Cessations and Bonds

- 1.17 An update was provided on progress to complete outstanding admission agreement, cessations and bonds. Although good progress had been made there was still a long-standing backlog of issues. The Director of Finance said that issues were prioritised depending of the value. The Committee noted the report.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Local Pension Board may wish to review Pension Fund Committee decision making procedures as part of its role in assisting the administering authority on ensuring good governance.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 N/A. The paper does not propose particular options.

4. POST DECISION IMPLEMENTATION

- 4.1 Recommendations from the Board will be communicated to the next Pension Fund Committee meeting.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports delivery of Council's strategic objectives and priorities as expressed through the Corporate Plan by assisting in maintaining the integrity of the Pension Fund through monitoring the administration and compliance of the Fund.

5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 None in the context of this report.

5.3 Social Value

5.3.1 There are no specific social value issues arising out of this report, however membership of the Pension Fund ensures the long-term financial health of contributing employees on retirement.

5.4 Legal and Constitutional References

5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is LB Barnet. The Public Service Pensions Act 2013 requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice.

5.4.2 This paper considers the governance arrangement of the LGPS pension scheme that form part of the remit of the Local Pension Board.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met.

5.5.2 Good governance is essential to ensuring that risks are identified and managed.

5.6 Equalities and Diversity

5.6.1 There are no Equalities and Diversity issues arising from this report.

5.6.2 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements and monitoring of the Pension Fund's managers will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

5.7.1 N/A

5.8 Consultation and Engagement

5.8.1 The paper is part of the process of co-ordinating the activities of the Pension Fund Committee and Local Pension Board.

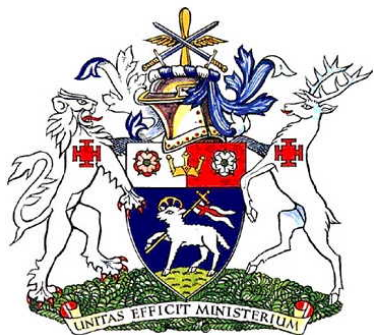
5.9 Insight

5.9.1 N/A.

6. BACKGROUND PAPERS

6.1 Papers and minutes of the Pension Fund Committee Meeting held on 29 July 2019.

<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=191&MId=9918&Ver=4>



Local Pension Board AGENDA ITEM 9

4 September 2019

Title	Internal Audit Report - Pension Fund Finance and Investment
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Internal Audit Report
Officer Contact Details	George Bruce, Head of Treasury & Pensions 0208 359 7126 george.bruce@barnet.gov.uk

Summary

Barnet's Internal Audit have undertaken a further review of the Pension Fund focusing on finance and investments. Their report is attached, with two high risk recommendations.

Officers Recommendations

1. That the Local Pension Board note the Internal Audit report.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Board's role is to assist the administering authority in securing compliance with scheme regulations and other legislation relating to the governance and administration of the scheme. The Board's terms of reference also include "ensuring the effective and efficient governance and administration of the Pension Fund". Internal Audit work to evaluate controls is an important reference to the Board.
- 1.2 Barnet Internal Audit have undertaken a review of the finance and investment related processes for the pension fund. Their conclusion (page two) is:

"We found that the Fund has a well-defined process for reviewing investment performance and recording transactions. However, we noted that there were weaknesses in monitoring the contributions due to the scheme. We also noted that the scheme has a number of outstanding agreements with admitted bodies, including 13 admission agreements, five cessation agreements and the renewal of 10 admission bonds."

- 1.3 The two high risk recommendations are concerned with the monitoring of contributions received and reducing the number of outstanding admission agreements and bonds. The recommendations have been accepted with target dates of end July and September 2019 respectively.
- 1.4 The medium risk is concerned with the monitoring of strain costs invoices sent to employers and the provision of age analysis of debtors. Again, this has been agreed with end July 2019 as target date.
- 1.5 There is also one low risk recommendation relating to the provision of cashflow data to the Pension Fund Committee with a target date of December 2019.

Post-Audit Actions

- 1.6 Substantial progress has been made to the to the high risk recommendation relating to contributions. An enhanced contribution monitoring process is now in place with detailed returns to Capita from scheme employers being received on a monthly basis. These returns reflect the following;
- Confirmation of outstanding contributions by exception (by Employer for current and previous months)
 - Late paying Employers where contributions have been received but not by due date
 - Outstanding Contribution Breakdown slips
 - Monthly contribution materiality and variance analysis which includes individual member volumes and Employer Pensionable Pay data

All employers are now compliant with the first two bullet points and as at the end of July 95% of employers covering 96% of contributing members were fully-compliant. Capita and Barnet officers are continuing to work with the remaining employers to ensure 100% compliance.

- 1.7 Work continues with Capita, Legal and employers to reduce the number of outstanding admissions, cessations and bonds although progress has been delayed by the need to prioritise the provision of data for the triennial valuation and annual benefit statements. In addition, verification work on end of year returns from employers has identified further appointments and cessations, mainly schools catering and cleaning contracts.
- 1.8 With regards to the medium rated risk; strain costs, an aged analysis of debts is now provided monthly to Barnet and work continues to improve the processes for invoicing and recovering debts.

2. REASONS FOR RECOMMENDATIONS

- 2.1 It is appropriate for the Board to review the Internal Audit findings and managements planned actions.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None - statutory function

4. POST DECISION IMPLEMENTATION

- 4.1 The Board will be informed of Internal Audit's follow up review of their recommendations.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 A positive Internal Audit report on the Pension Fund's activities plays a key role in providing assurance that the Pension Fund's financial risks are managed in an environment of sound stewardship and control.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 N/A.

5.3 Social Value

- 5.3.1 Contributing to the Pension Fund ensures that contributing members have a secured income on retirement.

5.4 Legal and Constitutional References

5.4.1 The Board's Terms of Reference include "ensuring the effective and efficient governance and administration of the LGPS for the LBB Pension Fund".

5.5 Risk Management

5.5.1 The audit report attached highlights areas of good control and areas of weakness which need to be addressed. Failure to do so carries the risk of adverse financial and/or reputational consequences.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Not required.

5.8 Insight

5.8.1 N/A.

6. BACKGROUND PAPERS

6.1 N/A.

Internal Audit Report

Pension Fund Finance and Investment

July 2019

To: Anisa Darr, Director of Finance (Section 151 officer)
George Bruce, Head of Treasury
Mike Green, Public Sector Account Director, Capita People Solutions
Mark Richardson, Service Delivery Manager, CSG Employee Benefits
Richard Mundell, Finance Technical Team Leader, CSG Employee Benefits

Copied to: Cath Shaw, Deputy Chief Executive
Stephen Fitzgerald, Interim Director of Strategic Finance, Capita
Paul Clarke, Deputy Director of Finance
Nigel Keogh, Interim Pensions Manager
Keith Barker, Head of Scheme Finance and Payroll, CSG Employee Benefits
Iain Gray, Client Services Director, CSG Employee Benefits

From: Caroline Glitre, Head of Internal Audit

We would like to thank management and staff in the Council's Finance team and Capita Employee Benefits for their time and co-operation during the course of the internal audit.

Executive Summary

Assurance level	Number of recommendations by risk category				
LIMITED ASSURANCE	Critical	High	Medium	Low	Advisory
	-	2	1	1	-
Scope					
This report sets out the findings of our work undertaken in March to June 2019 to review the design and operating effectiveness of controls in place in relation to the London Borough of Barnet's pension fund's finance and investment, in line with our terms of reference agreed on 11 March 2019. The scope of work and controls identified are summarised in Appendix 3.					
Summary of findings					
<p>The administration of London Borough of Barnet's Pension Fund ("the Fund" or "the Scheme") is outsourced to Customer Support Group ("CSG"), which is part of Capita. CSG are responsible for administering records and scheme finances in relation to contributions and benefits paid. The Fund's general ledger is maintained by the Council's Treasury team, who were part of CSG until 31 March 2019. The Treasury team also manage the investment portfolio, which comprises a large number of pooled investment funds. Investment decisions are made by the Pension Fund Committee.</p> <p>We found that the Fund has a well-defined process for reviewing investment performance and recording transactions. However, we noted that there were weaknesses in monitoring the contributions due to the scheme. We also noted that the scheme has a number of outstanding agreements with admitted bodies, including 13 admission agreements, five cessation agreements and the renewal of 10 admission bonds.</p> <p>This audit has identified two high, one medium and one low risk findings.</p> <p>We identified the following high risk-rated issues as part of the audit:</p> <ul style="list-style-type: none"> • <u>Monitoring of contributions (finding one)</u> – When the audit fieldwork commenced, we found that the CSG Pensions Finance team could not check whether contributions had been deducted in line with the Rates and Adjustments Certificate, as it did not obtain information that would allow it to do so, and did not track whether lump sum contributions required under the Rates and Adjustments Certificate have been paid, leading to an annual, manual exercise being required to review this. This may lead to contributions due not being received, leading to a loss to the Fund. At the date of this report work to rectify this was underway but was not yet complete. • <u>Admission agreements, bonds and cessation agreements (finding two)</u> – We noted in our review of Pension Fund Committee minutes that there is a backlog of admission agreements, bonds and cessation agreements. This means that the Fund may be exposed to financial risk as a result of not entering agreements with new or former employers. <p>We identified the following medium risk-rated issue as part of the audit:</p> <ul style="list-style-type: none"> • <u>Collection of strain contributions (finding three)</u> – We found that there was no clear process for ensuring that strain contributions, being those payable by employers where a member retires early with no reduction to pension, are received. This may lead to contributions due not being received, leading to a loss to the Fund. 					

We identified the following low risk-rated issue as part of the audit:

- **Budgets and management information (finding four)** – We found that management information provided to the Pension Fund Committee does not cover contributions received, benefits paid, level of debt outstanding in relation to strain contributions and whether contributions are received on time from scheme employers. There is a risk that the Fund does not manage its costs without a budget and the Pension Fund Committee may not be aware of issues which require resolving.

2. Findings, Recommendations and Action Plan

Ref	Finding	Risks	Risk category	Agreed action
1.	<p><u>Monitoring receipt of contributions</u></p> <p><i>Control design</i></p> <p>Employers are required to deduct both employee and employer contributions in accordance with the scheme regulations and the Fund's Rates and Adjustment Certificate. These are required to be paid over monthly. The CSG Pensions Finance team are responsible for monitoring the receipt of contributions, including whether all contributions were received, whether contributions were deducted and paid to the Fund at the correct rate and whether contributions were received on time. They maintain a tracker to record contributions received which are then also recorded in Acclink, a system used by CSG Pensions Finance to record financial transactions relating to contributions and benefits. CSG Pensions Finance are responsible for Acclink.</p> <p>During the audit, we identified:</p> <ul style="list-style-type: none"> • CSG's process for receiving information from employers did not allow it to check whether contributions were deducted or paid at the correct rate. • CSG's tracker did not allow it to monitor whether additional lump sum contributions were received. This means that a manual exercise has to be undertaken to review whether all contributions so due were received. <p>In March 2018, Internal Audit identified that CSG Pensions Finance did not monitor contributions received to ensure they were being deducted at the correct rate and agreed to implement additional monitoring by 30 June 2018. This action had not been implemented at the time fieldwork for this review was undertaken. During fieldwork, we noted that CSG were implementing a new process to allow them to monitor</p>	<p>Contributions may not be deducted or paid to the Fund at the correct rate which may lead to the Fund suffering a loss and being underfunded.</p> <p>Omissions of contributions may not be detected leading to underfunding of the scheme.</p>	HIGH	<p>Agreed action:</p> <ul style="list-style-type: none"> a) CSG Pensions Finance will implement the new process for collecting data from employers on the amounts paid over to the Fund to enable them to check if contributions are deducted at the correct rate and all contributions due under the Rates and Adjustments Certificate, including additional lump sum contributions, are collected. b) CSG will provide monthly reports to the Council on the collection of contributions which will include reporting on whether contributions were received on time, at the correct rate and details of any significant issues noted when reviewing contributions received, such as failure to provide starter and leavers forms for member changes or unexplained movement in contributions received. c) Late or underpayment of contributions will be reported

Ref	Finding	Risks	Risk category	Agreed action
	the contributions received, so as to allow them to check that contributions are deducted at the correct rate and that all contributions due, including lump sum payments, are received on time.			<p>to each meeting of the Pension Fund Committee and Local Pension Board</p> <p>Responsible officer:</p> <p>a) and b) Keith Barker, Head of Scheme Finance and Payroll, CSG Pensions Finance</p> <p>c) George Bruce, Head of Treasury</p> <p>Target date:</p> <p>a) and b) 31 July 2019</p> <p>c) 30 September 2019</p>
2.	<p>Admission agreements, bonds and cessation agreements</p> <p><i>Operating effectiveness</i></p> <p>When a new employer joins the Fund's pool, usually through the transfer of staff to a new employer under TUPE arrangements, an admission agreement should be signed with employers. Typically, these require the employer to provide a bond to the Fund to reduce the risk regarding non-payment of contributions. A cessation agreement should also be agreed once an employer leaves the Fund's pool as a result of it employing no members of the Fund.</p> <p>We noted that there are a number of employers for whom admission agreements or cessation agreements are required or bonds have expired. The following statistics were reported to the 30 May 2019 Pension Fund Committee meeting:</p>	<p>The Council may be in breach of the Local Government Pension Scheme Regulations 2013 if it does not have admission agreements in place.</p> <p>The Fund may be exposed to risk of employers not fulfilling their obligations to the scheme if a bond is not entered into.</p> <p>The Fund may not recover amounts due from former employers if cessation</p>	HIGH	<p>Agreed action:</p> <p>a) We will promptly complete admission agreements, cessation agreements and renewals of admission bonds for all employers identified in the report to the Pension Fund Committee on 30 May 2019 to minimise risk to the Fund.</p> <p>b) We will agree Service Level Agreements (SLAs) with CSG, our actuary and legal team to establish</p>









Ref	Finding	Risks	Risk category	Agreed action
	<ul style="list-style-type: none"> 13 employers did not have admission agreements, the oldest dating back to 1 September 2014. 5 employers have left the Fund and did not have a cessation agreement, the oldest dating back to 30 September 2015. Admission bonds relating to 10 employers had expired, with the oldest bond expiring on 28 February 2016. 	calculations are not carried out promptly.		<p>potential timelines for future admission agreements, cessation agreements and the renewal of admission bonds.</p> <p>Responsible officer: George Bruce, Head of Treasury</p> <p>Target date: 30 September 2019</p>
3.	<p><u>Collection of strain contributions</u></p> <p><i>Control design</i></p> <p>When a member of the Fund retires early, without an actuarial reduction in their pension, additional contributions, known as strain contributions, are charged to employers to cover the cost of providing the additional benefits to the member. Strain contributions are calculated by the CSG Pensions Administration team. The CSG Pensions Finance team raise an invoice and record strain contributions due from employers within Acclink. This summarised information is passed to the Council and input to the Fund's general ledger.</p> <p>We noted that:</p> <ul style="list-style-type: none"> The CSG Pensions Finance team ordinarily send invoices to employers' registered addresses, however some employers dispute receiving these invoices. It is not clear who is responsible for ensuring that invoices raised to employers for strain contributions are collected and there is no clearly defined process for chasing debts due. 	Strain contributions may not be received leading to the Fund being underfunded.	MEDIUM	<p>Agreed action:</p> <p>a) The CSG Pensions Administration team will agree where and to whom invoices relating to strain costs will be sent as part of the retirement process and notify the employer of the final calculated strain cost once the retirement has been agreed.</p> <p>b) The Council will agree when and how often CSG will pursue outstanding amounts and at what stage the Council will be informed and take action against the employer.</p> <p>c) CSG Pensions Finance will implement the process agreed with the Council for collecting strain contributions.</p>

Ref	Finding	Risks	Risk category	Agreed action
				<p>d) CSG will provide monthly reports to the Council on the collection of strain contributions including an analysis of ageing of outstanding debt and current status of aged debts.</p> <p>e) An age analysis of strain cost debtors will be included in quarterly reports to the Pension Fund Committee</p> <p>Responsible officer:</p> <p>a) Mark Richardson, Service Delivery Manager, CSG Pensions Administration</p> <p>b) George Bruce, Head of Treasury,</p> <p>c) and d) Keith Barker, Head of Scheme Finance and Payroll, CSG Pensions Finance</p> <p>(e) George Bruce, Head of Treasury</p> <p>Target date:</p> <p>a) 31 July 2019</p> <p>b) n/a – implemented as agreed in June 2019</p> <p>c) and d) 31 July 2019</p> <p>e) 31 December 2019</p>

Ref	Finding	Risks	Risk category	Agreed action
4.	<p><u>Budgets and management information</u></p> <p><i>Control design</i></p> <p>The Fund manages over £1bn of assets and incurs management expenses of £8m per annum. Management expenses include administrative costs, investment management expenses and oversight costs.</p> <p>Over the last 12 months, the level of reporting to the Pension Fund Committee has increased, giving the committee an overview of costs incurred by the Fund in addition to ongoing reporting on asset performance.</p> <p>We found that:</p> <ul style="list-style-type: none"> • Management information reported on the Fund's finances is restricted to investment performance and expenses. It does not include reporting on contributions received, benefits paid, the level and ageing of strain contributions outstanding or timeliness of the receipt of contributions. 	<p>The Fund may hold insufficient or excess funds in cash or similar liquid investments leading to it forgoing future investment gains.</p>	<p>LOW</p>	<p>Agreed action:</p> <p>Six monthly reporting of fund costs to the Pension Fund Committee will be expanded to include reporting on contributions received and, benefits paid.</p> <p>Responsible officer:</p> <p>George Bruce, Head of Treasury</p> <p>Target date:</p> <p>30 September 2019</p>

Appendix 1: Definition of risk categories and assurance levels in the Executive Summary

Note: the criteria should be treated as examples, not an exhaustive list. There may be other considerations based on context and auditor judgement.

Risk rating	
Critical 	<p>Immediate and significant action required. A finding that could cause:</p> <ul style="list-style-type: none"> • Life threatening or multiple serious injuries or prolonged work place stress. Severe impact on morale & service performance (e.g. mass strike actions); or • Critical impact on the reputation or brand of the organisation which could threaten its future viability. Intense political and media scrutiny (i.e. front-page headlines, TV). Possible criminal or high profile civil action against the Council, members or officers; or • Cessation of core activities, strategies not consistent with government's agenda, trends show service is degraded. Failure of major projects, elected Members & Senior Directors are required to intervene; or • Major financial loss, significant, material increase on project budget/cost. Statutory intervention triggered. Impact the whole Council. Critical breach in laws and regulations that could result in material fines or consequences.
High 	<p>Action required promptly and to commence as soon as practicable where significant changes are necessary. A finding that could cause:</p> <ul style="list-style-type: none"> • Serious injuries or stressful experience requiring medical many workdays lost. Major impact on morale & performance of staff; or • Significant impact on the reputation or brand of the organisation. Scrutiny required by external agencies, inspectorates, regulators etc. Unfavourable external media coverage. Noticeable impact on public opinion; or • Significant disruption of core activities. Key targets missed, some services compromised. Management action required to overcome medium-term difficulties; or • High financial loss, significant increase on project budget/cost. Service budgets exceeded. Significant breach in laws and regulations resulting in significant fines and consequences.
Medium 	<p>A finding that could cause:</p> <ul style="list-style-type: none"> • Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale & performance of staff; or • Moderate impact on the reputation or brand of the organisation. Scrutiny required by internal committees or internal audit to prevent escalation. Probable limited unfavourable media coverage; or • Significant short-term disruption of non-core activities. Standing orders occasionally not complied with, or services do not fully meet needs. Service action will be required; or • Medium financial loss, small increase on project budget/cost. Handled within the team. Moderate breach in laws and regulations resulting in fines and consequences.
Low 	<p>A finding that could cause:</p> <ul style="list-style-type: none"> • Minor injuries or stress with no workdays lost or minimal medical treatment, no impact on staff morale; or • Minor impact on the reputation of the organisation; or • Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule; or • Handled within normal day to day routines; or • Minimal financial loss, minimal effect on project budget/cost.
Level of assurance	
Substantial 	<p>There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be Advice and Best Practice.</p>
Reasonable 	<p>An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.</p>
Limited 	<p>There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.</p>
No 	<p>There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.</p>

Appendix 2 – Analysis of findings

Area	Critical		High		Medium		Low		Total
	D	OE	D	OE	D	OE	D	OE	
Governance	-	-	1	-	-	-	1	-	2
Contributions income	-	-	1	-	-	-	-	-	1
Contributions income – change in member status	-	-	-	-	1	-	-	-	1
Benefits paid	-	-	-	-	-	-	-	-	-
Fund expenditure	-	-	-	-	-	-	-	-	-
Investments – strategy	-	-	-	-	-	-	-	-	-
Investments – transactions	-	-	-	-	-	-	-	-	-
Investments - management	-	-	-	-	-	-	-	-	-
Total	-	-	2	-	1	-	1	-	4

Key:

- Control Design Issue (D) – There is no control in place or the design of the control in place is not sufficient to mitigate the potential risks in this area.
- Operating Effectiveness Issue (OE) – Control design is adequate, however the control is not operating as intended resulting in potential risks arising in this area.

Timetable					
Terms of reference agreed:	Fieldwork commenced:	Fieldwork completed:	Draft report issued:	Management comments received:	Final report issued:
11 March 2019	19 March 2019	13 June 2019	17 June 2019	24 June 2019	9 July 2019

Appendix 3 – Identified controls

Area	Objective	Risks	Identified Controls
Governance	There are defined arrangements for the management and oversight of the Fund's investment and finances.	<p>Governance arrangements may not support the Council effectively fulfilling its responsibilities if:</p> <ul style="list-style-type: none"> • Governance responsibilities, including key accountabilities, are not clearly defined; • Compliance with internal Service Level Agreements (for example between the pensions administration team and treasury team) is not monitored to mitigate operational issues arising due to dependencies; • Management information is not accurate or is not produced to facilitate oversight and scrutiny; or • Action plans to address issues identified are not formulated and implemented leading to underlying issues continuing. 	<ul style="list-style-type: none"> • The Pension Fund Committee is responsible, as scheme manager, for oversight of the Fund's investment and finances. • Day to day management of the Fund's investments and finances is delegated to the Council's Treasury team who manage the Fund's general ledger. • CSG's pensions finance team is responsible for maintaining a subledger, Acclink, for recording transactions relating to contributions received and receivable and benefits paid. This data is communicated to the Treasury team monthly and uploaded to the general ledger. • There is a monthly call between CSG pensions administration and the Treasury team. An actions log is maintained to record these calls • Management information presented to the Pension Fund Committee comprises: <ul style="list-style-type: none"> ○ Quarterly investment performance reports ○ Pension fund costs every six months <p>(See finding 3: budgets and management information) (See finding 4: Admission agreements, bonds and cessation agreements)</p>

Area	Objective	Risks	Identified Controls
Contributions income	Contributions are received promptly and in accordance with the Rates and Adjustments Certificates and LGPS Regulations 2013.	<p>Contributions may not be received promptly and in accordance with the Rates and Adjustments Certificates if:</p> <ul style="list-style-type: none"> • Employers do not deduct contributions at the correct rate; • Late contributions are not identified and followed up; or • Responsibility is not assigned for ensuring that all contributions required by the Rates and Adjustments certificate are collected. 	<ul style="list-style-type: none"> • CSG record contributions received by month in Acclink and a spreadsheet maintained to monitor contribution receipt by month. (see finding 1: monitoring contribution receipts) • CSG are responsible for ensuring all contributions due are received.
Contributions income – change in member status	Contributions required due to change in member status are identified and additional contributions received.	<p>Contributions required due to a change in member status may not be identified and additional contributions may not be received if:</p> <ul style="list-style-type: none"> • Changes in member status which require additional contributions are not identified; • Additional contributions required are not calculated and notified to employers; or • The receipt of additional contributions is not monitored. 	<ul style="list-style-type: none"> • When members retire, a requirement for strain contributions is identified from the members record by the pensions administration team. • Additional contributions are calculated using a strain calculator and approved by a member of the pensions administrations team. • The amount calculated to be paid is communicated to the CSG pensions finance team. • Invoices are raised to employers for amounts due. • Invoices are raised based on data from the pensions payroll where strain contributions are due on a pay as you go basis. <p>(See finding 2: Collection of strain contributions)</p>

Area	Objective	Risks	Identified Controls
Benefits paid	Benefits paid are recorded completely and accurately.	Benefits paid may not be recorded completely and accurately if: <ul style="list-style-type: none"> • Benefits paid are not recorded on the fund's general ledger. 	<ul style="list-style-type: none"> • All benefits are paid from the bank account managed by CSG and this is reconciled monthly to ensure that all benefit payments are recorded.
Fund expenditure	Fund expenditure is reported completely and accurately.	Fund expenditure may not be complete and accurate if: <ul style="list-style-type: none"> • The Fund is not aware of all expenditure which it incurs; or • Fund expenditure is not recorded on an accruals basis. 	<ul style="list-style-type: none"> • The Fund produces an analysis of scheme costs every six months. (See finding 3: budgets and management information)
Investments – strategy	The Fund has an approved investment strategy statement and this statement is complied with by the Fund.	The Fund's investments may not be appropriately invested if: <ul style="list-style-type: none"> • An investment strategy statement does not exist or has not been approved; or • Investing activities outside of the Fund's investment strategy statement are not identified. 	<ul style="list-style-type: none"> • The Fund has an investment strategy which is approved by the Pension Fund Committee • The Fund invests in pooled investment vehicles which invest as set out in their factsheets. • The Pension Fund receives quarterly investment manager performance reports and this includes a comparison between the investment strategy and assets held by the Fund.
Investments transactions	Investment transactions are recorded accurately and completely.	The Fund's records of investments held and investment transactions may be inaccurate if: <ul style="list-style-type: none"> • Investment activities are not recorded correctly on the general ledger. 	<ul style="list-style-type: none"> • Monthly or quarterly reports are received from investment managers. These are recorded on the general ledger using journals which are approved prior to posting to the Fund's general ledger.

Area	Objective	Risks	Identified Controls
Investments management	<p>- Investments are managed in accordance with the Fund's investment strategy statement and investment performance issues are identified and mitigating actions implemented.</p>	<p>The Fund's investments may not be managed appropriately or performance issues not identified if:</p> <ul style="list-style-type: none"> • Those managing investments make investments outside of those permitted by the Fund; • Investment performance monitoring does not allow poor performance to be identified promptly; or • Actions agreed may not be implemented. 	<ul style="list-style-type: none"> • All changes to asset holdings, including decisions to invest and divest, are made by the Pension Fund Committee. • Performance reports are received quarterly from the Fund's Investment Advisers and reported to the Pension Fund Committee. Performance reports include: <ul style="list-style-type: none"> ○ A rating ○ Comparisons against benchmarks • Updates are provided at each meeting in respect of implementation of agreed changes to investment strategy.

Appendix 4 – Internal Audit roles and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken the review of Pensions Fund Finance and Investment, subject to the limitations outlined below.

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Specifically, we have not:

- Provided assurance over the maintenance of member records;
- Provided assurance over the calculation of benefits paid to members of the scheme; or
- Provided assurance over the management of the contract between CSG and the Council.

Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

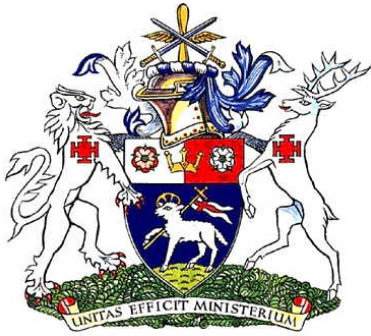
Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

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Local Pension Board AGENDA ITEM 10 **4 September 2019**

Title	External Auditor's Report under International Standard on Auditing (ISA) 260 for the year 2018/19
Report of	Director of Finance
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – External Auditor's ISA 260 report (to follow)
Officer Contact Details	George Bruce, Head of Treasury, 0208 359 7126 george.bruce@barnet.gov.uk

Summary

The external auditors report (ISA260) on the pension fund accounts for the year to 31 March 2019 is attached. The Auditor will be attending the meeting.

Officers Recommendations

That the Local Pension Board:

1. note the matters raised by the external auditor in respect of the audit of the 2018/19 Accounts and Annual Report; and
2. consider whether there are any matters arising from the Auditor's Report on which they require additional information or action.

1. WHY THIS REPORT IS NEEDED

- 1.1 Under Section 151 of the Local Government Act 1972 - "...every local authority shall make arrangements for the proper administration of their financial affairs...". Additionally, in accordance with International Standard on Auditing (ISA) 260, the external auditor is required to issue detailed reports on matters arising from the audit of the council's accounts and pension fund accounts. There are also specific legal requirements in relation to the accounts and the annual report as set out in section 5.4 below.
- 1.2 The external auditor will be attending the meeting to discuss their report (appendix A). The Auditor also attended the July Committee meeting and indicated that they expect to issue an unqualified audit opinion. At the time of writing, the audit opinion remains outstanding. Key pages from the report are 23 (unadjusted audit differences) and pages 25/26 (recommendations). The three audit recommendations have been accepted.

2. REASONS FOR RECOMMENDATIONS

- 2.1 It is appropriate for the Board to review the Internal Audit findings and managements planned actions.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

- 4.1 None.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 A positive external audit opinion on the Pension Fund's Annual Report and Accounts plays an essential and key role in providing assurance that the Pension Fund's financial risks are managed in an environment of sound stewardship and control. This is in line with the aims set out in the Council's Corporate Plan, to ensure that services are delivered efficiently to get value for money for the taxpayer.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 This report sets out the framework for the assessment of the Pension Fund's financial reporting and management as well as value for money.
- 5.2.2 The external audit fees for 2018/19 are £21,170 (£43,810 for 2017/18). At this stage no additional audit fees are anticipated.
- 5.2.3 In accordance with International Standard on Auditing (ISA) 260, the external auditor is required to issue detailed reports on matters arising from the audit of the Council's accounts and Pension Fund accounts.

5.2.4 The ISA 260 report must be considered by “those charged with governance” before the external auditor can sign the accounts”.

5.2.5 The external auditor, BDO was presented with draft financial statements on 31st May 2019.

5.3 Social Value

5.3.1 Arrangements for proper administration of financial affairs and contributing to the Pension Fund ensures that contributing members have a secured income on retirement.

5.4 Legal and Constitutional References

5.4.1 The Board’s Terms of Reference include “ensuring the effective and efficient governance and administration of the LGPS for the LBB Pension Fund”.

5.5 Risk Management

5.5.1 The external audit ISA 260 report highlights areas of good control and areas of weakness which need to be addressed. Failure to do so carries the risk of adverse financial and/or reputational consequences.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant ‘protected characteristic’ and those who do not share it; and fostering good relations between persons who share a relevant ‘protected characteristic’ and persons who do not share it. The ‘protected characteristics’ are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.6.2 Ensuring the long term financial health of the Pension Fund will benefit everyone who contributes to it. Access to and participation in the Pension Fund is open to those with and those without protected characteristics, alike, provided that the criteria set out within the relevant Regulations are met

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

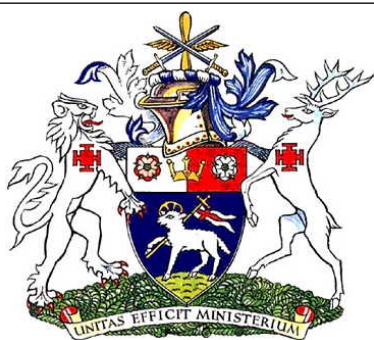
5.8.1 Not required.

5.9 Insight

5.9.1 Not applicable in the context of this report.

6. BACKGROUND PAPERS

- 6.1 Audit plan presented to the Pension Fund Committee on 26 March 2019, agenda item 11.
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=191&MId=9500&Ver=4>



Local Pension Board

4 September 2019

Title	Performance Report
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Capita Performance Report for the period ending July 2019 Appendix B – Risk Register
Officer Contact Details	Nigel Keogh, Interim Pensions Manager – 02083592208 Nigel.keogh@barnet.gov.uk

Summary

This paper provides the Local Pension Board with the pensions administration performance report for the period June to July 2019.

Officers Recommendations

The Local Pension Board are asked to note the current performance levels, plans for improvement and the plans for further development of monthly performance reporting.

1. WHY THIS REPORT IS NEEDED

- 1.1 The efficient delivery of benefits is reliant upon effective administrative procedures being in place. It is important that this information is reviewed by the Board.
- 1.2 The report in Appendix A provides an overview of performance of the operational pensions administration service delivered by Capita.
- 1.3 The content of the performance report continues to be enhanced to provide a better understanding of performance in key areas, such as backlog reduction and contribution collection and monitoring. The report will in the future also encompass a comprehensive risk register (the current risk register is attached at Appendix B), which is currently under development in conjunction with Capita.
- 1.4 The report shows a deteriorating situation over recent months with regard to both SLA attainment and an increasing backlog, largely attributable to resources focussing on data cleanse work ahead of the submission of data to the scheme actuary. As noted above, a backlog reduction plan is now in place, with additional resources being brought in to assist the team.
- 1.5 On a more positive note, the finance operations at Darlington are improving, particularly with regard to responding internal audit recommendations on contributions monitoring.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Not applicable in the context of this report.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

- 4.1 Not applicable in the context of this report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 Not applicable in the context of this report.

5.3 Social Value

5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Where relevant, consultation and engagement is discussed in the paper.

5.9 Insight

5.9.1 Not applicable in the context of this report.

6. BACKGROUND PAPERS

6.1 None

CAPITA



Report to the London Borough of Barnet July 2019

London Borough of Barnet Pension Fund

14th August 2019

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1. Introduction

This report covers the overall administration, engagement with members and employers and Service Delivery of the London Borough of Barnet Pension Fund and the activities covered within the month of July 2019.

2. Executive Summary

Headlines	
1	<p>During the period 979 cases were completed</p> <ul style="list-style-type: none"> 793 were completed within target Volume of workable cases increased by 32% in comparison to the end of June
2	Overall performance increased to 81%%
3	Recovery plan in place, initially to focus on the largest area of outstanding work which is leavers.

The below table outlines a summary of the transactions in the period:

Table 1: Overall Summary	
Case Group / Category	Volumes
<i>All work outstanding at the beginning of the period</i>	2855
<i>Cases received in the period</i>	1673
<i>Cases completed in the period</i>	979
<i>Cases re-categorised during the period</i>	410
<i>All work outstanding at the end of the period</i>	3139
<i>Number of outstanding cases awaiting 3rd party information</i>	1914
<i>Number of workable items</i>	1225
<i>Total</i>	3139
<i>Cases completed within standard LGPS targets</i>	793

Aged Cases Recovery Plan	
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Additional resource has now been assigned to the team to support recovery of the aged case work. Initially a review of the outstanding cases has been undertaken; as a result, we have been able to close a number of cases where the case had either been concluded or a duplicate case was open. Clearance of the aged work will begin in earnest as we move into early August. We will also take the opportunity to increase the knowledge of the existing members of the team.

A weekly report to track progress is in development.

3. Performance Breakdown

Performance Breakdown

In order to provide a greater understanding of the key transactions completed in the period, the following table sets out our performance against those transactions showing the starting and finishing position and the performance level achieved against each Case Type in the period. July has seen an increase in the volumes of work received. In the main, this is due to increases in new starters, leavers; these volumes were impacted by the end of year activity in relation to reviewing information submitted by employers.

The volume of cases we were able to complete reduced as focus was directed towards data cleansing records ahead of the submission of scheme data to Hyman Robertson actuary to support scheme valuation. This was delivered on target on 31 July.

As we move into August the recovery plan will start in earnest focusing on the oldest outstanding cases, with particular focus initially given to activities around leavers.

Table 2: Summary Breakdown by Case Group

Case Group	Start	Received	Completed	Terminated	Carried F/Ward	Completed Within Target	SLA %	RAG
<i>Change of details</i>	6	82	53	21	14	52	98.11%	
<i>Enquiries</i>	134	258	149	58	185	114	76.51%	
<i>Request for Estimate of Benefits</i>	152	133	37	41	207	20	54.05%	
<i>Leavers</i>	1106	172	63	56	1159	16	25.40%	
<i>New Starters</i>	67	175	186	5	51	186	100.00%	
<i>Retirements</i>	192	50	21	20	201	15	71.43%	
<i>Transfers In</i>	122	11	4	4	125	3	75.00%	
<i>Transfers Out</i>	52	16	9	3	56	6	66.67%	
<i>Bereavements</i>	197	21	9	2	207	6	66.67%	
<i>Other</i>	827	755	448	200	934	375	83.71%	
Total	2855	1673	979	410	3139	793	81.00%	

Service Delivery Report

July 2019

SLA Tracker

Case Group	Jan SLA	RAG	Feb SLA	RAG	Mar SLA	RAG	Apr SLA	RAG	May SLA	RAG	Jun SLA	RAG	July SLA	RAG
Change of details	100.00%		100.00%		100.00%		92.19%		100.00%		86.21%		98.11%	
Enquiries	99.12%		98.31%		89.56%		79.37%		88.61%		61.63%		76.51%	
Request for Estimate of Benefits	96.08%		100.00%		96.67%		79.31%		89.36%		62.11%		54.05%	
Leavers	86.30%		96.74%		88.89%		84.75%		79.25%		75.00%		25.40%	
New Starters	100.00%		92.16%		92.62%		60.78%		83.33%		90.00%		100.00%	
Retirements	92.00%		75.00%		75.00%		72.22%		78.26%		71.43%		71.43%	
Transfers In	100.00%		100.00%		87.50%		100.00%		100.00%		100.00%		75.00%	
Transfers Out	100.00%		100.00%		100.00%		85.19%		83.33%		66.67%		66.67%	
Bereavements	100.00%		100.00%		100.00%		62.96%		70.00%		64.29%		66.67%	
Other	97.06%		98.21%		90.58%		86.20%		90.84%		86.35%		83.71%	
Total	96.20%		97.25%		91.08%		82.78%		89.28%		79.97%		81.00%	

For the purposes of SLA reporting, a RAG rating is assigned based on the following levels of compliance:

- Lower than 80% - **RED**
- Between 80% and 90% - **AMBER**
- Over 90% - **GREEN**

Work in Progress Position

The following table provides a breakdown of the age profile of the cases that can be progressed by Capita and those cases that require third party information before further action can be taken as summarised in Table 1.

Table 3: Case Age Summary

<3 Months		3 - 6 Months		6 - 12 Months		12 - 18 Months		18 - 24 Months		>24 Months	
Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party
868	359	248	414	50	543	25	376	13	110	21	112

A complete breakdown of all outstanding casework split between workable items and non-workable items is shown as an Appendix.

Actions:

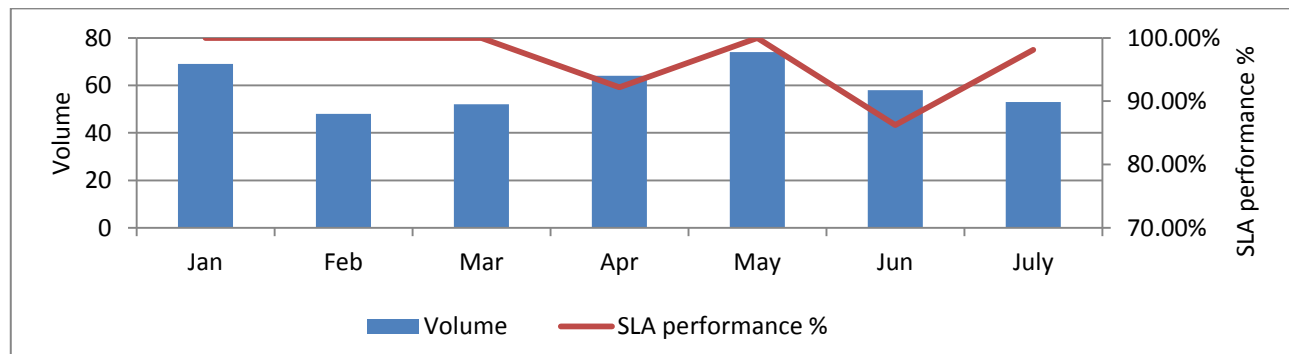
- Clearance of failed cases, this will impact the overall level of performance moving forward
- Focus to be given to leaver cases as this is the highest volume of outstanding work
- Additional support from the wider business identified and has joined the team on a temporary basis.
Training underway
- Production and issue of Annual Benefit Statements

SLA 1 – Change of Personal Details

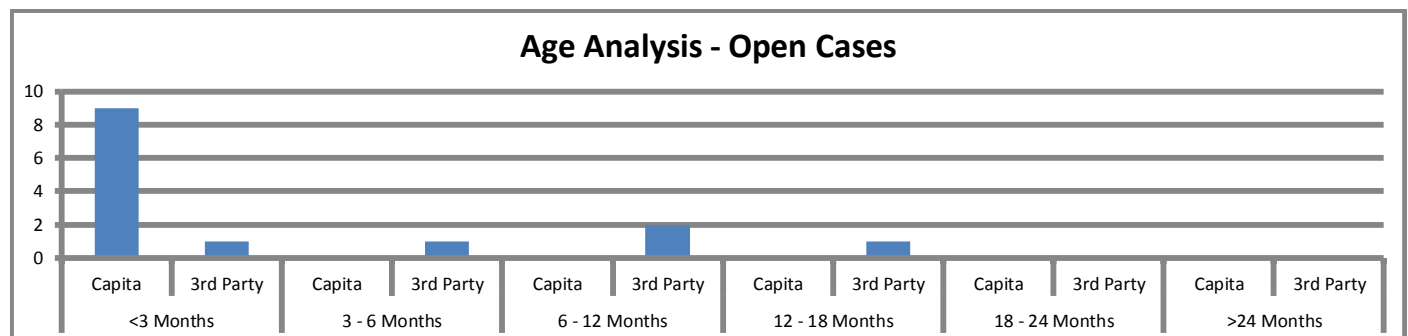
Process change to member details within 10 days of receipt of request

SLA Performance Percentage

98.11%



Volume received in the period	82
Volume processed in the period	53
Remaining open cases (age analysis below)	14



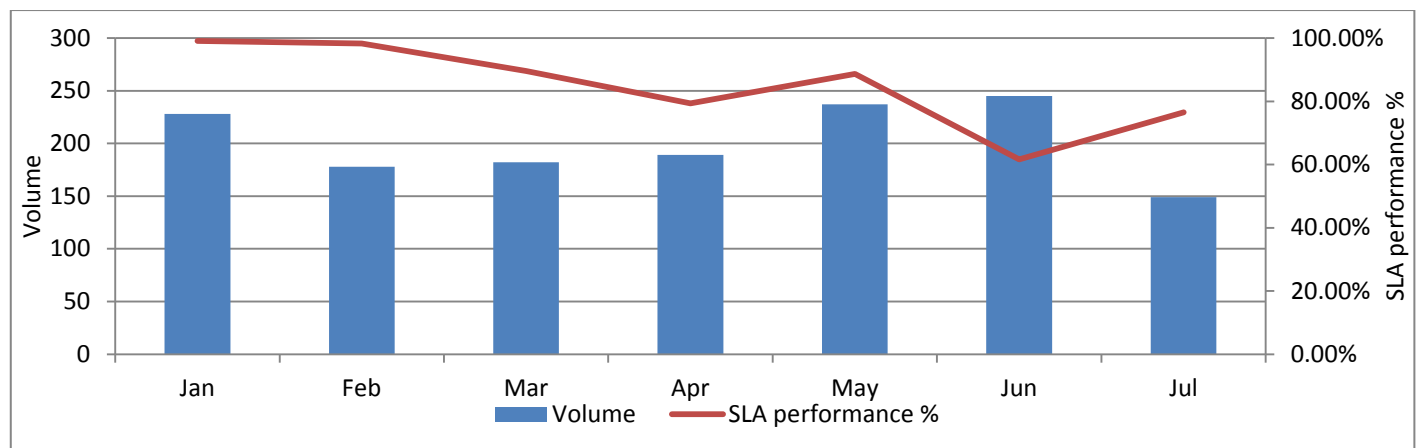
The volume of cases received increased this month from 49 cases in June; an increase of 67%. As a result we have carried forward a slight increase in outstanding cases into August.

SLA 2 – General Enquiries

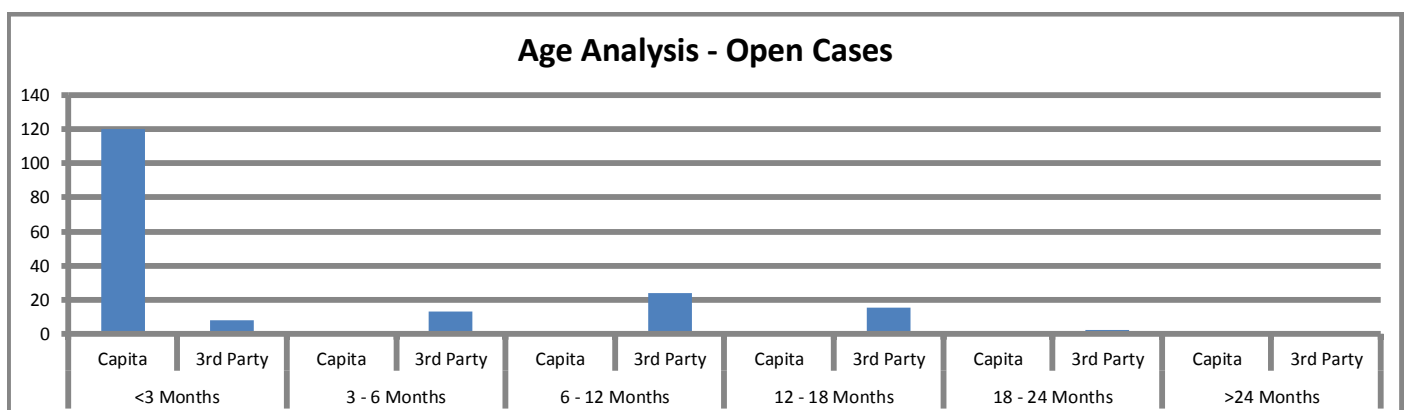
Provide a response to member or beneficiary within 10 days of receipt of correspondence

SLA Performance Percentage

76.51%



Volume received in the period	258
Volume processed in the period	149
Remaining open cases (age analysis below)	185



Training has been delivered to another member of staff; as we progress through the recovery of the backlog cases, this will allow us to divert the more experienced staff to the categories of work where there are higher volumes.

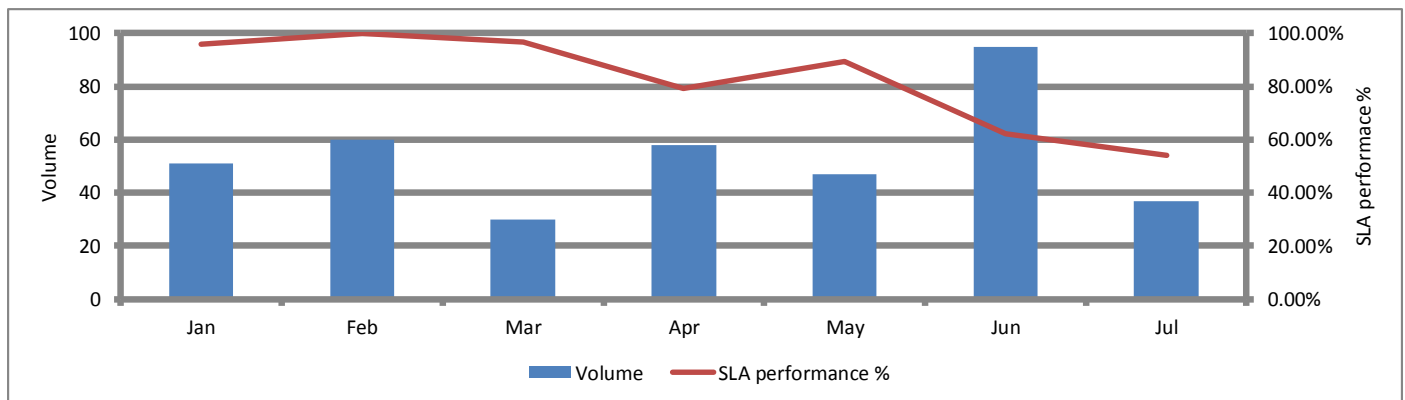
Reduction in SLA performance as the team have supported activity in relation to preparatory work in relation to data extracts ahead of scheme valuation and annual benefit statements. (ABS)

SLA 3 – Request for Estimate of Benefits

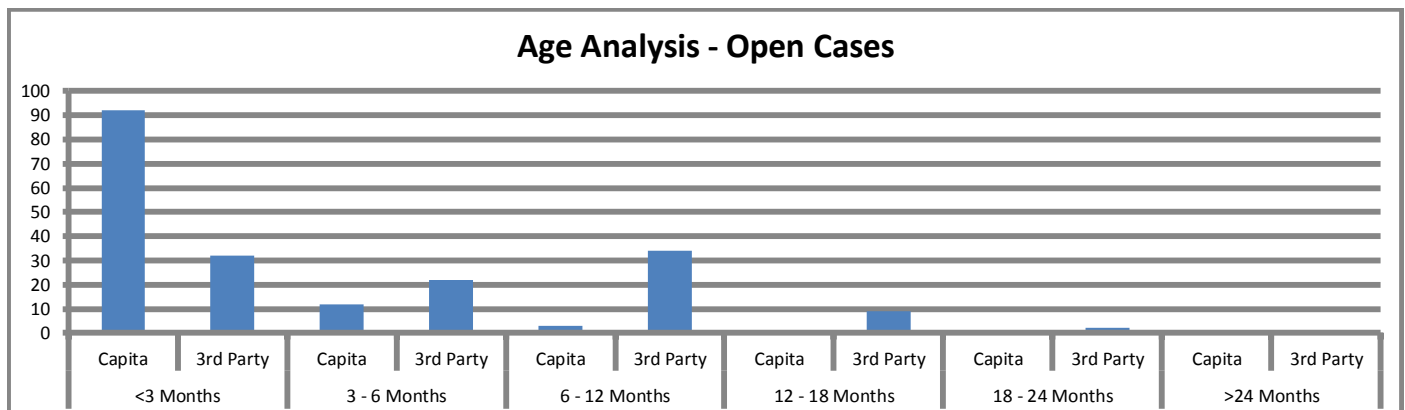
Issue benefit quotation within 10 days of receipt request

SLA Performance Percentage

54.05%



Volume received in the period	133
Volume processed in the period	37
Remaining open cases (age analysis below)	207



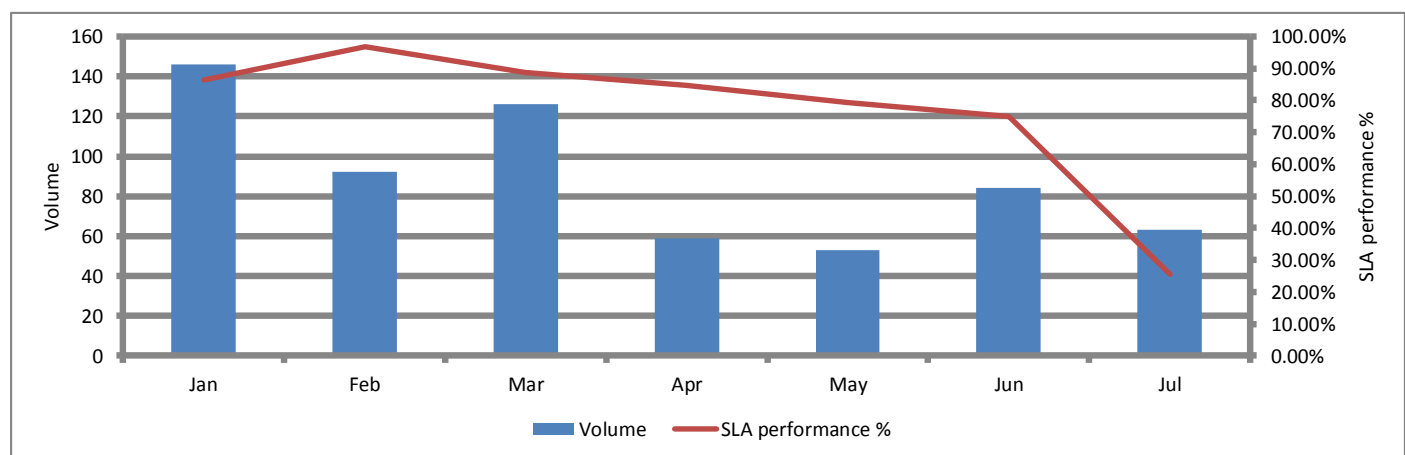
We have seen an increase in volumes received again this month from the 108 cases received last month. This is still driven by potential retirements at the end of the school year. Reduction in SLA performance, which we expect to remain low during the clearance of aged casework.

SLA 4 - Leavers

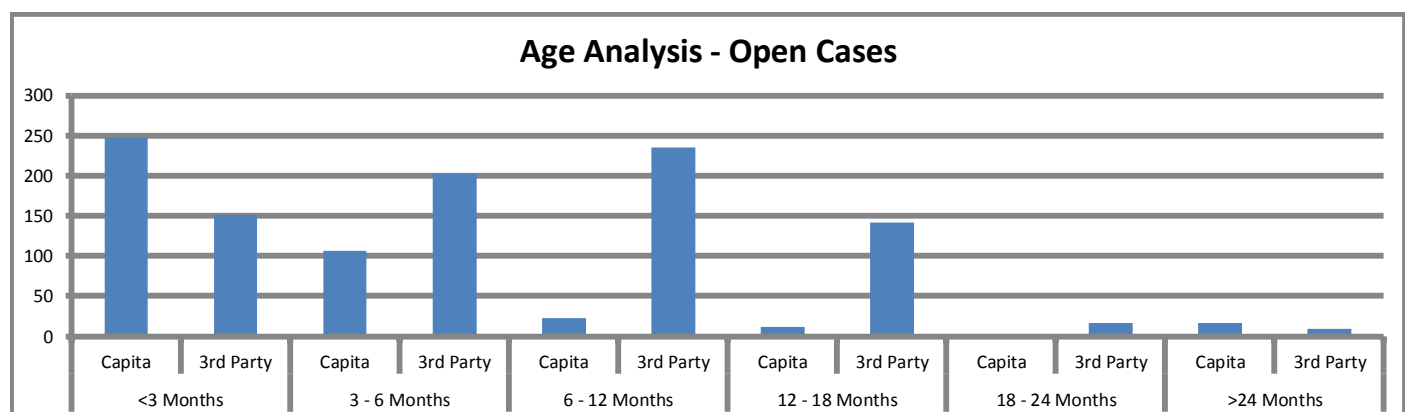
Provide statement of Preserved Benefits within 20 days of notification of exit
Process payment of refund of contributions within 10 days of receipt of notification

SLA Performance Percentage

25.40%



Volume received in the period	172
Volume processed in the period	63
Remaining open cases (age analysis below)	1159



This area of work continues to increase due to the time of year

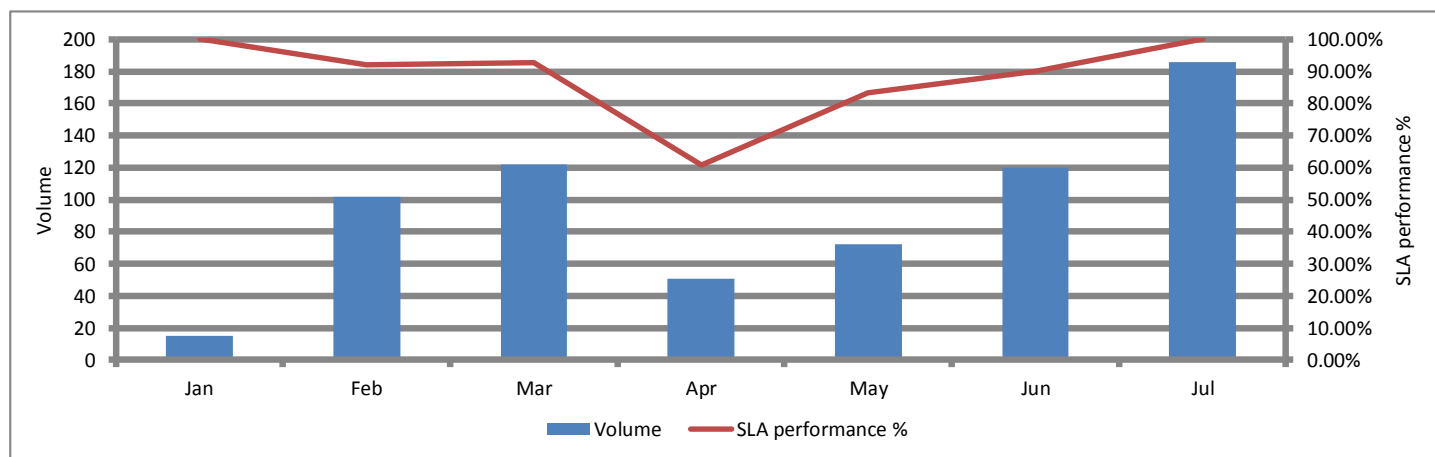
Additional resource has joined the team and as we move forward into recovery, this area of work will become a focus.

SLA 5 – New Starters

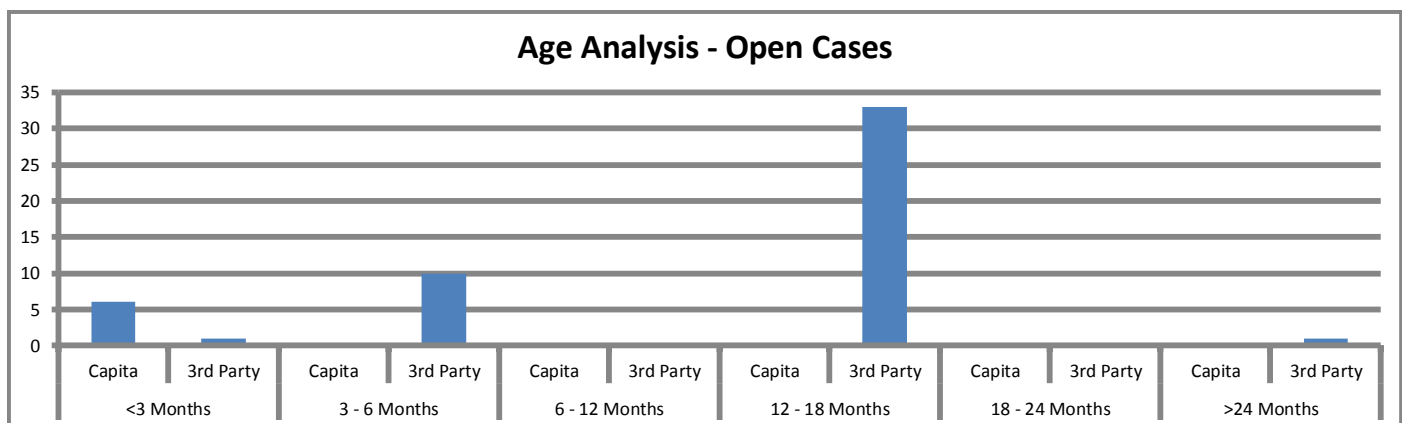
Creation of system record within 4 days of receipt of notification

SLA Performance Percentage

100%



Volume received in the period	175
Volume processed in the period	186
Remaining open cases (age analysis below)	51



An increase in both cases received and cases completed. The volume of workable cases also reduced for the month.

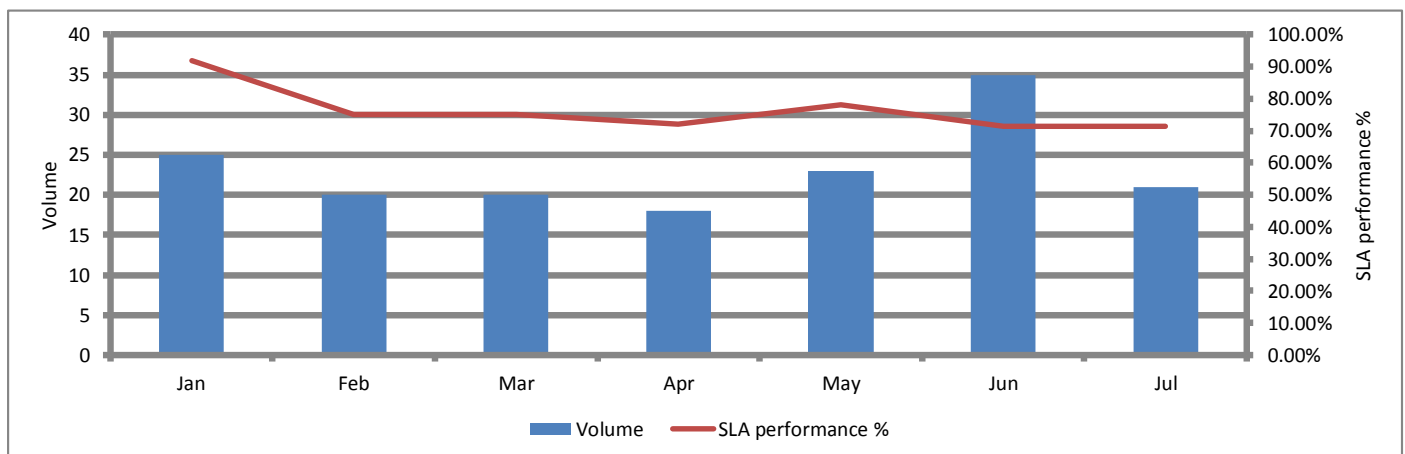
Data cleansing activity resulted in the increase of volumes received this month, resource was assigned to clear as many of the cases as we able to in month and as a result we saw an improvement in performance against SLA.

SLA 6 – Retirements

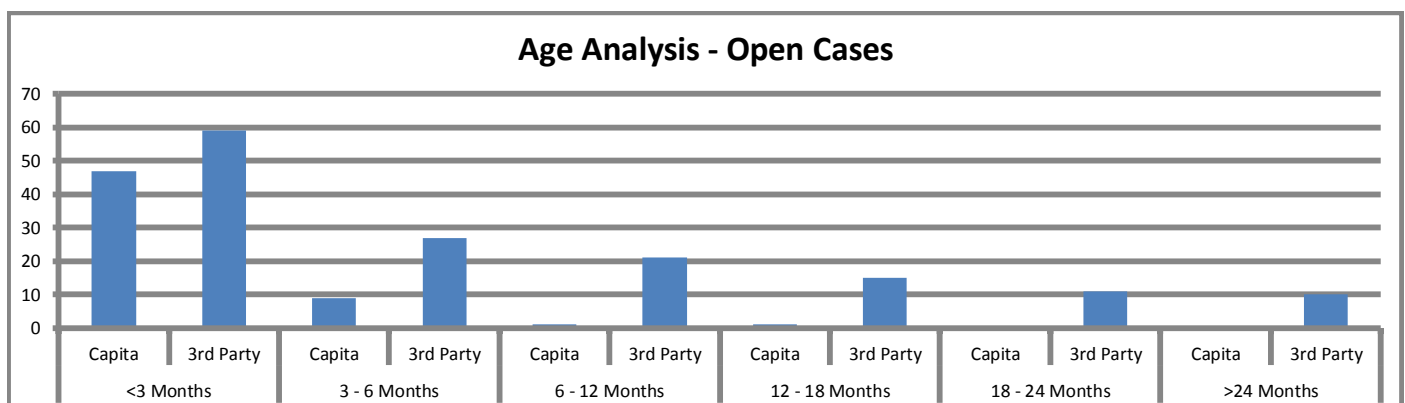
Issue retirement quote within 10 days of receipt of request & Issue retirement quote within 10 days of receipt of request

SLA Performance Percentage

71.43%



Volume received in the period	50
Volume processed in the period	21
Remaining open cases (age analysis below)	201



Similar volume received in comparison to June. We expect that performance against target will reduce over the coming months as we conclude outstanding cases.

SLA 7 – Transfer In

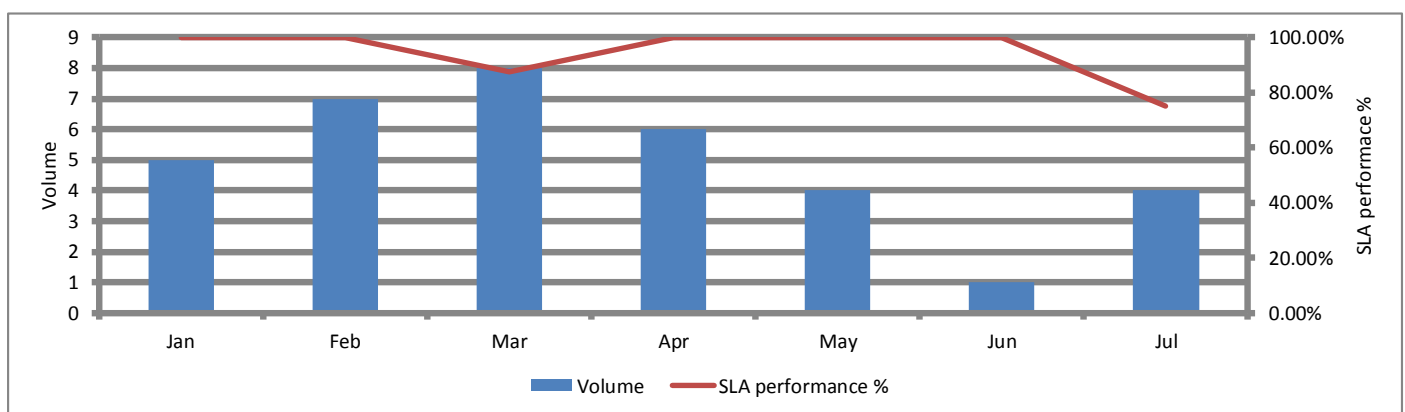
Issue request for transfer details to previous scheme within 5 days of receipt

Issue request for payment of transfer value within 10 days of receipt of member's confirmation to proceed

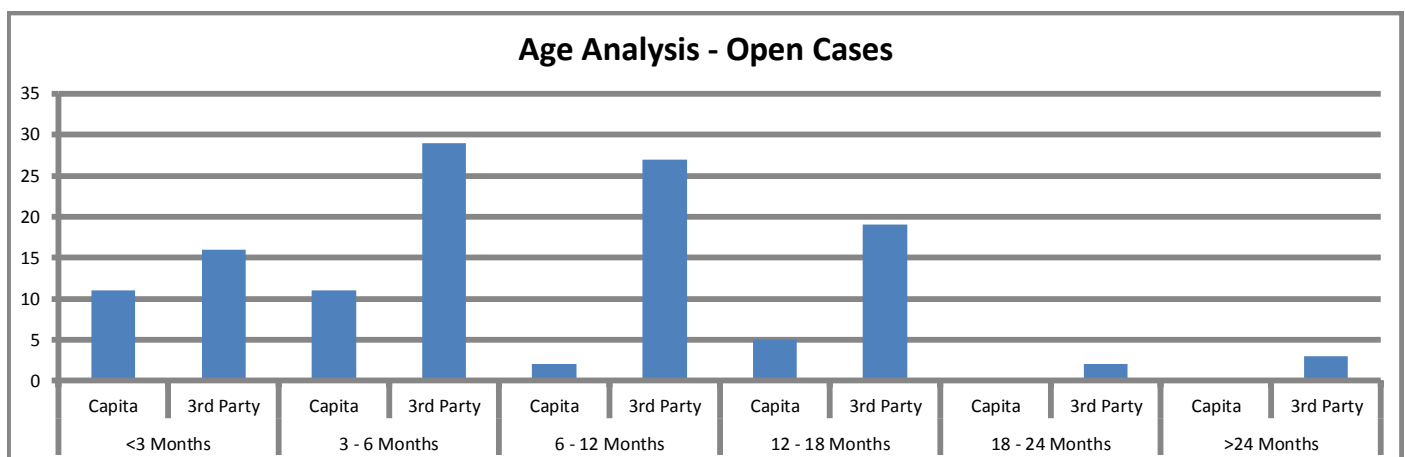
Update member record with details of transfer in within 7 days of receipt of transfer value payment.

SLA Performance Percentage

75.00%



Volume received in the period	11
Volume processed in the period	4
Remaining open cases (age analysis below)	125



Training was delivered to the team as planned, progress and quality will be monitored for the less experienced members of the team as they begin processing cases.

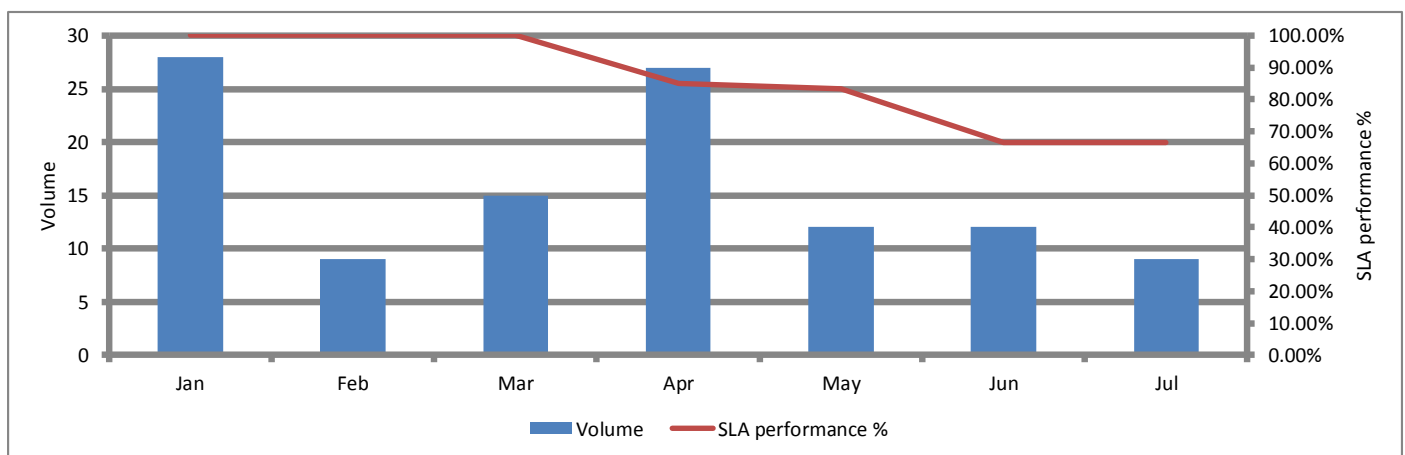
Low volumes of cases completed resulted in lower performance this month.

SLA 8 – Transfer Out

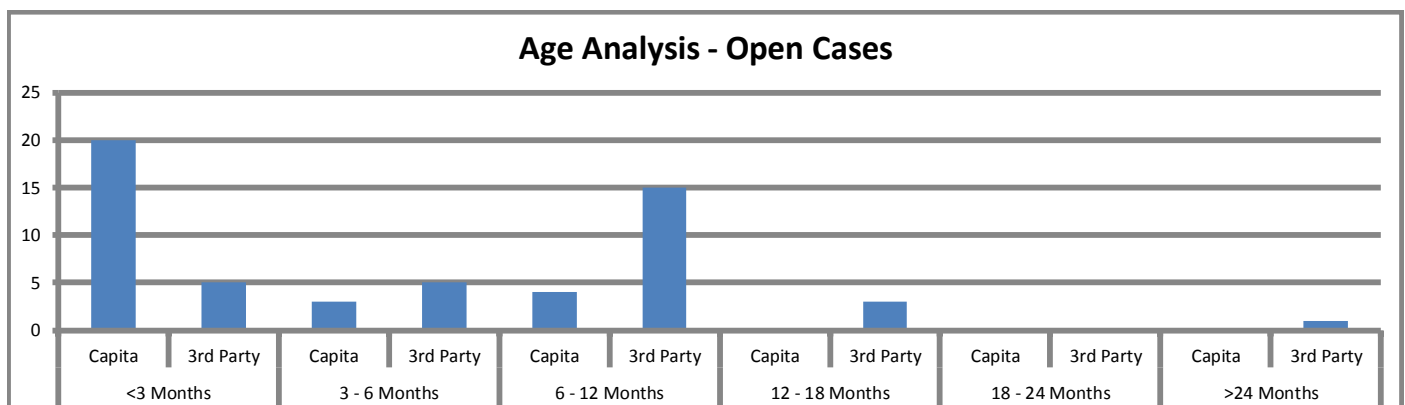
Provide details of deferred pension and TV value within 20 days of receipt of request from new scheme
Process payment of transfer value within 10 days of receipt of members confirmation to proceed

SLA Performance Percentage

66.67%



Volume received in the period	16
Volume processed in the period	9
Remaining open cases (age analysis below)	56



SLA performance continues to be impacted by the clearance of low volumes, we anticipate that the performance will remain low.

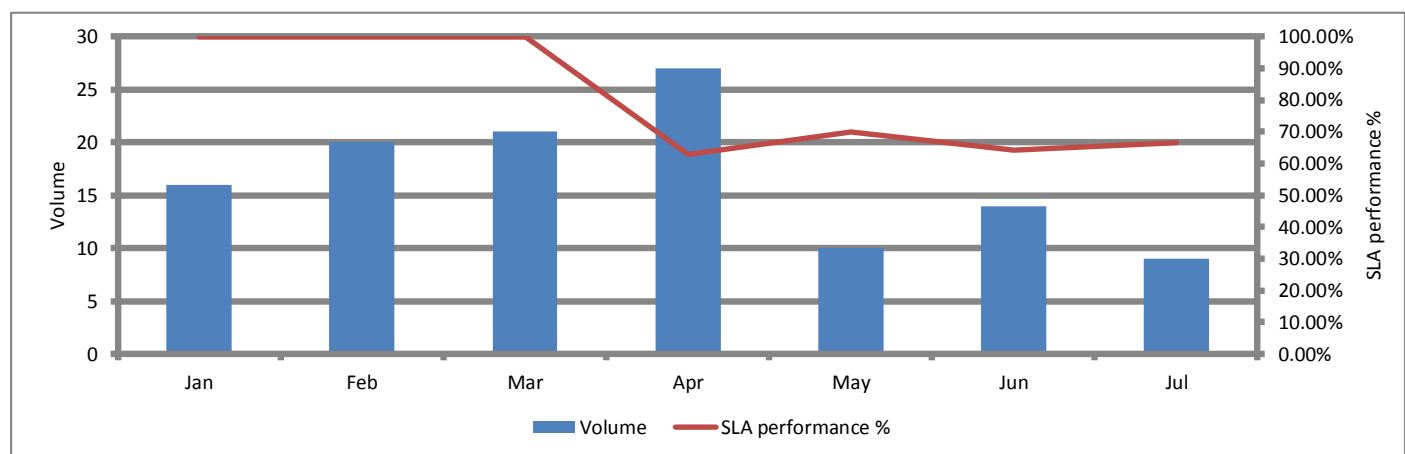
Training delivered by the Technical team in July.

SLA 9 – Bereavements

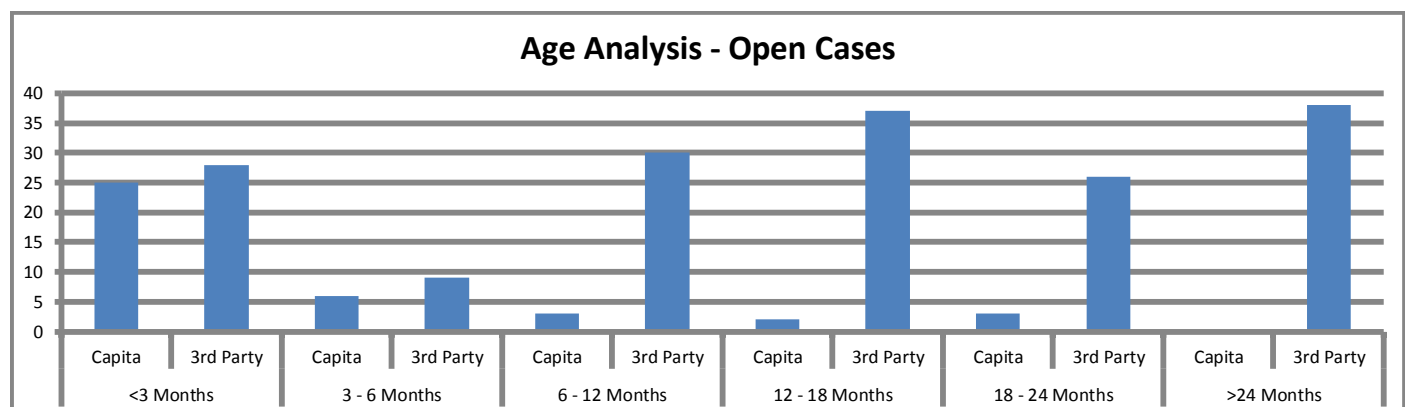
Issue details of benefits payable and death lump sum all due within 5 working days

SLA Performance Percentage

66.67%



Volume received in the period	21
Volume processed in the period	9
Remaining open cases (age analysis below)	207



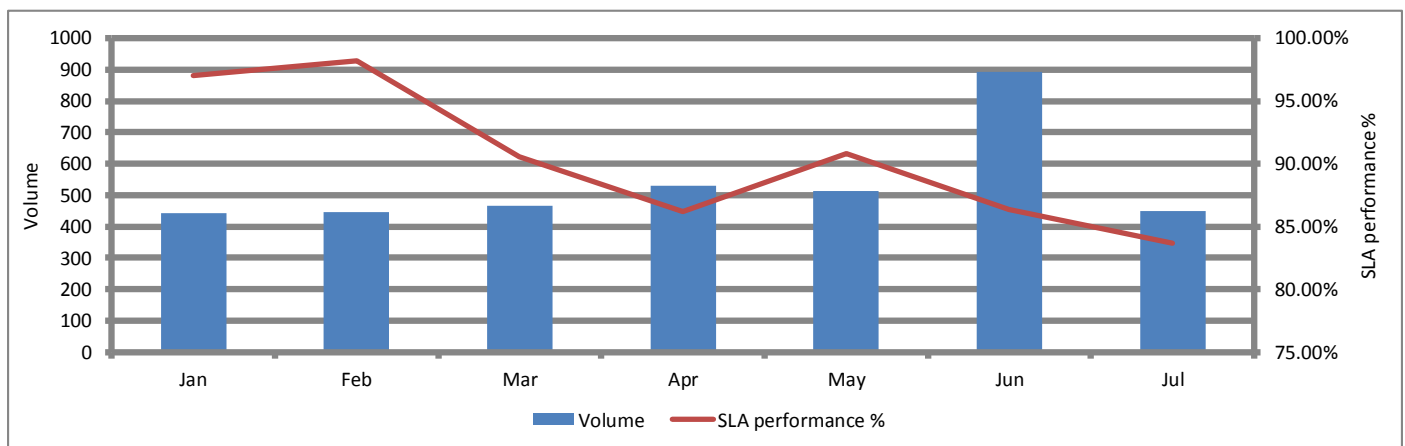
Similar outturn to last month, although the volume of workable cases remains high, the majority of these cases are within target.

SLA 10 – Other

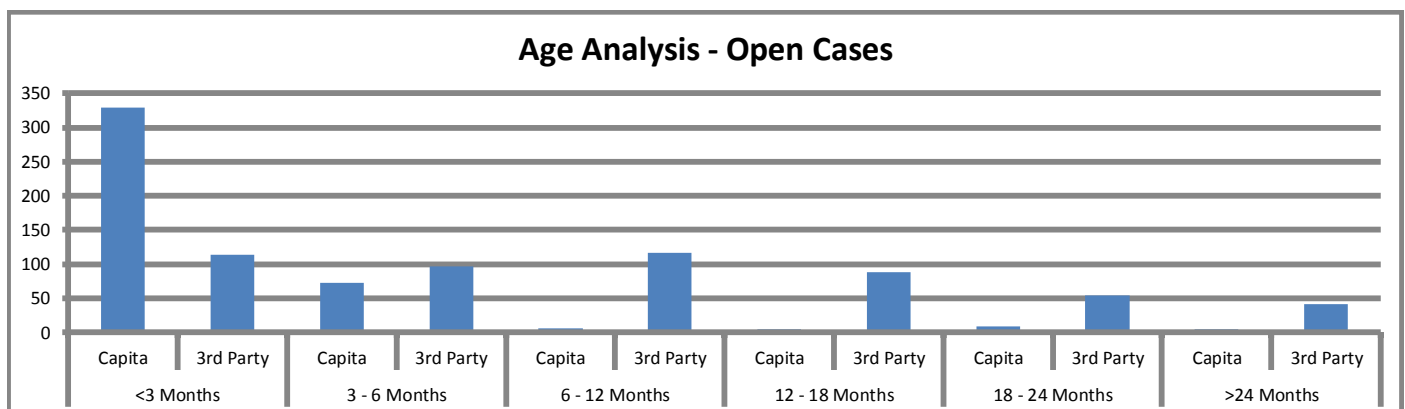
Issue appropriate documentation / response to requests for information within 10 days of receipt of request

SLA Performance Percentage

83.71%



Volume received in the period	755
Volume processed in the period	448
Remaining open cases (age analysis below)	934



Although the outstanding volume of cases has increased, we anticipate that we will begin to see reductions in these volumes now that the effort required to support the data cleansing of records ahead of the submission of scheme data to Hyman Robertson actuary to support scheme valuation.

Service Delivery Report

July 2019

Member Helpline

There were 699 calls answered during June. Analysis of the reason for contact indicates the split of calls across the following options:

- Bereavement 83
- Changes 32
- Pension / Tax 327
- General 257

	Volume	%
Calls Offered	699	
Calls Answered	699	100%
Calls Abandoned	0	0%

Average Handling Time	479 seconds
Average queue time – Darlington	3 seconds
Percentage of calls answered in 30 seconds	99.71%

4. Quality Management

Quality Checking (QC)

Quality Checking is a process to assess an individual's competence in a particular task (or tasks) or if the complexity or risk of the task determines checking is required. It is always completed prior to the issue of any output. QC is carried out by the BAU Teams and can vary according to individual skill level, contract requirement, site and scheme. Only those who are fully competent complete QC, however it is not acceptable for someone who's own accuracy or competence level is below standard to quality check another's work. The individual who completes the QC must be different to who processed the case.

QC provides an assurance on customer experience, accuracy of processing and ongoing achievement of competency levels. Customer satisfaction is monitored through the volume of repeat enquiries and complaints with a root cause associated with the accuracy of transactions processed.

Overall quality performance is 99% for the month of July. There were 1581 transactions reviewed, of these there were 19 errors identified.

There were 9 people errors, these ranged from incorrect input, not following procedure and calculation error. These were all identified and corrected prior to case completion.

The remaining 7 errors were because of process / procedures.

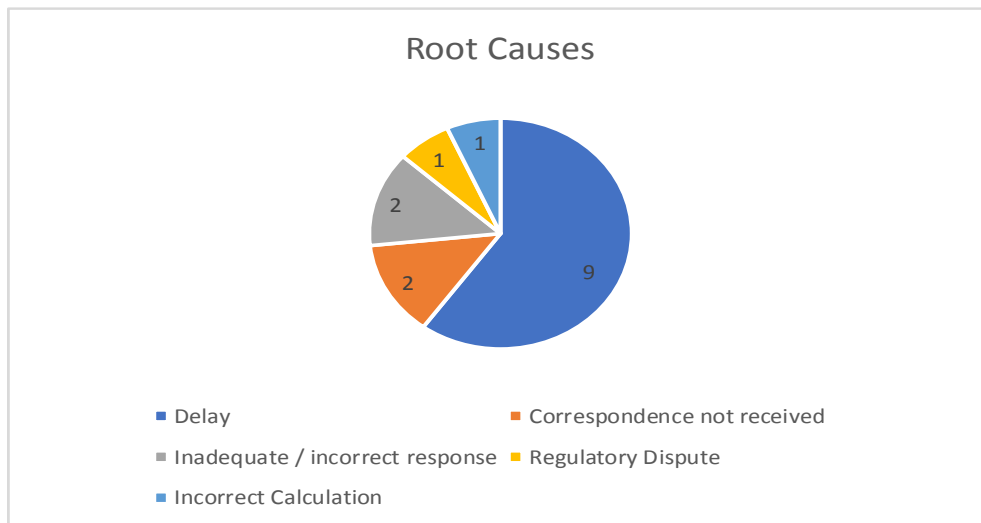
Complaints

The table below shows the age profile of outstanding complaints

Category	0 to 10	11 to 20	21 to 40	41+
Bereavement	0	1	0	0
Leaver	0	1	0	0
Transfer	0	0	5	0
Retirement	0	2	1	3
Other	0	0	1	1
Total	0	4	7	4

The cases currently outstanding have a route cause of

Root Cause	Volume
Delay	9
Correspondence not received	2
Inadequate / incorrect response	2
Regulatory Dispute	1
Incorrect Calculation	1



Closed in month

Member ref	Date Rec'd	Detail	Justified	Resolution	Status
Member CH	10/05/19	Unhappy with the time taken to put part of your benefits into payment	Y	Case reviewed, apology issued for the delays.	Complete
Member CL	03/06/19	Initial query related to AVC, subsequent query received clarifying requirements. Member feels her query was not handled correctly	Y	Apology issued to member, the initial query didn't provide all of the information required, process reviewed to ensure we ask for sufficient information	Complete
Member CM	10/06/19	Member unhappy with information provided in relation to potential refund	Y	Apology offered, additional training to be provided to staff member	Complete
Member CN	13/06/19	Member unhappy with delay in delaying with refund since leaving scheme in April	Y	Letter of apology issued for delays. Redress offered	Complete
Member CW	04/07/19	Member was unhappy with the letters she received as she didn't feel there was sufficient information.	N	This has been picked as a training issue and feedback provided. Team spoke to member, resolved query and offered an apology	Complete
Member DA	17/07/19	Member unhappy with delay in supplying pension statement.	Y	Case reviewed, information issued and apology given	Complete

Outstanding complaints

Member Ref.	Date Rec'd	Details	Justified	Resolution	Status
Member BE	18/10/18	Delay in retirement process		In progress	
Member BV	19/11/18	Member unhappy with the delay in settling AVC benefits		In progress	
Member CI	10/05/19	Delay in retirement process		In progress	
Member CK	06/06/19	Delay in transfer in process		In progress	
Member CO	03/06/19	Delay in relation to retirement process		In progress	
Member CP	18/06/19	Delay in transfer process		In progress	
Member CQ	21/06/19	Delay in transfer process		In progress	
Member CR	28/06/19	Delay in providing copy of P60		In progress	
Member CS	21/06/19	Member unhappy that appeal re amalgamation of service has not been addressed		In progress	
Member CT	02/07/19	Member unhappy at the time taken to settle a transfer to the new scheme	Y	In progress	
Member CU	28/06/19	Member is unhappy that we have calculated her pension options based on term time reductions after she had previously received estimated without term time reductions in error.		In progress	
Member CV	04/07/19	Member's family unhappy with the delay in processing the bereavement case. Overpayment case, not happy with the wording of the letter		In progress	
Member CX	05/07/19	Unhappy with the pension estimate and the information provided when she rang. Spoke to team manager who provided clarity, but felt she had to make decisions around redundancy based on incorrect information.		In progress	

Service Delivery Report
July 2019

Member CY	08/07/19	Member unhappy with time taken to receive retirement options		In progress	
Member CZ	15/07/19	Member not entitled to a refund because she has been in post for more than 2 years. Unhappy with this situation as well as the delays in dealing with the case		In progress	

5 Regulatory Compliance

Section Under Review

6 Risks

Significant Risks update

Section Under Review

7 Finance

7.1 Finance Dashboard

	Task to be measured	RAG status			Task description	Contract measure	RESULTS (in % terms where grey)			Measurement
		Previous	Current	Forecast*			Last month	This month	Movement	
ACCOUNTS	Closing bank balance			→	Balance in Capita re. LBB bank account at the month-end	n/a	3,879,543.37	2,746,525.46	-1,133,017.91	n/a - movements monitored via cashflow and reconciliation
	Submit Integra journal to LBB			→	Month-end AcLink Trial Balance finalised and checked before figures are populated to the integra journal, checked and signed off	WD12	Complete	WIP	n/a	by WD 12
	Bank account reconciliation			→	Reconcile bank account per AcLink Trial Balance. Due by working day 10 hence reported one month in arrears on dashboard	Reported to CES risk team monthly	Complete	WIP	n/a	by WD 10
	Control account reconciliations			→	Volume of reconciled control accounts per AcLink Trial Balance. Due by working day 10 hence reported one month in arrears on dashboard	Reported to CES risk team monthly	Complete	WIP	n/a	by WD 10
PAYROLL	Barnet payrolls ran and paid on time			→	Confirmation that both Barnet payrolls (mid-month and month-end) were processed and paid on time	n/a	1	1	0	All payrolls ran and paid on time, if not then RED
	Volume of payments processed			→	Total number of payments processed per the payroll control reports	n/a	7,889	7,904	-15	Green = less than 1%, Amber = less than 5%, Red = greater than 5%
	Volume of rejected payments			→	Total number of payments rejected per the payroll control reports	n/a	4	4	0	Green = less than 1%, Amber = less than 5%, Red = greater than 5%
	% of rejects versus payments paid			→	Percentage of rejected records against payments processed	n/a	0.05	0.05	0.00	Green = less than 1%, Amber = less than 5%, Red = greater than 5%
	HMRC PAYE payover			→	PAYE due is paid to HMRC in line with statutory payment deadlines	Statutory deadline = 22nd	Y	Y	n/a	Green = Paid by 22th, Amber = Late, Red = Outstanding
	HMRC AFT returns			→	AFT returns due are reported and paid to HMRC in line with statutory payment deadlines	Statutory deadline = paid within 45 days of quarter ending	Not due	Not due	n/a	Green = All paid on time, Amber = any paid late, Red = any outstanding

Service Delivery Report

July 2019

CONTRIBUTIONS	Late payers of contributions			→	Number of employers failing to pay by the 22nd deadline for current month contributions due	n/a	3	3	0	Green = less than 5%, Amber = less than 10%, Red = greater than 10%
	Late payers of contributions (%)			→	Number of employers failing to pay by the 22nd deadline for current month contributions due expressed as a % of the current population	n/a	3.5	3.6	0.0	Green = less than 5%, Amber = less than 10%, Red = greater than 10%
	Outstanding current month contributions			↗	Number of employers failing to pay by the 22nd deadline for current month contributions due that remain outstanding.	n/a	6	2	-4	Green = less than 1%, Amber = less than 5%, Red = greater than 5%
	Outstanding current month contributions (%)			↗	Number of employers failing to pay by the 22nd deadline for current month contributions due expressed as a % of the current population	n/a	7.1	2.4	-4.7	Green = less than 1%, Amber = less than 5%, Red = greater than 5%
	Outstanding prior month contributions			→	Volume of outstanding prior month contributions due to the scheme	n/a	12	2	-10	Green = 5 or less, Amber = 6-10, Red = more than 9
	Outstanding contribution breakdown slips for current month			→	Volume of breakdown slips in respect of the current month outstanding at the month-end	n/a	11	4	-7	Green = 5 or less, Amber = 6-10, Red = more than 10
	Outstanding contribution breakdown slips for current month (%)			↗	Volume of outstanding current month contribution breakdown slips expressed as a % of the current population	n/a	12.6	3.5	-9.1	Green = less than 1%, Amber = less than 5%, Red = greater than 5%
	Volume of outstanding contribution breakdown slips for prior month			↗	Volume of breakdown slips in respect of prior months outstanding at the month-end	n/a	27	20	-7.00	Green = Less than 10, Amber 10-20, Red = 21 plus
	Current month employer tolerance breaches			↗	Volume of employers where current month's contributions create a tolerance breach (current measure is 15%)	n/a	28	19	-9.00	Green = Less than 10, Amber 10-20, Red = 21 plus
	Employer new breakdown form submissions			↗	Volume of employers submitting new contributions form expressed as a % of the employer population	n/a		86		Green = 95-100%, Amber = 90-94.9%, Red = below 90%
	Member contributions data coverage			↗	Approximate coverage of member contributions data expressed as a % of the member population	n/a		71		Green = 95-100%, Amber = 90-94.9%, Red = below 90%

Service Delivery Report

July 2019

DEBT	Volume of overpayments invoices			→	Volume of new member overpayments invoices raised during the current month	n/a	4	5	1	Green = Less than 10, Amber 10-20, Red = 21 plus
	Value of overpayment invoices			→	Value of new member overpayments invoices raised during the current month	n/a	588	1,313	725	Green = less than £2.5k, Amber £2.5k - £5k, Red = £5k plus
	Volume of outstanding overpayment invoices			→	Volume of all outstanding member overpayment invoices as at the month-end	n/a		218		Green = less than 250 cases, Amber = 250-500 cases, Red = 500 cases plus
	Value of outstanding overpayment invoices			→	Value of all outstanding member overpayment invoices as at the month-end	n/a		197,954		Green = Less than £250k, Amber = £250k - £500k, Red = £500k plus
	Volume of employer strain invoices			→	Volume of new employer strain invoices raised during the current month	n/a	2	4	2	Green = Less than 10, Amber 10-20, Red = 21 plus
	Value of employer strain invoices			→	Value of new employer strain invoices raised during the current month	n/a	44,477	85,135	40,658	Green = Less than £100k, Amber £100k-£200k, Red = £200k plus
	Volume of outstanding strain invoices			→	Volume of all outstanding employer strain invoices as at the month-end	n/a		43		Green = less than 20, Amber = 20-50, Red = 51 plus
	Value of outstanding strain invoices			→	Value of all outstanding employer strain invoices as at the month-end	n/a		711,329		Green = Less than £400k, Amber £400k-£1m, Red = £1m plus

*NOTE - the forecast arrows reflect the expected RAG status next month following management assessment of any relevant historical trends, current month performance to date and known activities through to the month-end likely to impact - both positively and negatively - on the final positions

7.2 Finance and Payroll Executive Summary

Headlines	
1	Significant progress made on contributions monitoring with focus on securing Capita HR Solutions Belfast forms to assist with increasing member data coverage to 96%
2	Some employers not providing deficit contributions breakdown information which will allow closure of audit actions
3	Integra journal submitted on time, annex reporting further enhanced and debtors reporting established

ACCOUNTS – Reconciliations	
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The integra journal (fed by the general ledger postings download from AccLink) for July due by working day ten was submitted on working day nine this month. The bank account reconciliation is completed as part of the above exercise and the control account reconciliations on schedule to be completed.

The monthly cashflow tracker is user to monitor daily movements by the Capita Treasury team, a float needs agreeing with Barnet so that any excess can be de-funded back as and when required.

ACCOUNTS – Audit	
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IAS19 year-end contributions (including strain) returns – the return for all employers with a July year-end (Universities and Colleges) has been completed. Those with an August year-end (Academies) is due by the 23rd August.

Cashflow Tri-annual valuation – Finance have provided data to Hymans and are waiting on news of any queries arising.

Internal audit actions position – We continue to work towards closing down all open actions. All evidence of monthly reporting has been shared with the Barnet Internal Audit team and they have been invited to visit the Finance and Payroll teams here in Darlington to run through processes. One complication that has been highlighted to them is that a couple of audit actions include elements of monthly and deficit contributions monitoring. There are currently a number of employers still insisting on paying deficit contributions in with their monthly contributions and not breaking this down on the forms. So whilst it is possible to close the former elements with Barnet agreement the latter remain open until employers comply. The team continues to chase these breakdowns as a matter of urgency.

PAYROLL – Performance across key measures	
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There were no issues to report in respect of payroll this month with minimal rejected payments reported.

CONTRIBUTIONS – Late & Outstanding payers	
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Green Sky Cleaning, taken over by Atlas Cleaning, is the only employer with outstanding contributions to the scheme as per LBB-01. The admission agreement remains outstanding with the Operations team continuing to chase.

Service Delivery Report

July 2019

There were three late paying employers this month as seen under LBB-02. Two of them, Absolutely Catering – St James and Hestia were late paying by one day. Barnet & Southgate College were late by seven days after being three days late in paying their May contributions. The employer will be warned of the potential consequences of continuing late payment, especially for a third consecutive month. At this time pension regulator reporting would appear unnecessary subject to Barnet review.

CONTRIBUTIONS – Missing Breakdown Forms	
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This month saw the missing breakdown forms annex broken down further into two areas. The first – LBB-03 – is designed to show those employers not submitting a new breakdown form, as a result the Finance team do not have all the data required. I.e. volume of members and pensionable pay figures. July saw 11 employers reported, four in the most recent month but a number featuring multiple months since the new form was introduced. The team continue to chase these employers for further submissions.

LBB-04 shows those employers who have failed to submit a breakdown form of any description. This features six employers for the month and ten employers overall when taking into account prior months.

Data coverage – Two red dashboard measures reported this month relating to this area. The first shows that 86% of employers submitted a new breakdown form this month. The second shows that this accounted for circa 5,781 out of a population of 8,195 equating to 71%. However the outstanding return from Capita HR Solutions – Belfast accounts for 2,100 members which, once received, will increase coverage to 96%. The team are chasing this as a matter of urgency.

A number of employers have now had three reminders, as per the agreed process it is now necessary to escalate these employers to Barnet for further action. Also as recently discussed the Finance team will review the current process and build in to the three reminders appropriate escalations within the employer prior to referral to Barnet becoming due.

No employers have both outstanding contributions and new breakdown forms due to the scheme.

CONTRIBUTIONS – Analytics Review inc. tolerance breaches	
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Annex LBB-05 features 19 employers with a variance beyond the current 15% tolerance. Four of these cases have been resolved, a further two have now had three reminders and will be referred to Barnet. The remaining 13 have all now seen reminder actions commence. The slight delay being due to the time required to establish the new enhanced three month average calculation which replaces the previous last months receipt measurement to assess the expected values.

Next month the intention is to reduce the tolerance to 10% and then to 5% before the end of the financial year (envisaged by January). Following this an assessment will be made as to the benefits of switching to a 3% and £3k tolerance approach as per that used effectively on the Teachers' Pension Scheme. This will further assist in reflecting the size of employers.

It is also felt further MI would be of benefit in this area. For example whilst this annex only features those employers beyond the 15% tolerance the master contributions file (supplied on a quarterly basis to Barnet) features all employers so this data can be utilised. Prior months results also need to

CONTRIBUTIONS – The Pensions Regulator Breach Reporting

Following submission of the month-end contributions reporting Barnet will review all cases for potential reporting.

Capita are currently liaising with Barnet to provide the requisite contributions to the scheme's response to the TPR's intervention report, this carries a deadline of the 31st August. The most pressing item, as highlighted above, being the Capita HR solutions – Belfast new contributions form returns given the positive material effect this will have on the member data coverage.

DEBT – Member Overpayments

Five new overpayments were raised during July worth £1,313. The outstanding balance at the month-end was £198k consisting of 218 invoices.

The July debtors listing, consisting of member overpayments and strain invoices, will be supplied to Barnet by week ending Friday 16th August. Reporting will be further enhanced in the near future to feature further MI in respect of age analysis and summary tables once discussed and agreed with Barnet.

Moving forward it would be prudent to establish a regular, monthly, debt keep in touch (KIT) meeting to discuss individual cases, referrals and write-offs.

DEBT – Employer Strain Costs

Four new strain invoices were raised this month totalling £85k. The current volume of outstanding invoices is 43 worth £711k. The Finance team are liaising with Barnet Treasury to review cases and agree next steps. A number of case referrals may be necessary.

As per the above member overpayments suggestions reporting will be further enhanced and a monthly debt KIT should be established to discuss the current position and any individual cases requiring further actions.

PROJECTS – Innovations & IT Developments

Further enhancements were discussed at the latest review meetings with Barnet. This included –

- Review the current reminder process to build in escalation points prior to referral.
- One-off exercise required to confirm all employers paying at the correct rate utilising the master contributions file data. Complication here is the elements of deficit contributions being paid along with monthly contributions by a number of employers which the team is working to resolve.
- Deficit contributions – confirm those employers paying 'ad-hoc' as part of planned engagement to ascertain repayment arrangements. Moving forward Barnet will quote repayment terms in future letters.

Service Delivery Report

July 2019

PEOPLE MANAGEMENT	
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July saw a new Finance Officer assigned to further strengthen the team. This has paid immediate dividends allowing the amount of employer engagement to significantly increase. The month also saw all staff half yearly appraisals completed including a review of training & development plans.

FORWARD LOOK	
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The main Finance and Payroll priorities during August are:

- Liaise with Capita HR Solutions Belfast to secure new contributions breakdown forms for April – July contributions.
- Enhance the current debt reporting to increase available MI and assist with decision making.
- Review member overpayments and strain invoices positions via a new monthly debt KIT.
- Liaise with Barnet to respond with progress on audit actions and TPR report response.
- Chase employers for deficit contributions breakdowns as a matter of urgency to assist with gaining further assurance that employers are paying at correct rates.

8 Appendices

Appendix 1

Table 3: Case Age Breakdown

Case Group	<3 Months		3 - 6 Months		6 - 12 Months		12 - 18 Months		18 - 24 Months		>24 Months	
	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party
<i>Change of details</i>	9	1	0	1	0	2	0	1	0	0	0	0
<i>Enquiries</i>	120	6	1	14	1	25	0	15	0	2	0	1
<i>Request for Estimate of Benefits</i>	89	32	15	22	3	32	1	11	0	2	0	0
<i>Leavers</i>	245	134	101	183	27	257	12	156	1	17	17	9
<i>New Starters</i>	6	1	0	10	0	0	0	33	0	0	0	1
<i>Retirements</i>	47	46	9	36	1	25	1	15	0	10	0	11
<i>Transfers In</i>	10	15	12	26	2	31	4	17	1	4	0	3
<i>Transfers Out</i>	16	5	7	3	4	17	0	3	0	0	0	1
<i>Bereavements</i>	22	28	8	8	4	30	2	38	3	24	0	40
<i>Other</i>	304	91	95	111	8	124	5	87	8	51	4	46
Total	868	359	248	414	50	543	25	376	13	110	21	112

Performance Report 4 September 2019 – Appendix B - Risk register

Risk ID	Short Risk Title	Long Description	Nature of Risk	Controls and mitigations in place	Residual Risk			Target Risk			Further actions		Date risk identified
					Impact	Likelihood	Score	Impact	Likelihood	Response	Actions	Delivery due date	
P8001	Operational - disaster (Fire / Flood etc)	An event occurs that would impact the ability to deliver all / parts of the pension service.	Business Continuity	The administrator has Business Continuity Procedures and Disaster Recovery Plans in place. Business Continuity Procedures and Disaster Recovery Plans are subject to annual independent testing - undertaken by KPMG. Capita back up site is in Elland, Leeds, and is tested annually. Business continuity procedures in place for Scheme Manager. All commercial contracts held electronically and also held by HB Public Law.	5	1	5	5	1	Tolerate	KPMG report re: continuity procedures and disaster recovery, for year ended 31 December 2018, to be shared with the Local Pensions Board when complete.	Q1 2019	Aug 17
P8002	Member data incomplete or inaccurate	To fulfil legal obligations, the pension service is dependent on receiving accurate information and data from scheme employers, and for the administrator to maintain member records. Incomplete and / or inaccurate information / data could lead to incorrect benefit calculations. The Pension Regulator requires all pension schemes to maintain accurate data.	Information Governance	Employer Forums held twice annually to support scheme employers with returning the information / data required to populate annual benefit statements. A 'Scheme Return Policy' in place, which will detail how the administrator and Barnet will approach employers to collate the data required for annual benefit statements to be populated. The Scheme Return Policy will include clear timescales, and letter templates. The Scheme Return Policy will include the power to fine employers and report to the Pensions Regulator. Common data analysis completed annually and conditional data analysis report completed in Q1 2018. The scheme manager acknowledges that this is not a one-off exercise. Hartlink system enforces independent checking / authorisation of any system amendments: made to ensure accuracy of events / member payments	4	3	12	3	2	Treat	Dates for 2019 employer forum to be agreed with the Council in Q1 2019 Common data analysis completed September 2018 - data cleanse plan in place to 2020, with focus on correcting triennial valuation specific data. Capita to advise the Council when employers are not providing the relevant information - the Council to escalate.	Q1 2019 Q1 2019 Ongoing	Aug 17
P8003	Administration process failure / maladministration	Administration of the pension scheme should be in line with the Local Government Pension Scheme (LGPS) rules.	Statutory Duty	Ongoing dialogue between Barnet and Capita through regular Pension Review Meetings. Formal agreement in place with administrator, including agreed SLA's. Authority level clearly agreed and kept up to date, including clear definition of delegated authorities and individual approval authorities. Scheme Event Calendar in place to ensure legislative / regulatory deadlines are achieved (i.e. ABS / Scheme Return etc.) Staff training and formal plans in place to ensure processing in accordance with LGPS requirements Written reports and quarterly presentations by administrator to scheme managers. The Local Pension Board have agreed reporting against LGPS SLA measures that Capita use in other public contacts.	5	3	15	3	1	Treat	Authority levels embedded within the Hartlink system so based on role can authorise and sanction payments up to 50k, 100k, 250k - these controls are tested annually in the AAF report. Weekly 'checkpoints' meetings in place - last meeting was on 21 March 2019 - next meeting is on 28 March 2019. Scheme Event Calendar in place and reviewed annually. Independent testing of data quality re: triennial valuation through the Hymans Robertson data portal.	Annually Ongoing Annually Q2 2019	Aug 17
P8004	Excessive charges by suppliers	The cost of running the pension scheme should not exceed the agreed budget.	Finance	Pension scheme budget agreed annually. Spend reviewed quarterly to ensure on budget. Periodic review of suppliers.	2	1	2	2	1	Treat	Budget to be agreed annually.	Annually	Aug 17
P8005	Employer failure to pay contributions to the fund	The fund does not receive the correct amount of contributions from employers to fund employee pension liabilities, leading to an increase to the scheme deficit.	Finance	Monthly reconciliation of contribution payments received by the finance and administration teams. Ongoing dialogue with employer around when contributions are due. Reconciliation through annual scheme returns. Clear expectations shared with admitted bodies through Scheme Return Policy. Scheme accounts to be signed off by auditors.	2	1	2	2	1	Treat	Revised monthly reconciliation controls to be in place for 2019/2020.	Q2 2019	Aug 17
P8006	Failure of non public employers	Should admitted bodies default on payments, the fund is left with additional pension liabilities.	Finance	Scheme manager monitoring of employer covenant and business strength. Work with actuaries to assess the suitability of the use of bonds and guarantees.	4	2	8	3	2	Treat	Scheme manager to review employer covenant of admitted bodies. Review all admitted bodies to ensure an appropriate bond / guarantee is in place and reporting into the Pension Fund Committee.	Q3 2019 Q2 2019	Aug 17
P8007	Failure to interpret rules or legislation correctly	The Board does not have the level of pension knowledge to perform their role effectively.	Statutory Duty	Up to date training log in place, showing completion of training material. Technical advice and updates formally noted on training log.	4	2	8	4	2	Treat	No further actions required, risk has reached its target score and is being tolerated with the existing controls and mitigations in place.	N/A	Aug 17
P8008	Appropriate personnel in place to perform in designated roles	The Board does not comply with statutory obligations and is unable to evidence appropriate governance.	Statutory Duty	Ensure that the personnel in key roles in relation to the administration of the Fund are suitably experienced and qualified to perform in their roles and have the appropriate authorities to ensure the administration is executed effectively at all times	4	2	8	4	1	Treat	Review of roles and responsibilities of relevant individuals to ensure individuals hold appropriate authorities or there is clear escalation of issues requiring decisions.	Q2 2019	Aug 17
P8009	Conflicts of interest	Decisions made may be influenced by other factors and may be subject to challenge.	Statutory Duty	Pension Board awareness of legal responsibility. All Pension Board members to declare any conflicts and potential conflicts. All pension board members have completed relevant educational material. All conflict of interest documentation signed by all board members and recorded in conflict of interest register Any changes to be included with minutes at each meeting.	3	1	3	3	1	Treat	No further actions required, risk has reached its target score and is being tolerated with the existing controls and mitigations in place.	N/A	Aug 17
P8010	Admission agreements / securities (i.e. bonds) not arranged.	Should an employer not be admitted to the Fund in a timely manner then employees will not be able to draw their benefits or have access to death in service benefits relating to the LGPS. This could result in intervention from The Pensions Regulator possibly resulting in a financial consequence and reputational damage to the Council.	Statutory Duty	The Council has engaged an independent pensions consultant who is arranging for admission agreements and bonds / bond renewals to be put in place.	4	4	16	2	2	Treat	Scheme Manager in liaison with Capita and Hymans to implement a clear and robust admitted body process.	Q2 2019	Jan 19
P8011	Commercial viability of strategic suppliers	If the commercial viability of a strategic supplier declines this could lead to operational failings resulting in service disruption/reduction, failure to complete statutory duties and financial costs.	Business Continuity	Contract management framework, with policy and procedures for commercial activity. Contract monitoring takes place monthly with quarterly reporting to Financial Performance and Contracts Committee. Contract register kept under review with checks on financial status of strategic suppliers. Contract management arrangements in place, including indicators to identify financial stress. Business continuity plans in place.	5	2	10	4	2	Treat	Collate the information that would be required to enable the Council to take over the running of these services should it become necessary.	Ongoing	Mar 19
P8012	Non-compliance with GDPR	Failure to adhere to GDPR may lead to the breach of GDPR regulations (e.g. breach of personal information), which will result in enforcement action from a the Pensions Regulator and the Information Office, resulting in financial and reputational impact on the Council.	Statutory Duty	Council Officers are required to engage with GDPR eLearning to be trained on GDPR regulations. Capita staff are required to complete a data protection online training course and test when joining the organisation.	3	3	9	3	3	Tolerate	Capita staff required to complete data protection online training course and test on the anniversary of their start date.	Ongoing	Mar 19
P8013	Negative media exposure	Negative/scrutinising media attention may lead to ineffective media management impacting on the reputation of the Council and impacting on staff morale.	Staffing and Culture	Communications team to liaise with S151 Officer as and when a media enquiry arises.	4	3	12	4	3	Tolerate	Press releases to be shared with Local Pension Board members prior to publication (if possible)	Ongoing	Mar 19

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London Borough of Barnet
Local Pensions Board - Work Programme
September 2019 – July 2020

Title of Report	Overview of decision	Report Of	Issue Type (Non key/Key/Urgent)
4 Sept 2019			
Decisions made by the Pension Fund Committee	To approve the Pension Fund Committees decision making processes.	Finance Director	Non-Key
Performance Report	To monitor the performance of the pension administration service	Finance Director	Non-Key
External Audit Report	The Auditor to present their report on the accounts for the year to 31 March 2019	Finance Director	Non-Key
Annual Benefit Statement	Note the achievement of the statutory date for the issue of annual benefit statements.	Finance Director	Non-Key
Regulatory intervention	Review the actions taken to address the draft improvement plan issued by TPR.	Finance Director	Non-Key
Internal Audit	Update on responses to IA recommendations	Finance Director	Non-Key
19 November 2019			
Decisions made by the Pension Fund Committee	To approve the Pension Fund Committees decision making processes.	Finance Director	Non-Key
Performance Report	To monitor the performance of the pension administration service	Finance Director	Non-Key

Subject	Decision requested	Report Of	Contributing Officer(s)
2019 Triennial actuarial valuation	To update the Committee on the outcome of the triennial valuation and the setting of employer contribution rates.	Finance Director	Non-key
10 February 2020			
Decisions made by the Pension Fund Committee	To approve the Pension Fund Committees decision making processes.	Finance Director	Non-Key
Performance Report	To monitor the performance of the pension administration service	Finance Director	Non-Key
7 April 2020			
Decisions made by the Pension Fund Committee	To approve the Pension Fund Committees decision making processes.	Finance Director	Non-Key
Performance Report	To monitor the performance of the pension administration service	Finance Director	Non-Key
External Audit Plan	To note the work to be undertaken by the external auditor in respect of the Fund's 2018-19 accounts.	Finance Director	Non-Key
?? June / July 2020			
Decisions made by the Pension Fund Committee	To approve the Pension Fund Committees decision making processes.	Finance Director	Non-Key

Subject	Decision requested	Report Of	Contributing Officer(s)
Performance Report	To monitor the performance of the pension administration service	Finance Director	Non-Key