

NOTICE OF MEETING

PENSIONS COMMITTEE AND BOARD

**Thursday, 2nd December, 2021, 7.00 pm - George Meehan House,
294 High Road, Wood Green, N22 8JZ (watch it [here](#))**

Members: Councillors Yvonne Say (Chair), Eldridge Culverwell (Vice-Chair), Patrick Berryman, Dana Carlin, Paul Dennison, and Viv Ross.

Employer Member: Keith Brown

Employer Member: Craig Pattinson

Employee Member: Ishmael Owarish

Employee Member: Randy Plowright

Quorum: 3 Council Members and 2 Employer / Employee Members

1. FILMING AT MEETINGS

Please note this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the 'meeting room', you are consenting to being filmed and to the possible use of those images and sound recordings.

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual, or may lead to the breach of a legal obligation by the Council.

2. APOLOGIES

To receive any apologies for absence.

3. URGENT BUSINESS

The Chair will consider the admission of any late items of Urgent Business. (Late items of Urgent Business will be considered under the agenda item where they appear. New items of Urgent Business will be dealt with under item 14 below).

4. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest which is likely to prejudice a person's exercise of functions. Therefore, a conflict of interest may arise when an individual:

- i) Has a responsibility or duty in relation to the management of, or provision of advice to, the LBHPF, and
- ii) At the same time, has:
 - a separate personal interest (financial or otherwise) or
 - another responsibility in relation to that matter,

giving rise to a possible conflict with their first responsibility. An interest could also arise due to a family member or close colleague having a specific responsibility or interest in a matter.

At the commencement of the meeting, the Chair will ask all Members of the Committee and Board to declare any new potential conflicts and these will be recorded in the minutes of the meeting and the Fund's Register of Conflicts of Interest. Any individual who considers that they or another individual has a potential or actual conflict of interest which relates to an item of business at a meeting must advise the Chair prior to the meeting, where possible, or state this clearly at the meeting at the earliest possible opportunity.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's constitution.

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

Note from the Head of Legal and Governance (Monitoring Officer)

When considering the items below, the Committee will be operating in its capacity as 'Administering Authority'. When the Committee is operating in its capacity as an Administering Authority, Members must have due regard to their duty as quasi-trustees to act in the best interest of the Pension Fund above all other considerations.

7. MINUTES (PAGES 1 - 10)

To confirm and sign the minutes of the Pensions Committee and Board meeting held on 15 September 2021 as a correct record.

8. PENSION FUND AUDIT PLAN 2020-2021 (PAGES 11 - 46)

To receive an update on the Pension Fund audit plan.

9. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE (PAGES 47 - 56)

This report provides updates on the following for the quarter ended 30 September 2021:

- Independent advisor's market commentary
- Investment asset allocation
- Investment performance
- Funding position update
- London Collective Investment Vehicle (LCIV) update

10. GOOD GOVERNANCE IN THE LOCAL GOVERNMENT PENSION SCHEME (LGPS) PROJECT (PAGES 57 - 80)

This report provides an update on the progress of the Good Governance in the Local Government Pension Scheme (LGPS) Project and the possible actions the Pension Fund might take.

11. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) VOTING UPDATE (PAGES 81 - 82)

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF) and the Committee and Board has previously agreed that the Fund should cast its votes at investor meetings in line with LAPFF voting recommendations. This report provides an update on voting activities on behalf of the Fund.

12. RISK REGISTER (PAGES 83 - 86)

This paper provides an update on the Fund's risk register and an opportunity for the Committee and Board to further review the risk score allocation.

13. FORWARD PLAN (PAGES 87 - 94)

The purpose of the paper is to identify topics that will come to the attention of the Committee and Board in the next twelve months and to seek members' input into future agendas. Suggestions for future training are also requested.

14. NEW ITEMS OF URGENT BUSINESS

15. DATES OF FUTURE MEETINGS

To note the dates of future meetings:

24 January 2022

15 March 2022

16. EXCLUSION OF THE PRESS AND PUBLIC

Items 17-20 are likely to be subject to a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5; namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

17. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE (PAGES 95 - 134)

As per item 9.

18. LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) REGULATORY UPDATE (PAGES 135 - 146)

This report provides an update on the regulatory arrangements for the London Collective Investment Vehicle (LCIV).

19. EXEMPT MINUTES (PAGES 147 - 150)

To confirm and sign the exempt minutes of the Pensions Committee and Board meeting on 15 September 2021 as a correct record.

20. NEW ITEMS OF EXEMPT URGENT BUSINESS

Fiona Rae, Principal Committee Co-ordinator

Tel – 020 8489 3541

Email: fiona.rae@haringey.gov.uk

Fiona Alderman

Head of Legal & Governance (Monitoring Officer)

River Park House, 225 High Road, Wood Green, N22 8HQ

Wednesday, 24 November 2021

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MINUTES OF THE PENSIONS COMMITTEE AND BOARD MEETING HELD ON WEDNESDAY, 15TH SEPTEMBER, 2021, 7.00 - 8.45 PM

PRESENT: Councillor Yvonne Say (Chair), Councillor Eldridge Culverwell (Vice-Chair), Councillor Patrick Berryman (from item 9), Councillor Paul Dennison, Councillor Viv Ross, Ishmael Owarish, and Randy Plowright.

In attendance: Alex Goddard (Mercer) and Steve Turner (Mercer)

1. FILMING AT MEETINGS

The Chair referred to the notice of filming at meetings and this information was noted.

2. APOLOGIES

Apologies for absence were received from John Raisin (Independent Advisor), Keith Brown, and Craig Pattinson.

3. URGENT BUSINESS

There were no items of urgent business.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

There were no deputations, petitions, presentations, or questions.

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

It was noted that there had been a training session on 21 July 2021 for new members which had covered introductory information relating to the Local Government Pension Scheme. This was attended by Councillor Yvonne Say (Chair), Councillor Eldridge Culverwell (Vice-Chair), Councillor Patrick Berryman, Councillor Sarah James, Ishmael Owarish, and Craig Pattinson.

Councillor Yvonne Say (Chair), Councillor Eldridge Culverwell (Vice-Chair), Councillor Paul Dennison, Councillor Viv Ross, Ishmael Owarish, Craig Pattinson, and Randy

Plowright had attended a training session on 15 September 2021 entitled: Multi Asset Credit.

The Chair reminded members to inform the Pensions Committee and Board officers whenever they had attended training so that this could be recorded.

7. MEMBERSHIP

It was noted that there had been a vacancy for one employer member for some time and that, following some suggestions for contacting employers that were made by the Pensions Committee and Board, some applications for employer members had been received. The Head of Pensions and Treasury noted that three applications were received and that, in accordance with the constitution, a panel consisting of the Chair of the Pensions Committee and Board and the Assistant Director of Finance (Deputy s151 Officer) selected the representative to be appointed. It was confirmed that, following this process, Craig Pattinson had been nominated as an employer member.

RESOLVED

To confirm Craig Pattinson as an employer member on the Pensions Committee and Board for a four year term of office.

8. MINUTES

In response to a question about the annual accounts, it was confirmed that the previous financial year accounts had been signed off and published. It was anticipated that there would be some delays in signing off the accounts for this financial year, due to the ongoing effects of the Covid-19 pandemic, but the process was expected to conclude in March 2022. It was added that this was a national issue and that no major issues were anticipated in the content of the accounts.

RESOLVED

That the minutes of the Pensions Committee and Board meeting held on 4 March 2021 be confirmed and signed as a correct record.

9. PENSION ADMINISTRATION REPORT

The Interim Pensions Manager introduced the report which provided an update on the resourcing of the Pensions Administration Team, details of an employer joining the Pension Fund, and details of the intention to accept the pension scheme assets and liabilities of Clerkenwell Parochial School into the Pension Fund.

It was explained that there were still plans to recruit an apprentice in the Pensions Administration Team and that this was crucial for the long term stability of the team. It was commented that the apprentice role would require significant face to face training which would be difficult to deliver remotely and that a plan for reintroducing the team

to the office would need to be put in place before an apprentice was appointed. It was explained that this was part of the wider programme for staff returning to the office, which was an evolving and ongoing conversation, and it was anticipated that the recruitment process would commence shortly. Following a question from the Committee, it was clarified that there would be one apprenticeship position, at least initially, as the Pensions Administration Team was small in size and had approximately 10 people.

The Interim Pensions Manager highlighted that the report sought approval for the admission of Lunchtime Catering Company (Devonshire Hill Nursery and Primary School) as a new employer to the Pension Fund. It was explained that this company employed a number of existing Pension Fund members and the admission would enable their continued membership.

It was also noted that the LDBS Academy Trust had recently approached the Pension Fund as their last active member at Clerkenwell Parochial School had ceased or was due to cease and, as a result, the school was facing a large cessation payment to the Islington Pension Fund for outstanding liabilities. It was explained that the Local Government Pension Scheme (LGPS) rules required a scheme to be closed as soon as there were no more active or contributing members. Following a conversation with the actuary and officers, it was proposed that the most effective way to manage the risk faced by the school having to make a large payment for pensions rather than focusing on education would be for the Haringey Pension Fund to absorb the school, subject to the school obtaining a direction from the Secretary of State and confirmation of the numbers with the actuary. It was clarified that, although the school in question was based in Islington, LDBS had a number of schools in Haringey which could be affected by the requirement to make a large cessation payment.

The Committee noted that the academy had been paying a larger contribution rate and deficit recovery contributions and it was enquired whether the Pension Fund should be absorbing this. The Assistant Director of Finance explained that academies often had smaller numbers of staff which could lead to statistically random funding positions. It was also noted that the position would be assessed by the actuary at the next Pension Fund valuation and that, if there was an increased risk, the contribution rate would be increased. It was highlighted that this would also ensure that the schools in Haringey could continue to meet their educational requirements. The Committee enquired whether this would materially impact other people's contributions. The Head of Pensions and Treasury confirmed that any increases should be specific to the employer.

RESOLVED

1. To note the report which gave an update on the plans for the future resourcing of the Pensions Administration Team.
2. To note and approve the admission of Lunchtime Company Limited (Devonshire Hill Nursery and Primary School) as a new employer to the Pension Fund, as set out in paragraph 6.3 of the report.

3. To note and agree to the bulk transfer of the Clerkenwell Parochial School's assets and liabilities into the Haringey Pension Fund in principle, subject to further actuarial assessments and the LDBS Academy Trust obtaining a Ministry of Housing, Communities, and Local Government (MHCLG) direction order for the transfer to take place. If agreed, to delegate to the Assistant Director of Finance (Deputy S151 Officer) to implement the transfer after consultation with the Chair of the Pensions Committee and Board, as set out in paragraphs 6.4 to 6.7 of the report.

Councillor Berryman did not take part in the voting on this item as he was not present for the full item.

10. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE

The Head of Pensions and Treasury introduced the report which provided an update on the Pension Fund and performance for the quarter. It was noted that the report included market commentary from the independent advisor and the annual report and statement of accounts.

It was explained that the Pension Fund's investment assets currently had a market value of approximately £1.7 billion which was an increase of 4.72% since March 2021. This was likely due to the reopening of economies, after the most severe periods of the Covid-19 pandemic, which had a positive impact on financial markets. It was added that this was the highest value since the Covid-19 pandemic began. It was noted that the funding position for the Pension Fund was approximately 110% but that this might be subject to change following the full actuarial assessment in 2022.

It was noted that the Pension Fund allocation to equities had been increased several years' ago and it was enquired when the strategic allocations would be reviewed, particularly in case of any inflation over the next year. Alex Goddard, Mercer, noted that inflation was a known risk which had been factored into some recent discussions, such as retaining the allocation to index linked gilts at 7% within the portfolio and allocating to the London Fund, property, and renewable energy to provide some resilience to and protection against the impact of inflation. It was highlighted that the Pension Fund was a long term investor and was therefore likely to make fewer tactical calls in the shorter term but that the allocation could be considered and rebalanced where necessary. It was acknowledged that the allocation to equities was currently overweight and that this could be considered for rebalancing; this was agreed by the Committee.

It was enquired how quickly the Pension Fund could change its allocations if required. Alex Goddard, Mercer, explained that, if there was a serious market event, it would be possible to raise this with officers and the Pensions Committee and Board at an urgent meeting which provided more immediate protection for the Pension Fund. This was consistent with the experience during the Covid-19 pandemic, when Mercer held calls with officers to discuss whether any changes should be made.

Cllr Dennison noted that the governance section of the annual report, which stated that no members of the Pensions Committee and Board were members of the

Pension Fund, would need to be updated to reflect the fact that he was a deferred member of the Pension Fund.

The Committee enquired whether it would be possible to include the net asset value as at the last valuation by investment manager and asset class as part of the quarterly report so that this could be compared against the most recent quarterly valuations. The Head of Pensions and Treasury noted that this could be considered.

RESOLVED

1. To note the information provided in respect of the activity for the quarter ended 30 June 2021.
2. To review and rebalance the allocation to equities and to report back on this at the meeting of the Pensions Committee and Board in December 2021.
3. To amend the governance section of the annual report to reflect that one member of the Pensions Committee and Board was a deferred member of the Haringey Pension Fund.

11. LOCAL GOVERNMENT PENSION SCHEME UPDATE

The Head of Pensions and Treasury introduced the item which provided an update on several developments relating to the Local Government Pension Scheme (LGPS). It was noted that a number of consultations relating to the LGPS were awaited. This included a consultation on the implementation of a strengthened framework for LGPS investment and pooling. It was explained that there were eight asset pools across the country, which were quite different in their structures and approaches, and it was expected that the government would be consulting on a more defined framework to streamline the asset pools.

It was reported that a consultation on TCFD (Task Force on Climate-related Financial Disclosures) reporting was expected in October 2021. It was noted that Regulations had been issued by the Department for Work and Pensions (DWP) for private sector pension schemes and that, although these did not apply to the LGPS, the Ministry of Housing, Communities, and Local Government (MHCLG) was looking to similarly amend the LGPS Regulations. The Head of Pensions and Treasury explained that it was aimed to include any relevant considerations in the forward plan, provide training, and put an action plan in place to ensure that the Pension Fund could meet the requirements for TCFD reporting and explore any potential investment opportunities related to the implementation of TCFD.

In relation to age discrimination in the LGPS, commonly referred to as McCloud, it was explained that the LGPS Regulations had changed the scheme in 2014 from a final salary to a career average scheme and those who had been within 10 years of retiring raised claims of age discrimination against the government. The claims of age discrimination were upheld by the Supreme Court and it had been confirmed that a Bill would be introduced to rectify any issues. The Head of Pensions and Treasury noted that the impact on the Haringey Pension Fund was currently unknown but work was

underway to ascertain this and it would continue to be considered by the Pensions Committee and Board.

The Committee noted that the McCloud case had been ongoing for several years and it was enquired why the liabilities for the Pension Fund had not been ascertained. The Assistant Director of Finance explained that the decision would be more significant in terms of the administrative work required than the monetary impact. It was noted that the Bill would set out the requirements for Pension Funds in more detail. The Interim Pensions Manager commented that the legislation would aim to ensure that the issue was rectified by 2024. It was added that the Haringey Pension Fund had commissioned a pensions administration supplier to start collecting data for the affected individuals and that this work would start imminently. It was explained that, when the scheme had become a career average scheme in 2014, the Pension Fund was no longer required to collect certain data but that the McCloud ruling would require the retroactive collection of data which would be challenging with a number of ceased employers and previous contractors.

The Head of Pensions and Treasury explained that The Pensions Regulator (TPR) currently had 15 codes of practice but they were proposing to reduce this, combining some of the codes. It was highlighted that only one of the codes of practice was relevant to the LGPS and that Haringey had not responded to the consultation on this issue in May 2021. It was added that there were no material implications for the Pension Fund and that this update was provided for information.

It was noted that there would be an increase in the Normal Minimum Pension Age, the minimum age when members of most pension schemes could usually access their pension benefits, from 55 to 57 from 2028. It was commented that the government had previously announced that the state retirement age, the age where members were entitled to their full pension benefits, would increase to 67 from March 2028. It was explained that the Pension Fund now had six years to decide how best to communicate the changes to members.

The Committee understood that the government was aiming to increase the pension age incrementally over the next 10 years and asked whether there was any further detail on this. The Head of Pensions and Treasury stated that he was not aware of any proposed increases but that this would not be surprising as the most recent actuarial assumptions suggested that people were now living and working longer. It was noted that any changes would require a significant amount of notice following the McCloud case.

RESOLVED

To note the Independent Advisors LGPS Update paper, appended as Appendix 1 to the report.

12. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) VOTING UPDATE

The Head of Pensions and Treasury introduced the report which provided an update on the Local Authority Pension Fund Forum's (LAPFF) voting activities on behalf of

the Pension Fund. It was explained that the report provided a summary of the key resolutions, the LAPFF recommendations, and details of how the Pension Fund's equity manager, Legal and General Investment Management (LGIM), had voted.

RESOLVED

To note the report.

13. RISK REGISTER

The Head of Pensions and Treasury introduced the item and explained that the area of focus for review at this meeting was Investments.

The Committee noted that the risk of Brexit had been downgraded. The Head of Pensions and Treasury explained that the Pension Fund asset allocation was largely based overseas and would be subject to fewer direct risks relating to Brexit. It was added that, since the Brexit agreement had been finalised, it was easier to identify and assess the relevant risks.

In relation to investment risk INV06, it was enquired whether cash flow was regularly reviewed and whether the Pensions Committee and Board could be provided with further information on a regular basis. The Assistant Director of Finance explained that the Investment Strategy was reviewed after the last valuation in 2019 and this had included a consideration of cash flow (including taking income where possible from the assets to help meet pension payments). It was suggested that a high level report on cash flow could be provided to the Committee. The Head of Pensions and Treasury commented that there was also information in the annual accounts, in particular page 32 of the agenda pack; it was added that this was not considered to be an area of concern.

In relation to a question about the mismatching of assets and liabilities, the Assistant Director of Finance explained that it was difficult to assess the Pension Fund's overall position accurately on a quarterly basis and that this was generally undertaken as part of the three year valuation process. It was added that the Fund would rely on Mercer to provide advice if there was a short term market event that impacted this. Steve Turner, Mercer, noted that the Pension Fund's actuarial valuation would be undertaken in 2022 and that this was typically followed by an Investment Strategy review.

RESOLVED

1. To note the Pension Fund's risk register.
2. To note that the area of focus for review at the meeting was Investments.

14. FORWARD PLAN

The Head of Pensions and Treasury introduced the report which identified items for future meetings and sought members' input. It was highlighted that members were required to complete The Pension Regulator's toolkit and the training needs assessment. It was also requested that members updated officers whenever they attended relevant training so that this could be included in members' training records.

In relation to the Task Force on Climate related Financial Disclosures (TCFD), it was confirmed that training would be provided before the Pensions Committee and Board meeting in December 2021. It was noted that there had been some progress in terms of the expected format and the government consultation.

It was commented that there had been some recent turnover in the Pensions Committee and Board membership. It was noted that the political parties had previously agreed to have minimal changes in membership due to the knowledge and training requirements; it was suggested that the Committee should raise this with the Whips.

RESOLVED

1. To identify additional issues and training for inclusion within the work plan and to note the update on member training attached at Appendix 3 to the report.
2. To complete The Pensions Regulator's public sector toolkit and training needs assessment.

15. NEW ITEMS OF URGENT BUSINESS

There were no items of urgent business.

16. DATES OF FUTURE MEETINGS

It was noted that the dates of future meetings were:

2 December 2021
24 January 2022
15 March 2022

17. LONDON COLLECTIVE INVESTMENT VEHICLE MULTI ASSET CREDIT REVIEW

Following consideration of the exempt information,

RESOLVED

1. To note Mercer's London Collective Investment Vehicle Multi Asset Credit Review Paper, appended as Confidential Appendix 1, and the advice contain therein.
2. To agree to remain invested in the London Collective Investment Vehicle Multi Asset Credit Fund as this transitioned to the new 50/50 weighted strategy.
3. To delegate to the Assistant Director of Finance (Deputy S151 Officer) to update and republish the Fund's Investment Strategy Statement (ISS) to be consistent with this change.

18. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting for consideration of items 19-22 as they contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3; namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

19. LONDON COLLECTIVE INVESTMENT VEHICLE MULTI ASSET CREDIT REVIEW

The Pensions Committee and Board considered the exempt information.

20. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE

The Pensions Committee and Board considered the exempt information.

21. EXEMPT MINUTES

RESOLVED

That the exempt minutes of the Pensions Committee and Board meeting held on 4 March 2021 be confirmed and signed as a correct record.

22. NEW ITEMS OF EXEMPT URGENT BUSINESS

There were no new items of exempt urgent business.

CHAIR: Councillor Yvonne Say

Signed by Chair

Date

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Report for: Pensions Committee and Board – 2 December 2021

Title: Pension Fund Audit Plan 2020-2021

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Not applicable

1. Describe the issue under consideration

- 1.1. This report presents the audit plan prepared by the Pension Fund's external auditors, BDO, for the audit of the Pension Fund's Statements of Accounts for the year ended 31 March 2021 for the Pensions Committee and Board's consideration.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note and agree to the audit plan that has been prepared by the Pension Fund's external auditors, BDO, attached at Appendix 1 of this report.

4. Reason for Decision

- 4.1. The Pension Fund is required to produce annual statement of accounts and have them externally audited.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. The audit plan will be presented by David Eagles, the Audit Partner from BDO.

- 6.2. The Council published the Draft Statement of Accounts (including the accounts for Haringey Pension Fund) earlier in 2021. The final version of the accounts will be approved by the Committee following the completion of the audit.
- 6.3. The plan sets out the approach the auditors will take in conducting the audit for the financial year ending 31 March 2021. The report highlights the auditors' key areas of focus for the audit, including the timescales, staffing and fees for the audit.
- 6.4. Officers have started to engage with the audit team and will provide the auditors with all the necessary information during the audit which will take place over the winter. BDO plan to report back on their findings and any recommendations to the Pensions Committee and Board at the March meeting.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. The BDO fee of £25,170 for the 2020/21 audit has decreased by £3,000 compared to the previous year's fee. This is due to no extra work being anticipated this year relating to the triennial valuation membership testing. Fees are set centrally by Public Sector Audit Appointments Ltd. All fees will be paid for by the Pension Fund.

Head of Legal and Governance (Monitoring Officer)

- 8.2. The Head of Legal and Governance (Monitoring Officer) has been consulted on the content of this report. Part of the Council's duty as administering authority for the Haringey Pension Fund is to ensure that the annual accounts are properly audited, and the audit plan sets out how and when the audit will be carried out.

Equalities

- 8.3. There are no equalities issues arising from this report

9. Use of Appendices

- 9.1. Appendix 1: BDO's Audit Planning Report

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.



Report to the Pensions Committee and Board

LONDON BOROUGH OF HARINGEY PENSION FUND

Audit Planning Report: year ended 31 March 2021

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WELCOME

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We have pleasure in presenting our Audit Planning Report to the Pensions Committee and Board of Haringey Council. This report forms a key part of our communication strategy with you, a strategy which is designed to promote effective two way communication throughout the audit process with those charged with governance.

It summarises the planned audit strategy for the year ended 31 March 2021 in respect of our audit of the financial statements; comprising materiality, key audit risks and the planned approach to these; together with timetable and the BDO team.

The planned audit strategy has been discussed with management to ensure that it incorporates developments in the business during the year under review, the results for the year to date and other required scope changes.

This report contains matters which should properly be considered by the Council as a whole. We expect that the Pensions Committee and Board will refer such matters to the Council, together with any recommendations, as it considers appropriate.

We look forward to discussing this plan with you at the Pensions Committee and Board meeting on 2 December 2021 and to receiving your input on the scope and approach.

In the meantime if you would like to discuss any aspects in advance of the meeting please contact one of the team.

David Eagles, Partner
For and on behalf of **BDO LLP**

22 October 2021



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This report has been prepared solely for the use of the Pensions Committee and Board and Those Charged with Governance. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person. For more information on our respective responsibilities please see the appendices.

SCOPE AND MATERIALITY

Executive summary

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This summary provides an overview of the key audit matters that we believe are important to the Pensions Committee and Board in reviewing the planned audit strategy for the Pension Fund for the year ended 31 March 2021.

It is also intended to promote effective communication and discussion and to ensure that the audit strategy appropriately incorporates input from those charged with governance.

Audit scope

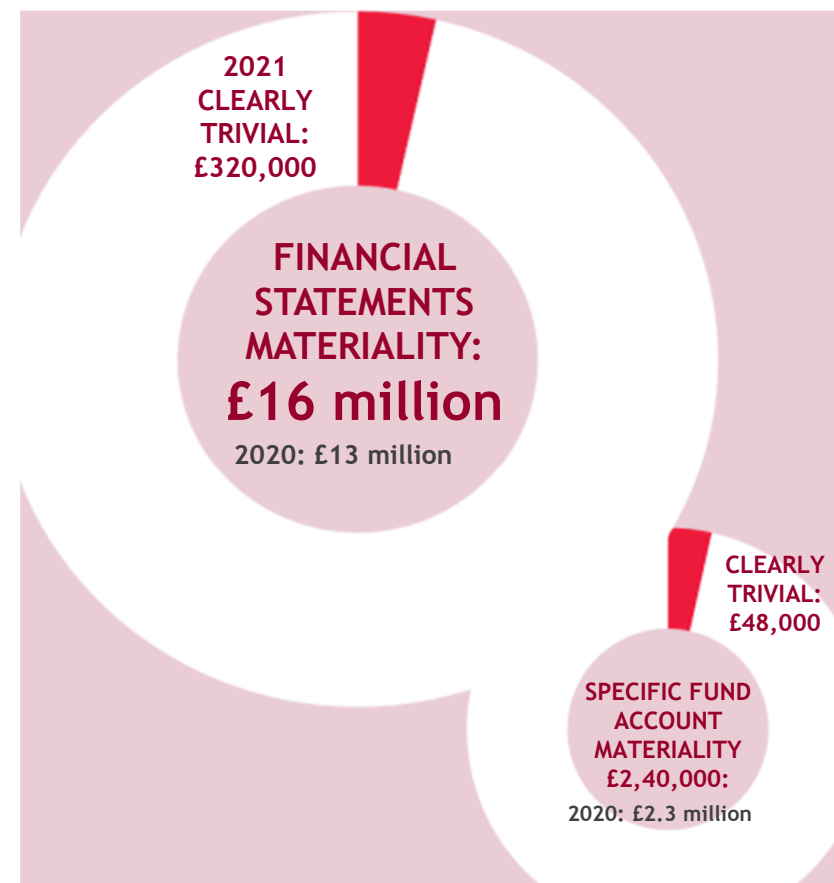
The scope of the audit is determined by the National Audit Office's Code of Audit Practice that sets out what local auditors are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014. This includes: auditing the financial statements; and, where appropriate, exercising the auditor's wider reporting powers and duties.

Our approach is designed to ensure we obtain the requisite level of assurance in accordance with applicable laws, appropriate standards and guidance issued by the National Audit Office.

Materiality

Planning materiality for the Pension Fund will be set at 1% of investment assets (prior year 1%). Specific materiality (at a lower level) may be considered appropriate for certain financial statement areas and we set materiality for the Fund Account at 5% of contributions receivable.

Although materiality is the judgement of the engagement lead, the Pensions Committee and Board is obliged to satisfy themselves that the materiality chosen is appropriate for the scope of the audit.



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Our audit strategy is predicated on a risk based approach, so that audit work is focused on the areas of the financial statements where the risk of material misstatement is assessed to be higher.

We have discussed the changes to the Pension Fund's systems and controls in the year with management and obtained their own view of potential audit risk in order to update our understanding of the Pension Fund's activities and to determine which risks impact on the numbers and disclosures in the financial statements. We will continue to update this assessment throughout the audit.

The table on the next page summarises our planned approach to audit risks identified.

AUDIT RISKS OVERVIEW

Executive summary

Risk identified	Risk rating	Fraud risk present	Testing approach	Impact of significant judgements and estimates
Management override of controls	Significant	Yes	Substantive	Medium
Pension liability valuation	Significant	No	Substantive	High
Fair value of investments (infrastructure & private equity)	Significant	No	Substantive	Medium
Valuation of investment assets (other)	Normal	No	Substantive	Medium
Benefits payable	Normal	No	Substantive	Low
Contributions receivable	Normal	No	Substantive	Low



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Independence

We confirm that the firm complies with the Financial Reporting Council's Ethical Standard for Auditors and, in our professional judgement, is independent

Fees

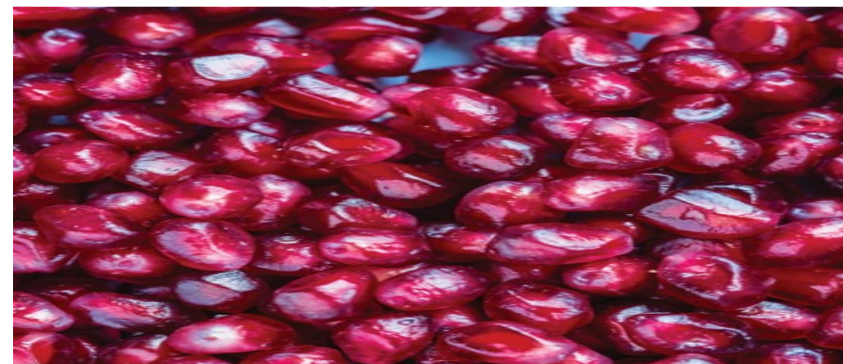
	2020/21	2019/20
Code audit fee	£16,710	£16,710
Additional audit fee	¹ £5,000	¹ £5,000
Covid related costs	² £4,000	² £4,000
Extra fee for work on triennial valuation membership	-	£3,000
Total audit fees	£25,170	£28,170

Fee variances

- (1) Proposed additional fees £5,000 in response to expectations of auditors to undertake additional work around management judgements and estimates, and to obtain additional corroborating evidence for areas of risk.
- (2) This represents an estimate of the additional resource time and costs necessary when audits are undertaken remotely. The 15-20% range experienced by BDO and the other audit firms. If we are able to undertake some key work on site, the time reflected here should reduce and the fee level decrease accordingly.

Amendments to the proposed fees

If we need to propose any further amendments to the fees during the course of the audit, where our assessment of risk and complexity are significantly different from those reflected in the proposed fee or where we are required to carry out work in exercising our additional powers and duties, we will first discuss this with you. Where this requires a variation to the scale fee set by PSAA we will seek approval from Public Sector Audit Appointments Limited (PSAA). If necessary, we will also prepare a report outlining the reasons why the fee needs to change for discussion with the Pensions Committee and Board .



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Key components of our audit objectives and strategy for the Pension Fund are highlighted and explained on the following pages.

Audit planning is a collaborative and continuous process and our audit strategy, as reflected here, will be reviewed and updated as our audit progresses.

We will communicate any significant changes to our audit strategy, should the need for such change arise.

Reporting	Objectives
Auditing standards	We will perform our audit in accordance with International Standards on Auditing UK (ISAs (UK)) and relevant guidance published by the National Audit Office.
Financial statements	We will express an opinion on the Pension Fund’s financial statements, prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2020/21 and other directions.
Statement of Accounts	In addition to our objectives regarding the financial statements, we will also read and consider the other information contained in the Statement of Accounts to consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.
Annual Report	We will review the Pension Fund Annual Report and report on the consistency of the Pension Fund financial statements within the Annual Report with the Pension Fund financial statements in the Statement of Accounts.
Audit Completion Report to the Pensions Committee and Board	Prior to the approval of the financial statements, we will discuss our significant findings with the Pensions Committee and Board. We will highlight key accounting and audit issues as well as internal control findings and any other significant matters arising from the audit.

AUDIT TIMELINE

An overview of the key dates

We aim to complete the audit of the Pension Fund in line with the main financial statements by 28 February 2022.

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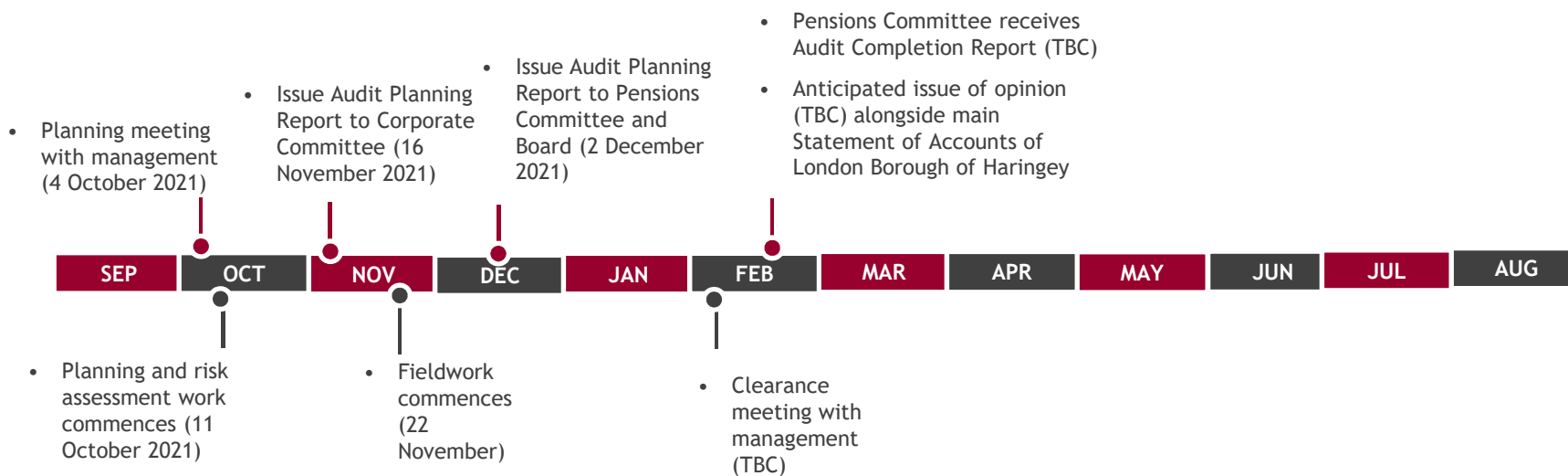
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BDO TEAM

Team responsibilities

CONTENTS	David Eagles
Introduction	Partner
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Independence	Lucy Trevett
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t: 020 7034 5878
m: 07966 246058
e: Lucy.Trevett@bdo.co.uk

As audit engagement lead I have primary responsibility to ensure that the appropriate audit opinion is given. In meeting this responsibility I ensure that the audit has resulted in obtaining sufficient and appropriate evidence to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to report on the financial statements and communicate as required by the ISAs (UK), in accordance with our findings.

I am responsible for the overall quality of the engagement and am supported by the rest of the team as set out here.

I will lead on the audit of the Pension Fund. I work closely with David to develop and execute the audit strategy. I will be a key point of contact on a day to day basis and will ensure that timelines are carefully managed to ensure that deadlines are met and matters to be communicated to management and the Pensions Committee and Board are highlighted on a timely basis.



Kerry Lin
Assistant Manager
m: 07929 056086
e: Kerry.Lin@bdo.co.uk

I will be responsible for the day to day supervision of the audit team, and will be responsible for the delivery of the key audit work.

OVERVIEW

Audit risks

We have assessed the following as audit risks. These are matters assessed as most likely to cause a material misstatement in the financial statements or impact on our use of resources opinion and include those that will have the greatest effect on audit strategy, the allocation of audit resources and the amount of audit focus by the engagement team.

Key: **Significant** / **Normal**

Description of risk	Significant risk	Normal risk	Overview of risk
1. Management override of controls			Auditing standards presume that management is in a unique position to perpetrate fraud by overriding controls.
2. Pension liability valuation			There is a risk the valuation is not based on appropriate membership data where there are significant changes or uses inappropriate assumptions to value the liability.
3. Fair value of investments (infrastructure & private equity)			The valuation of infrastructure and private equity holdings is a significant risk as it involves a high degree of estimation uncertainty.
4. Valuation of investment assets (other)			There is a risk that investments may not be appropriately valued and correctly recorded in the financial statements.
5. Benefits payable			There is a risk that benefits payable may not be correct based on accrued benefits of members or may not be calculated in accordance with the scheme regulations.
6. Contributions receivable			There is a risk that employers may not be calculating contributions correctly and paying over the full amount dues (on normal and deficit rates) or that the pension fund does correctly charge costs arising on pension strain for early retirements and augmented pensions.

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MANAGEMENT OVERRIDE OF CONTROLS

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Auditing standards presume that management is in a unique position to perpetrate fraud by overriding controls.

Significant risk

Normal risk

Fraud risk

Assess design & implementation of controls to mitigate

Significant Management estimates & judgements

Controls testing approach

Substantive testing approach

Risk highlighted by Council

Risk detail

Management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively. This could occur in areas such as valuation of investments or contributions receivable. We are required to consider this as a significant risk of material misstatement due to fraud.

Planned audit approach

Our audit procedures will include the following:

- Review and verification of journal entries made in the year, agreeing the journals to supporting documentation; we will determine key risk characteristics to filter the population of journals and use our IT team to assist with the journal extraction;
- Review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias; and
- Review of unadjusted audit differences for indications of bias or deliberate misstatement.

PENSIONS LIABILITY VALUATION

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There is a risk the valuation is not based on appropriate membership data where there are significant changes or uses inappropriate assumptions to value the liability.

Significant risk

Normal risk

Fraud risk

Assess design & implementation of controls to mitigate

Significant Management estimates & judgements

Controls testing approach

Substantive testing approach

Risk highlighted by Council

Risk detail

An actuarial estimate of the pension fund liability to pay future pensions is calculated by an independent firm of actuaries with specialist knowledge and experience. The estimate is based on the most up to date membership data held by the Pension Fund and has regard to local factors such as mortality rates and expected pay rises along with other assumptions around inflation when calculating the liability.

The most recent actuarial valuation of the pension fund liability was carried out during the 2019/20 year to calculate the liability as at 31 March 2019. This involved the provision of membership and cash flow data from the pension fund to the actuary, data cleansing by the actuary and re-setting the financial and actuarial assumptions related to the valuation. The estimate of the pension fund liability at 31 March 2021 is based on a roll-forward of data from the 2019 triennial valuation, updated where necessary.

There is a risk the valuation disclosed in the notes to the Pension Fund accounts is not based on appropriate membership data (where there are any significant changes) or uses inappropriate assumptions to value the liability.

Planned audit approach

Our audit procedures will include the following:

- Reviewing the controls in place to ensure that the data provided from the fund to the actuary is complete and accurate;
- Test a sample of membership and cash flow data sent to the actuary for existence and accuracy, and reconcile the membership data sent to the actuary to the membership administration system for completeness;
- Reviewing the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data. We will use the PwC consulting actuary report for the review of the methodology of the actuary and reasonableness of the assumptions;
- Check whether any significant changes in membership data have been communicated to the actuary; and
- Agreeing the disclosure to the information provided by the actuary.

FAIR VALUE OF INVESTMENTS (INFRASTRUCTURE & PRIVATE EQUITY)

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The valuation of infrastructure and private equity holdings is a significant risk as it involves a high degree of estimation uncertainty.

Significant risk	
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	
Risk highlighted by Council	

Risk detail

The investment portfolio includes unquoted infrastructure and private equity holdings valued by the fund manager. The valuation of private equity assets may be subject to a significant level of assumption and estimation and valuations may not be based on observable market data.

In some cases, the valuations are provided at dates that are not coterminous with the Pension Fund's year end and need to be updated to reflect cash transactions (additional contributions or distributions received) since the latest available valuations.

As a result, we consider there to be a significant risk that investments may not appropriately valued in the financial statements.

Planned audit approach

Our audit procedures will include the following:

- Obtaining direct confirmation of investment valuations from the fund managers and request copies of the audited financial statements (and member allocations) from the fund;
- Where the financial statement date supporting the valuation is not coterminous with the pension fund's year end, confirming that appropriate adjustments have been made to the valuations in respect of additional contributions and distributions with the funds; and
- Ensuring investments have been correctly valued in accordance with the relevant accounting policies.

VALUATION OF INVESTMENT ASSETS (OTHER)

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There is a risk that investments may not be appropriately valued and correctly recorded in the financial statements.

Significant risk

Normal risk

Fraud risk

Assess design & implementation of controls to mitigate

Significant Management estimates & judgements

Controls testing approach

Substantive testing approach

Risk highlighted by Council

Risk detail

The fair value of other funds (principally unit trusts and pooled investments held through unitised insurance policies) is provided by individual fund managers and reviewed by the Custodian, and reported on a quarterly basis. These funds are quoted on active markets.

There is a risk that investments may not be appropriately valued and correctly recorded in the financial statements.

Planned audit approach

Our audit procedures will include the following:

- Obtain direct confirmation of investment valuations from the fund managers and agreed valuations, where available, to readily available observable data (such as Bloomberg);
- Ensure that investments have been correctly valued in accordance with the relevant accounting policies; and
- Obtain independent assurance reports over the controls operated by both the fund managers and custodian for valuations and existence of underlying investments in the funds.

BENEFITS PAYABLE

There is a risk that benefits payable may not be correct based on accrued benefits of members or may not be calculated in accordance with the scheme regulations.

Significant risk

Normal risk

Fraud risk

Assess design & implementation of controls to mitigate

Significant Management estimates & judgements

Controls testing approach

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Risk highlighted by Council

Risk detail

Benefits payable may not be correct based on accrued benefits of members or may not be in calculated in accordance with the scheme regulations. Payment to wrong or non-existent members will result in loss of assets and risk of reputational damage.

Planned audit approach

Our audit procedures will include the following:

- For members leaving the scheme and deferring their pension and members becoming entitled to receive pension during the year, substantively test a sample of calculations of pension entitlement;
- Check the correct application of annual pension uplift for members in receipt of benefits;
- Check a sample of pensioners in receipt of pensions to underlying records to confirm the existence of the member and also review the results of the checks undertaken by ATMOS on the existence of pensioners;
- Review the results of the latest National Fraud Initiative (NFI) data matching exercise of members in receipt of benefits with the records of deceased persons and what actions have been taken to resolve potential matches;
- Review any life certification exercises undertaken for members that are excluded from the National Fraud Initiative; and
- Agree amounts recorded in the ledger for benefits paid to the pensioner payroll reports.

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There is a risk that employers may not be calculating contributions correctly or the pension fund does correctly charge costs arising on pension strain for early retirements and augmented pensions.

Significant risk

Normal risk

Fraud risk

Assess design &
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mitigate

Significant Management
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Controls testing
approach

Substantive testing approach

Risk highlighted by Council

Risk detail

Employers are required to deduct amounts from employee pensionable pay based on tiered pay rates and to make employer normal and deficit contributions in accordance with rates agreed with the actuary.

Additional contributions are also required against pension strain for unreduced pensions for early retirements and augmentation of pensions.

There is a risk that employers may not be calculating contributions correctly, not paying over the full amount due to the pension fund or failing to charge employers the capital cost of pension strain due to early retirement.

Planned audit approach

Our audit procedures will include the following:

- Test a sample of normal contributions due (and additional deficit contributions where included in a higher employer rate) for active members including checking to employer payroll records;
- Review contributions receivable and ensure that income is recognised in the correct accounting period where the employer is making payments in the following month;
- Perform tests over capital cost due from employers for pension strain due to early retirement; and
- Carry out audit procedures to review contributions income in accordance with the Actuary's Rates and Adjustments Certificate, including specified increased rates to cover the minimum contributions to be paid as set out in the Certificate.

GOING CONCERN

Management are required to make an assessment of the Pension Fund's ability to continue as a going concern.

Management's responsibilities

It is management's responsibility to make an assessment of the Pension Fund's ability to continue as a going concern to support the basis of preparation for the financial statements and disclosures in the financial statements. This is a requirement of the accounting standards.

This assessment should be supported by detailed cash flow forecasts with clear details of the key underlying assumptions, consideration of available finance throughout the forecast period, and a consideration of the forecast's sensitivity to reasonably possible variations in those assumptions along with any other relevant factors.

The going concern assessment should cover a minimum of 12 months from the date of the approval of the financial statements. However, consideration should also be given to any major events or circumstances that may fall outside this period.

Audit responsibilities

Our responsibilities in respect of going concern are:

- (a) To obtain sufficient appropriate audit evidence regarding, and conclude on, i) whether a material uncertainty related to going concern exists; and ii) the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements
- (b) To report in accordance with ISA (UK) 570.

We will obtain an understanding of the business model, objectives, strategies and related business risk, the measurement and review of the Pension Fund's financial performance including forecasting and budgeting processes and the risk assessment process. We will evaluate:

- a) The method, including the relevance and reliability of underlying data used to make the assessment, whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other
- b) The plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances
- c) The adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment and any material uncertainties that may exist.

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Fraud

Whilst the management have ultimate responsibility for prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit approach includes the consideration of fraud throughout the audit and includes making enquiries of management and those charged with governance.

We request confirmation from the Pensions Committee and Board on fraud and a discussion on the controls and processes in place to ensure timely identification and action.

Management believe that there is low risk of material misstatement arising from fraud and that controls in operation would prevent or detect material fraud.

Accounting policies

We will report to you on significant qualitative aspects of your chosen accounting policies. We will consider the consistency and application of the policies and we will report to you where accounting policies are inconsistent with the CIPFA Code of Practice on Local Authority Accounting 2020/21 under the circumstances.

Significant accounting estimates and judgements

We will report to you on significant accounting estimates and judgements. We will seek to understand and perform audit testing procedures on accounting estimates and judgements including consideration of the outcome of historical judgements and estimates. We will report to you our consideration of whether management estimates and judgements are within an acceptable range.

Internal audit

We will ensure that we maximise the benefit of the overall audit effort carried out by internal audit and ourselves, whilst retaining the necessary independence of view.

We will review the reports issued by the Council's internal audit function, as relevant to the Pension Fund, although we do not plan place reliance on their work in respect of their assessment of control processes.

Laws and regulations

We will consider compliance with laws and regulations. The most significant of these for your organisation includes VAT legislation, Employment Taxes, Health and Safety and the Bribery Act 2010. We will make enquiries of management and review correspondence with the relevant authorities.

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Related parties

Whilst you are responsible for the completeness of the disclosure of related party transactions in the financial statements, we are also required to consider related party transactions in the context of fraud as they may present greater risk for Management override or concealment or fraud. Our audit approach includes the consideration of related party transactions throughout the audit including making enquiries of management.

Financial statement disclosures

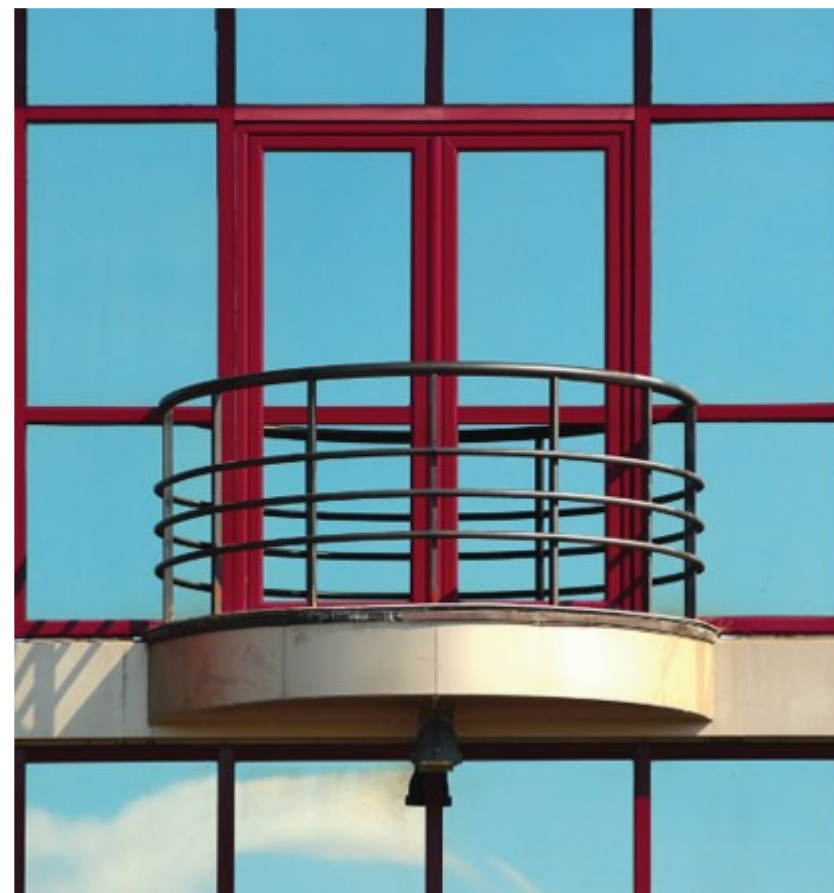
We will report to you on the sufficiency and content of your financial statement disclosures.

Contingencies

We request input from the Pensions Committee and Board on recent claims.

Any other matters

We will report to you on any other matters relevant to the overseeing of the financial reporting process. Where applicable this includes why we consider a significant accounting practice that is acceptable under the financial reporting framework not to be the most appropriate.



IRREGULARITIES (INCLUDING FRAUD)

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We are required to include in our auditor's report an explanation of the extent to which the audit is considered capable of detecting irregularities (non compliance with laws and regulations), including fraud.

Our audit is designed to provide reasonable assurance about whether the financial statements as whole a free from material misstatement whether due to fraud or error. We design audit procedures to respond to the risk of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and that irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error.

Our audit work will focus on laws and regulations that could give rise to a material misstatement in the Pension Fund's financial statements and may include, where appropriate:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations
- Enquiries of management, those charged with governance and the Council's legal advisers
- Agreement of the financial statement disclosures to underlying supporting documentation
- Review of minutes of Corporate Committee and Pensions Committee and Board meetings throughout the year and of correspondence with regulatory authorities
- Written representations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.



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Revision to ISA (UK) 540 means that we may need to update our approach the audit of accounting estimates - including confirmation and documentation of our understanding of the Council's estimation process.

We will need to obtain an understanding of how you control your estimation process including not only the design and implementation of the process, but also the policies and procedures you put in place to satisfy yourself that each step in the process is properly applied, and that the resulting accounting estimates are reasonable.

For significant accounting estimates, particularly those that are complex or where there is a high degree of estimation uncertainty we will also make enquiries about how you:

- Make those responsible for deriving or changing your accounting estimates aware of relevant significant transactions, conditions or events
- Review the outcome(s) of previous accounting estimates and respond to the results of that review
- Identify and comply with the relevant requirements in the applicable financial reporting framework regarding your accounting estimates and related disclosures including how they are affected by complexity and your judgment
- Account for regulatory factors relevant to the Pension Fund's accounting estimates; including, when applicable, regulatory frameworks related to prudential supervision
- Identify the need for, and apply, specialised skills or knowledge related to accounting estimates, including with respect to the use of a management's expert
- Identify and address risks related to accounting estimates through your risk assessment process

- Identify relevant methods (including models), assumptions and data and the need for changes in them and from those identified, and select those to apply
- Address the degree of estimation uncertainty in selecting your final point estimates
- Describe in your financial statements matters related to your process for deriving your accounting estimates, and matters related to the degrees of estimation uncertainty underlying your accounting estimates
- Ensure there is oversight and governance in place over management's financial reporting process relevant to accounting estimates.

Under ISA (UK) 540 (revised) our audit approach will involve a more granular risk assessment relating to each significant estimate and separate consideration of the methods (or models) applied in calculating the estimate, the nature, source and reliability of data used and the significance, consistency and appropriateness of assumptions made.

We will also request written representations from you regarding the reasonableness of the methods, significant assumptions and the data used in determining the monetary amounts of accounting estimates, including the related disclosures, in accordance with the CIPFA Code of Practice on Local Authority Accounting 2020/21.

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IT General Controls (ITGCs) are the policies and procedures that relate to many IT applications and support the effective functioning of application controls by helping to ensure the continued proper operation of information systems. They commonly include controls over data center and network operations; system software acquisition, change and maintenance; access security; and application system acquisition, development, and maintenance.

ITGCs are an important component in systems of internal control, and sometimes have a direct impact on the reliability of other controls.

IT assurance is embedded in our audit strategy to ensure the IT systems provide a suitable platform for the control environment and is undertaken in conjunction with our IT Assurance team. Our testing strategy includes a tailored range of data analytics, system configuration and IT environment testing.

We will also obtain an understanding of the information system, including the related business processes relevant to financial reporting, to include:

- SAP (general ledger and payroll); and
- Altair (pension administration)



FRC ETHICAL STANDARD (DECEMBER 2019)

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FRC Ethical Standard (December 2019)
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In December 2019 the FRC published the Revised Ethical Standard 2019 ('ES'), which is applicable from 15 March 2020. There are some transitional provisions for services and arrangements that are not currently prohibited under the existing Standard. The ES aims to further strengthen auditor independence and enhance confidence in the profession. The table below provides a high level summary of the key headlines as applicable to our audit of the Pension Fund.

Key headlines	Impact
The objective, reasonable & informed third party test	Reinforcement that ethical principles take priority over rules. A need to take care where particular facts and circumstances are either not addressed directly by the rules or might appear to 'work around' the rules, or result in an outcome that is inconsistent with the general principles.
Contingent fees	Non-audit services with contingent or success-based fee arrangements will be prohibited for audited entities.
Secondments	All secondments/loan staff to audited entities are prohibited with the exception of secondments to public sector entities.
Recruitment and remuneration services	Prohibition on providing remuneration services to audited entities such as advising on the quantum of the remuneration package or the measurement criteria for calculation of the package. In addition, the prohibition on providing recruitment services to an audited entity that would involve the firm taking responsibility for, or advising on the appointment of, any director or employee of the entity.

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INDEPENDENCE

Under ISAs (UK) and the FRC’s Ethical Standard we are required, as auditors, to confirm our independence.

We have embedded the requirements of the auditing standards in our methodologies, tools and internal training programmes. Our internal procedures require that audit engagement leads are made aware of any matters which may reasonably be thought to bear on the integrity, objectivity or independence of the firm, the members of the engagement team or others who are in a position to influence the outcome of the engagement.

This document considers such matters in the context of our audit for the year ending 31 March 2021.

We confirm that the firm, the engagement team and other partners, directors, senior managers and managers conducting the audit comply with relevant ethical requirements including the FRC’s Ethical Standard and are independent of the Council and the Pension Fund.

We also confirm that we have obtained confirmation that external audit experts involved in the audit comply with relevant ethical requirements including the FRC’s Ethical Standard and are independent of the Council and the Pension Fund.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

Non-audit services

Details of services, other than audit, provided by us to the Pension Fund during the period and up to the date of this report are set out in the fees table on page 7.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

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COUNCIL’S RESPONSIBILITIES

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Financial reporting

The Council and Pension Fund are expected to have effective governance arrangements to deliver its objectives. To this end, the publication of the financial statements is an essential means by which the Council accounts for its stewardship and use of the public money at its disposal.

The form and content of the Council’s and Pension Fund’s financial statements, and any additional schedules or returns for consolidation purposes, should reflect the requirements of the relevant accounting and reporting framework in place and any applicable accounting standards or other direction under the circumstances.

The Section 151 Officer is responsible for preparing and filing a Statement of Accounts and financial statements which show a true and fair view in accordance with CIPFA Code of Practice on Local Authority Accounting 2020/21, applicable accounting standards or other direction under the circumstances.

Our audit of the financial statements does not relieve management nor those charged with governance of their responsibilities for the preparation of materially accurate financial statements.

OUR RESPONSIBILITIES

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Our responsibilities and reporting - financial reporting

We are responsible for performing our audit under International Standards on Auditing (UK) to form and express an opinion on your financial statements. We report our opinion on the financial statements to the members of the Council.

We read and consider the 'other information' contained in the Annual Report such as the additional narrative reports. We will consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.

What we don't report

Our audit is not designed to identify all matters that may be relevant to the Council and the Pensions Committee and Board and cannot be expected to identify all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.



COMMUNICATION WITH YOU

Those charged with governance

References in this report to ‘those charged with governance’ are to the Council as a whole. For the purposes of our communication with those charged with governance you have agreed we will communicate primarily with the Pensions Committee and Board.

Communication, meetings and feedback

We request feedback from you on our planning and completion report to promote two way communication throughout the audit process and to ensure that all risks are identified and considered; and at completion that the results of the audit are appropriately considered. We will meet with management throughout the audit process. We will issue regular updates and drive the audit process with clear and timely communication, bringing in the right resource and experience to ensure efficient and timely resolution of issues.

Audit Planning Report

The Audit Planning Report sets out all planning matters which we want to draw to your attention including audit scope, our assessment of audit risks and materiality.

Internal Controls

We will consider internal controls relevant to the preparation of financial statements in order to design our audit procedures and complete our work. This is not for the purpose of expressing an opinion on the effectiveness of internal control.

Audit Completion Report

At the conclusion of the audit, we will issue an Audit Completion Report to communicate to you key audit findings before concluding our audit opinion. We will include any significant deficiencies in internal controls which we identify as a result of performing audit procedures. We will meet with you to discuss the findings and in particular to receive your input on areas of the financial statements involving significant estimates and judgements and critical accounting policies.

Once we have discussed the contents of the Audit Completion Report with you and having resolved all outstanding matters we will issue a final version of the report.

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These tables indicates the latest rotation periods normally permitted under the independence rules of the FRC’s Ethical Standard.

In order to safeguard audit quality we will employ a policy of gradual rotation covering the team members as well as other senior members of the engagement team to ensure a certain level of continuity from year to year.



Independence - engagement team rotation

Senior team members	Number of years involved	Rotation to take place after
David Eagles Engagement lead	1	5 years
Lucy Trevett Senior Manager	1	10 years

Independence - audit quality control

	Number of years involved	Rotation to take place after
Engagement quality control reviewer	2	10 years

MATERIALITY: DEFINITION AND APPLICATION

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Concept and definition

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality therefore has qualitative as well as quantitative aspects and an item may be considered material, irrespective of its size, if it has an impact on (for example):

- Narrative disclosure e.g. accounting policies, going concern
- Instances when greater precision is required (e.g. disclosure of senior officers' remuneration and related party transactions).

International Standards on Auditing (UK) also allow the auditor to set a lower level of materiality for particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Calculation and determination

We have determined materiality based on professional judgement in the context of our knowledge of the entity, including consideration of factors such as industry developments, financial stability and reporting requirements for the financial statements.

We determine materiality in order to:

- Assist in establishing the scope of our audit engagement and audit tests
- Calculate sample sizes
- Assist in evaluating the effect of known and likely misstatements on the financial statements.

Reassessment of materiality

We will reconsider materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality if we had been aware.

Further, when we have performed all our tests and are ready to evaluate the results of those tests (including any misstatements we detected) we will reconsider whether materiality combined with the nature, timing and extent of our auditing procedures, provided a sufficient audit scope.

Definition of materiality under IFRS

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

MATERIALITY: DEFINITION AND APPLICATION

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If we conclude that our audit scope was sufficient, we will use materiality to evaluate whether uncorrected misstatements (individually or in aggregate) are material.

You should be aware that any misstatements that we identify during our audit, both corrected and uncorrected errors, might result in additional audit procedures being necessary.

Unadjusted errors

We will communicate to you all uncorrected misstatements identified during our audit, other than those which we believe are 'clearly trivial'.

Clearly trivial is defined as matters which will be of a wholly different (smaller) order of magnitude than the materiality thresholds used in the audit, and will be matters that are clearly inconsequential, whether taken individually or in aggregate.

We will obtain written representations from the Pensions Committee and Board confirming that in their opinion these uncorrected misstatements are immaterial, both individually and in aggregate and that, in the context of the financial statements taken as a whole, no adjustments are required.

We will request that you correct all uncorrected misstatements. In particular we would strongly recommend correction of errors whose correction would affect compliance with contractual obligations or governmental regulations. Where you choose not to correct all identified misstatements we will request a written representation from you setting out your reasons for not doing so and confirming that in your view the effects of any uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as whole.

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NEW ACCOUNTING STANDARDS, AUDITING STANDARDS AND OTHER FINANCIAL REPORTING DEVELOPMENTS

We would like to draw to your attention the following summary of key changes to standards, regulations and other financing reporting developments, their effective dates and an indication, based on preliminary discussions with management and our sector understanding, of their possible effect on the annual report.

New Accounting Standards, Auditing Standards and Other Financial Reporting Developments	Expected effect				Effective for periods beginning on or after 1 January	
	None	Low	Medium	High	2020	2021
Auditing standard - audit of accounting estimates						
Increased emphasis on understanding management’s processes, systems and controls estimation uncertainty and financial statement disclosures			●		●	
Auditing standard - going concern						
Increased emphasis on evaluation of management’s assessment of the entity’s ability to continue as a going concern			●		●	
Auditing standard - audit reports						
New audit report format with updated conclusion on going concern and reference to irregularities, including fraud			●		●	

FOR MORE INFORMATION:

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The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the company and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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Report for: Pensions Committee and Board – 2 December 2021

Title: Pension Fund Quarterly Update and Investments Update

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Not applicable

1. Describe the issue under consideration

- 1.1. This report provides the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 30 September 2021:
- a. Independent advisor's market commentary
 - b. Investment asset allocation
 - c. Investment performance
 - d. Funding position update
 - e. London Collective Investment Vehicle (LCIV) update

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note the information provided in respect of the activity for the quarter ended 30 September 2021.

4. Reason for Decision

- 4.1. Not applicable.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. The independent advisor has prepared a market commentary for the quarter ending 30 September 2021 which has been included as appendix 1 to this paper.

Investment asset allocation

- 6.2. At 30 September 2021, the Pension Fund's investment assets had a market value of £1.722bn. This was an increase of 1.64% since 30 June 2021 largely driven by outperformance from the private equity and renewable infrastructure investments. The Pension Fund's strategic asset allocation as at 30 September 2021 is shown in Table 1 below.

Table 1: Total Portfolio Allocation by Manager and Asset Class

	Value 31.12.2020 £'000	Value 31.03.2021 £'000	Value 30.06.2021 £'000	Value 30.09.2021 £'000	Allocation 30.09.2021 %	Strategic Allocation %	Variance %
Equities							
Multi Factor Global	235,740	362,429	389,984	388,309	22.55%	20.20%	2.35%
Emerging Markets Low Carbon	86,999	123,128	128,706	134,665	7.82%	7.10%	0.72%
Global Low Carbon	245,870	355,008	382,520	380,840	22.12%	20.20%	1.92%
Total Equities	568,609	840,565	901,210	903,814	52.50%	47.50%	5.00%
Bonds							
Index Linked	217,519	136,132	141,727	144,992	8.42%	7.00%	1.42%
Property							
Aviva	47,865	73,058	74,764	74,087	4.30%	5.00%	-0.70%
CBRE	97,214	97,454	102,019	106,357	6.18%	7.50%	-1.32%
The London Fund	0	0	0	5,353	0.31%	3.00%	-2.69%
Private equity							
Pantheon	70,569	90,233	87,225	102,560	5.96%	5.00%	0.96%
Multi-Sector Credit							
LCIV Multi Asset Credit	96,013	155,411	158,487	160,392	9.32%	10.00%	-0.68%
Multi-Asset Absolute Return							
LCIV Absolute Return	132,914	127,845	128,732	129,425	7.52%	7.50%	0.02%
Infrastructure Debt							
Allianz	42,260	45,525	44,955	45,544	2.65%	2.50%	0.15%
Renewable Energy Infrastructure							
CIP	15,952	16,652	14,089	15,668	0.91%	1.25%	-0.34%
Blackrock	26,493	27,325	23,904	22,700	1.32%	1.25%	0.07%
LCIV Renewable Infrastructure	0	0	7,711	4,915	0.29%	2.50%	-2.21%
Cash & NCA							
Cash	12,804	13,241	12,919	5,886	0.34%	0.00%	0.34%
Total Assets	1,328,212	1,623,441	1,697,742	1,721,693	100.00%	100.00%	

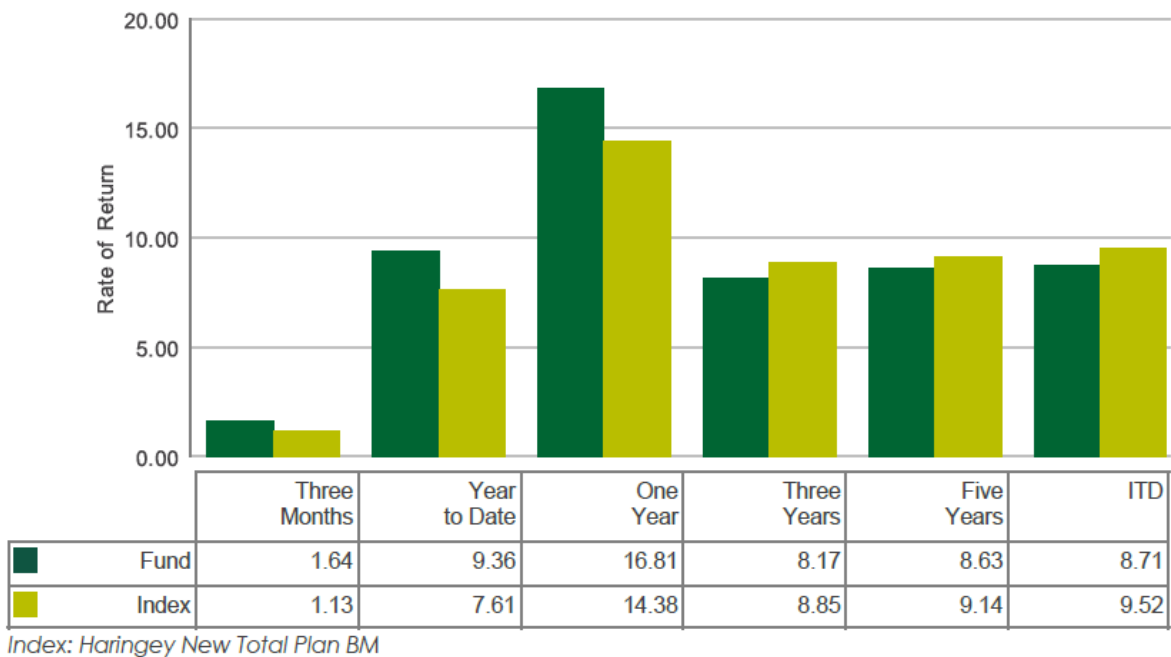
- 6.3. At the PCB meeting held on 15 September 2021, officers were requested to consider rebalancing the Pension Fund's overweight position in equities with a view to bringing it back in line with the strategic asset allocation. Although the Pension Fund still had an overweight position as at 30 September 2021, officers have since consulted with the Pension Fund's investment consultants, Mercer, and agreed to implement the rebalancing changes summarised below in Table 2.

Table 2: Update on Pension Fund Asset Allocation Rebalancing

Transition £40m from the equity portfolio into the LCIV Absolute Return Fund (Ruffer)	<p>The investment manager of the LCIV's Absolute Return Fund, Ruffer, has a clear focus on capital preservation and downside protection. This action is intended to reduce the portfolio's overall investment risk.</p> <p>The Pension Fund's investment strategy statement allows for this allocation to be over/underweight by 3%.</p>
Hold a small proportion of assets in cash	<p>The Pension Fund holds several underweight positions in investments that are currently in their funding phase. These include the LCIV Renewable Infrastructure Fund and the LCIV London Fund.</p> <p>Mercer recommend holding up to 1.5% of the assets in cash with the proceeds earmarked to meet capital calls for the Pension Fund's illiquid mandates.</p>
Review property allocation	<p>The Pension Fund also has an underweight position in its conventional property allocation which is likely to persist into the foreseeable future if no action is taken.</p> <p>Mercer recommend that the Pension Fund consider reviewing the options for topping up this allocation at future PCB meetings.</p>

Investment Performance

- 6.4. A performance strategy report is attached to this report as Confidential Appendix 2, this has been prepared by the Fund's Custodian, Northern Trust. The Pension Fund's overall returns for the quarter are summarised in the chart on the following page:

HARINGEY PENSION FUND TOTAL FUND GROSS OF FEES**Funding Position Update**

- 6.5. At the most recent valuation carried out as at 31 March 2019, the Pension Fund had a funding level of 100.4%. This meant that the Pension Fund's investment assets were sufficient to pay all pension benefits accrued at that date, based on the underlying actuarial assumptions.
- 6.6. The Pension Fund's Actuary, Hymans Robertson, regularly calculates an indicative funding position update based on the latest actuarial assumptions. The most recent update shows an estimated funding level of 111% as at 30 June 2021.
- 6.7. The funding level increase has been driven largely by the slightly higher than expected investment returns since March 2019. However, the outlook for future returns over the next 20 years has fallen slightly which has increased the value placed on liabilities.
- 6.8. The next valuation will be carried out as at 31 March 2022, with new contribution rates to apply from 1 April 2023.

London Collective Investment Vehicle (LCIV) Update

- 6.9. Haringey Pension Fund, alongside all the London Borough funds, is a member of the London Collective Investment Vehicle (LCIV), one of the 8 asset pools that was set up after the government guidance issued in November 2015. The Pension Fund had approximately 78% of assets invested with the pool as at 30 September 2021.

- 6.10. The LCIV is currently developing its reporting on the Task Force for Climate-related Disclosures (TCFD) and has engaged S&P/Trucost to assist with the ongoing work. Due to changes at the Department for Levelling Up, Housing and Communities (DLUCH), the anticipated consultation on TCFD reporting for Local Government Pension Schemes has been delayed. However, it is still expected that the consultation will be published before the end of this year.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. There are no direct financial impacts from the contents of this report.

Head of Legal and Governance (Monitoring Officer)

- 8.2. The Council as administering authority for the Haringey Pension Fund must periodically review the suitability of its investment portfolio to ensure that returns, risk and volatility are all appropriately managed and are consistent with its overall investment strategy.

- 8.3. All monies must be invested in accordance with the Investment Strategy Statement (as required by Regulation 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016) and members of the Committee should keep this duty in mind when considering this report and take proper advice on the matter.

Equalities

- 8.4. The Local Government Pension Scheme is a defined benefit open scheme enabling all employees of the Council to participate. There are no impacts in terms of equality from the recommendations contained within this report.

9. Use of Appendices

- 9.1. Appendix 1: Independent Advisor's Market Commentary June to September 2021
9.2. Confidential Appendix 2: Pension Fund Performance Report

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.

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JOHN RAISIN FINANCIAL SERVICES LIMITED

Independent Advisors Report

Market Background July to September 2021

Over the period July to September 2021 world equity markets were flat with the MSCI World Index, in US\$ terms, at (almost exactly) the same level on 30 September as at 30 June. The Quarter however saw equity markets as a whole clearly advancing in both July and August before experiencing a fall of over 4% in September.

There was a clear difference in performance across geographies. The developed US, European, UK and Japanese markets all advanced by around 0.3% to 2.5% (in their own currency terms) while Asia (excluding Japan) and Emerging Markets fell by 8%-9% overall. Positive earnings results and high COVID vaccination levels reassured developed markets. All markets, but particularly Asia and Emerging Markets were negatively impacted by supply chain shortages, the Chinese governments intervention in the Chinese technology and private education sectors, and concerns about the ability of Evergrande, China's second largest property group, to service its debts.

Financial market concerns regarding inflation deepened in the context of supply shortages and energy price rises with an increasing view in financial markets that higher levels of inflation may be more than "transitory." The major central banks while acknowledging that inflation may be elevated for some time remained of the view that it would remain "transitory." There were, however, indications from the US Federal Reserve and particularly the Bank of England of future, but carefully considered and measured, interest rate rises in the context of judgements regarding achieving the 2% inflation target (and in the case of the US Federal Reserve their "*maximum employment*" target too).

In July and August US equities were supported by strong earnings results and by what markets took to be reassurances regarding the timing/circumstances of monetary tightening by the Federal Open Markets Committee (FOMC) of the US Federal Reserve by Chair Jay Powell at the central bankers annual Jackson Hole summit. The S&P 500 index increased from 4,298 on 30 June to 4,523 on 31 August and reached a (then) all time closing high of 4,537 on 2 September. September however proved to be a poor month for US equities. Possible factors influencing this slide include concerns regarding a possible default by the Chinese property group Evergrande, concerns whether Congress would increase the US debt ceiling in order to avoid the government defaulting on some of its financial obligations and renewed concerns regarding the future of monetary policy following the FOMC meeting of 21-22 September. The S&P 500 closed on 30 September 2021 at 4,308 which was 0.2% above its 30 June closing figure.

At both its July and September meetings the FOMC of the United States Federal Reserve voted, yet again, to maintain its main interest rate at the range of 0-0.25% and its asset purchase programme at \$120 billion per month. However, there were increasing indications of approaching monetary policy tightening. The press release

issued after the July meeting hinted at future reductions in asset purchases referring to *“progress towards”* achieving the Committee’s goals of maximum employment and price stability. The press release issued after the 21-22 September meeting was clear that there could soon be a reduction in monthly asset purchases stating in relation to maximum employment and price stability that *“If progress continues broadly as expected, the Committee judges that a moderation in the pace of asset purchases may soon be warranted.”* Furthermore, the “Summary of Economic Projections” issued after the September meeting indicated an increased expectation of interest rate rises during 2022 compared with the previous projections issued in June.

US inflation as measured by the Core PCE index (the Federal Reserves favoured index) remained clearly above the policy target of 2% with July, August and September all registering 3.6%. The FOMC indicated some heightened expectations regarding future inflation with the Minutes of the September 2021 meeting stating (page 8) *“...Participants marked up their inflation projections...Some participants expressed concerns that elevated rates of inflation could feed through into longer-term inflation expectations...”* The “Summary of Economic Projections” issued after the September meeting suggested Core CPI at 2.3% in 2022 up from the 2.1% issued following the June FOMC meeting. Unemployment continued to fall, to 4.8% in September compared to 5.9% in June.

US economic growth continued but slowed dramatically in the Quarter. On 28 October, the US Bureau of Economic Analysis estimated US GDP increased at an annual rate of 2.0% in the period July to September compared to 6.7% in the previous Quarter. This equates to growth of 0.5% over the July to September period. The University of Michigan survey of consumers saw a major fall, during the Quarter in consumer sentiment. The August Final Results release referred to consumers negative reactions citing *“the surging Delta variant, higher inflation, slower wage growth, and smaller declines in unemployment”* but cautioned that this *“does not imply an imminent economic downturn...”*

Eurozone equities enjoyed a clearly positive July and August supported by positive corporate earnings and high vaccine rates. However, in September Eurozone equities, as with world equities as a whole experienced a clear decline. The MSCI EMU index advanced by 0.3% in Euro terms over the Quarter.

On 29 October Eurostat issued *“a preliminary flash estimate”* of July to September Eurozone GDP growth of 2.2%. This was compared with the official estimates for the US of 0.5% and China of 0.2% for the same period. The Eurozone, however, remains behind the US and China in terms of its pandemic economic recovery. Euro area inflation as measured by the Harmonised Index of Consumer Prices (HIPC) and reported by Eurostat exceeded the new ECB inflation goal of 2% over the medium term throughout the Quarter reaching 3.0% in August and 3.4% in September. At her press conference of 9 September ECB President Christine Lagarde while referring to improvements in the euro area economy as a whole, increased consumer spending and an improving labour market struck a somewhat cautious note stating that *“We see the risks to the economic outlook as finely balanced...”*

On 8 July 2021, the European Central Bank (ECB) published its new Monetary Policy Strategy Statement which was last revised in 2003. The new strategy is modestly but clearly more tolerant of inflation. While the previous target was below but close to 2% the new target is 2%. In addition, the ECB indicated in a commentary also issued on 8 July (entitled "An overview of the ECB's monetary policy strategy") that while the old inflation target had led to a perception of aiming not above the target the new inflation target is a "symmetric" one where moderate deviations above and below the target were allowable on a temporary basis. This new Policy Strategy should therefore clearly reduce the chance of premature monetary tightening and make it more likely that the ECB will keep its ultra loose monetary policy approach for a longer period.

At the July policy setting meeting the ECB retained its previous ultra supportive monetary policy approach. At the meeting that concluded on 9 September the ECB maintained its ultra low/negative interest rate policy, forward guidance on interest rate policy, standard asset purchase programme at 20 billion Euros a month, its reinvestment policies and longer term refinancing operations. There was however a slight tightening of policy with the Press Release issued after the meeting stating *"Based on a joint assessment of financing conditions and the inflation outlook, the Governing Council judges that favourable financing conditions can be maintained with a moderately lower pace of net asset purchases under the pandemic emergency purchase programme (PEPP) than in the previous two quarters."* At the press conference following the meeting Christine Lagarde, however, definitively stated that the ECB was not *"tapering"* but merely *"recalibrating"* the PEPP.

Compared with World equities as a whole UK equities enjoyed a successful Quarter. Not only were corporate earnings clearly positive but merger and acquisition activity also buoyed small and mid cap equities in particular. Notwithstanding market falls in September the FTSE All Share index ended the Quarter 2% up while the mid cap FTSE 250 advanced by 3%.

The UK unemployment rate was 4.5% for the June to August Quarter which was only 0.5% above the pre pandemic level. CPI inflation which had been 2.5% in June continued its upward trend recording over 3% in both August and September with further increases expected. The September Monetary Policy Summary issued by the Bank of England stated *"CPI inflation is expected to rise further in the near term, to slightly above 4% in 2021 Q4..."*

Both the August and September meetings of the Bank of England Monetary Policy Committee retained Bank Rate at its all time low of 0.1% and maintained existing policy regarding asset (bond) purchases. The MPC indicated potential future tightening of monetary policy at both the August and September meetings but this was clearly nuanced. However, given the overall content of the Minutes and Monetary Policy Statement issued after the 23 September meeting market commentators indicated expectations of an increase in interest rates (Bank Rate) by February 2022. Following a speech by Andrew Bailey the Governor of the Bank of England on 27 September the Financial Times printed an article (28 September 2021, page 2) entitled *"Bailey says MPC united behind rate increase this year if needed."*

In contrast to the previous Quarter when Japanese equities underperformed world markets the July to September period saw the Nikkei 225 Index advance by over 2% which was clearly ahead of world markets. Deflation in Japan (which had persisted since October 2020) continued into July and August 2021, but September saw inflation return (just) with the CPI index at +0.2%. Unsurprisingly, in contrast to the US Federal Reserve and Bank of England, the Bank of Japan did not at all indicate that it was considering tightening its longstanding ultra loose approach to monetary policy at either its July or September meetings.

Asia (excluding Japan) and Emerging Markets appear to have been particularly negatively impacted by the Chinese governments intervention in the Chinese technology and private education sectors, and concerns about the ability of Evergrande, China's second largest property group, to service its debts. The MSCI Emerging Markets index declined by over 8% (in \$ terms) while the MSCI AC Asia (excluding Japan) index suffered a decline in excess of 9% (in \$ terms).

Chinese economic activity was constrained including by energy shortages and government action to control leverage in the property sector. Official Chinese Government statistics indicated that China's GDP only grew by 0.2% during the July to September 2021 Quarter.

The benchmark US 10 Year Treasury weakened slightly from 1.47% to 1.49% and UK 10 Year Gilt weakened from 0.72% to 1.02% over the Quarter. Both weakened clearly (but not dramatically) in late September. This was in the context of increasing financial market inflation concerns, and indications following their September meetings from both the US Federal Reserve and in particular the Bank of England resulting in markets anticipating they could soon tighten their monetary policy approach.

In conclusion the July to September 2021 Quarter saw a respite from the overall dramatic upward trend in Listed Equity prices seen since April 2020 but not an overall fall. This ultimately sideward move in markets occurred even in the light of significant concerns about China, supply side shortages, inflation (at least in the short term) and indications from two of the world's leading central banks of potential forthcoming monetary policy tightening. While both the Federal Reserve and Bank of England gave clear indications of likely future, but limited, monetary tightening this did not result in a "tantrum" in either Listed Equity or Bond markets. It remains, however, a matter of considerable debate as to whether inflation will remain clearly above 2% for a prolonged period or not. This is, of course, a matter of real concern and potential impact upon all of national economies, individuals and financial markets/asset performance going forward.

29 October 2021

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"Strategic and Operational Support for Pension Funds and their Stakeholders"
www.jrfspensions.com

Report for: Pensions Committee and Board – 2 December 2021

Title: Good Governance in the Local Government Pension Scheme Project

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Not applicable

1. Describe the issue under consideration

- 1.1. This report provides the Pensions Committee and Board with an update on the progress of the Good Governance in the Local Government Pension Scheme (LGPS) project and the possible actions the Pension Fund might take ahead of the formal introduction of Regulations and/or Statutory Guidance from the Department for Levelling Up, Housing and Communities (DLUHC).

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note and consider the Independent Advisor's Good Governance in the Local Government Pension Scheme (LGPS) Project paper, appended as Appendix 1 to the report, and in particular the potential implications and possible actions for the Haringey Pension Fund.

4. Reason for Decision

- 4.1. This report considers the implications of the "Good Governance in the LGPS" proposals for the LGPS generally and suggests a number of the proposals that the Pension Fund could potentially implement ahead of formal guidance from DLUHC on the next steps. The implementation of the suggested proposals would further enhance the existing governance arrangements of the Pension Fund.

5. Other options considered

5.1. Not applicable.

6. Background information

- 6.1. In August 2018, the Scheme Advisory Board (SAB) invited proposals from interested parties to assist in developing options for change regarding the relationship between the LGPS Pension Funds and their existing host (administering) authorities for consideration prior to potentially making recommendations to the Secretary of State.
- 6.2. The project was subsequently named the Good Governance in the LGPS project and has been conducted in three phases. A summary of the key outcomes from each phase have been summarised below.

Project Phase	Outcome
Phase I	Proposed a framework for improving governance at individual Fund level based on an 'outcomes-based' approach.
Phase II	<p>Established two stakeholder working groups to develop a detailed plan to implement the conclusions from Phase I. The Pension Fund's Independent Advisor was a member of both working groups.</p> <p>The Phase III report made the following recommendations:</p> <ul style="list-style-type: none"> • DLUHC to produce Statutory Guidance to implement the proposals of the Phase II report • Each Administering Authority must designate "the LGPS Senior Officer" • Each Administering Authority must publish an annual Governance Compliance Statement • Each Administering Authority must undergo a biennial Independent Governance Review
Phase III	Final phase of the project and the focus of the Independent Advisor's report.

- 6.3. The final (Phase III) report and an Action plan were considered and published by the SAB in February 2021. The Action Plan which SAB has forwarded DLUHC is a formal request from SAB to DLUHC to implement the proposals of the project.
- 6.4. It is anticipated the DLUHC will issue a formal Consultation and then issue amendments to the LGPS Regulations and Statutory Guidance to require all 87 LGPS Administering Authorities in England and Wales to implement the Good Governance in the LGPS project.
- 6.5. However, given the number of other Consultations that DLUHC need to issue/respond to it may be some considerable time before the final proposals of

the Good Governance in the LGPS project are put into the LGPS Regulations and relevant Statutory Guidance issued.

- 6.6. Notwithstanding this anticipated delay by DLUHC there are several proposals from the Good Governance in the LGPS project that the Haringey Pension Fund could potentially implement prior to the issuing of any new LGPS Regulations/Statutory Guidance. Such early implementation should enhance the governance of the Pension Fund.
- 6.7. The attached paper from the Independent Advisor, in Appendix 1 to this report provides an update on developments in the Good Governance in the LGPS project and considers the potential implications and possible actions for the Haringey Pension Fund including actions that could be taken to improve Fund governance ahead of any issuing by DLUHC of new LGPS Regulations and/or Statutory Guidance.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. There are no direct financial implications arising from this report.

Head of Legal and Governance (Monitoring Officer)

- 8.2. The Head of Legal and Governance (Monitoring Officer) has been consulted on the content of this report, the potential changes (if implemented) will have implications for the Administering Authority in the way it administers the Pension Fund. Further advice will be provided once those changes (if any) are confirmed.

Equalities

- 8.3. There are no equalities issues arising from this report

9. Use of Appendices

- 9.1. Appendix 1: The Independent Advisor's "Good Governance in the LGPS" project update

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.

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Haringey Pension Fund

Good Governance in the LGPS project, implications, and potential actions for the Haringey Pension Fund

A paper by the Independent Advisor **November 2021**

Introduction and Background

In this paper the Independent Advisor describes and analysis the implications of, and suggests potential actions for the Haringey Pension Fund resulting from the final (Phase III report) of the Good Governance in the LGPS Project and the subsequent actions of the Scheme Advisory Board (SAB) for England and Wales.

The Committee and Board has received several updates on the Scheme Advisory Board's (SAB) Good Governance in the LGPS project, most recently in the training session held before the meeting of 21 January 2021. The Independent Advisor has also presented papers on this project to the Committee and Board at the meetings held on 21 January 2019, 11 July 2019, 19 September 2019, 20 January 2020, and 7 July 2020.

This paper includes reference to the Phase I and Phase II reports as well as particular reference to the final Phase III report which was considered and published by the SAB in February 2021 and the Action Plan also approved by SAB. The paper then considers the implications of the Good Governance in the LGPS project proposals for the LGPS generally and the Haringey Pension Fund in particular and suggests possible actions in response.

As stated in previous papers to the Pensions Committee and Board the Good Governance in the LGPS project seeks to fundamentally enhance and strengthen the governance of the individual LGPS Funds across England and Wales (over 80 in total). Completion of the project and its effective implementation by all Funds is surely the most effective means of maintaining the existing and longstanding local management of the LGPS and avoiding the possibility of compulsory amalgamations of Funds going forward.

Phase I

In August 2018 the SAB invited proposals from interested parties to assist it in developing options for change with regard to the relationship of LGPS Pension Funds to their existing host authorities for consideration prior to potentially making recommendations to the Secretary of State. Hymans Robertson were awarded the contract to work with the SAB to develop possible options.

In July 2019 Hymans Robertson issued a report (Phase I) to the Scheme Advisory Board which did not suggest any structural change in relation to the number of LGPS Funds in England and Wales (87 at the time this report was issued) but rather proposed a framework for improving governance at individual Fund level based on an 'outcomes-based' approach.

Phase II

The Board meeting of the SAB held on 8 July 2019 agreed that the SAB Secretariat (Officers) should in liaison with the project team from Hymans Robertson and Scheme stakeholders develop a detailed plan to implement the conclusions from the Hymans Robertson report for presentation to the November 2019 meeting of the SAB. Two stakeholder working groups (the Standards & Outcomes Group and the Compliance & Improvement Group) were established to work with Hymans Robertson on the Phase II report. [The Independent Advisor to the Haringey Fund was a member of both working groups].

A report by both Working Groups and Hymans Robertson, including detailed implementation proposals was considered by the SAB and issued in November 2019. This report included Recommendations/Proposals supported by explanatory and supportive narrative. In brief these proposed:

- The (then) Ministry for Housing Communities and Local Government (MHCLG) to produce Statutory Guidance to establish new governance requirements for Funds to effectively implement the proposals in the Phase II report. (As a result of the Prime Minister's reorganisation of Government in September 2021 the MHCLG has now been renamed the Department for Levelling Up, Housing and Communities (DLUHC) and will therefore be referred to as the DLUHC in the remainder of this paper unless quoting from a document where the term MHCLG was used)
- Each Administering Authority (LGPS Fund) must have a single named officer responsible for the delivery of all LGPS related activity for the Fund – "the LGPS Senior Officer."
- Each Administering Authority must publish an annual Governance Compliance Statement that sets out how they comply with the governance requirements for LGPS Funds as set out in the new Statutory Guidance.
- Enhancements to the requirements in relation to - Conflicts of Interest, Knowledge and Understanding, Service Delivery including Business Planning/Budgeting and performance against a key set of indicators.
- Each Administering Authority to be required undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified.

Phase III and the Action Plan

The Scheme Advisory Board (SAB) agreed in November 2019 that the SAB Secretariat, with Hymans Robertson and stakeholders, should develop Phase III (the Implementation stage of the project including the draft Statutory Guidance and key performance indicators). The two working groups that had participated in the preparation of the Phase II report were re-established as a single (Implementation) group to participate in the Phase III stage.

The Implementation Group began its work in February 2020. In March 2020, an initial draft of the new Statutory Guidance on Governance in the LGPS and draft paper on the role of the LGPS Senior Officer were issued and circulated for comments. In April 2020 in the light of the COVID pandemic SAB stood down the Phase III Implementation Group but asked Hymans Robertson to continue work on finalising the Phase III report.

In November 2020 SAB considered a work in progress Phase III report and agreed that Hymans Robertson should continue to finalise their report for consideration at the February 2021 meeting of SAB. On 8 February 2021 SAB considered the final Phase III report from Hymans Robertson and agreed it should be published and sent to the Government (now the DLUHC) together with an Action Plan.

The Phase III Proposals very closely follow those in the Phase II report but includes additional explanation of and/or proposals for the further development of a number of these. In particular the Phase II proposals in respect of “the LGPS Senior Officer,” Governance Compliance Statement, Conflicts of Interest, Knowledge and Understanding (Skills and Training), Reporting the Fund’s Performance against an agreed set of Indicators, Business Planning and Budgeting have been further developed/emphasised in the Phase III report.

These proposals when implemented will significantly enhance the levels and extent of Governance expected by the DLUHC of every LGPS Fund in England and Wales. This is particularly so given the requirements reiterated in the Phase III report that *“Each administering authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified”* and that these reviews *“be assessed by a SAB panel of experts.”*

In addition to receiving the final Phase III report the SAB, at its meeting in February 2021, also considered and approved an Action Plan based on the final report. It was agreed that the Board’s Chair (Councillor Roger Phillips) would write to the (then) Local Government Minister Luke Hall MP inviting him to consider the Board’s Action Plan.

The Action Plan consists of formal requests from the SAB to the Government to implement the proposals of the Good Governance in the LGPS project. Given that the DLUHC were represented on both the Phase II Working Groups and the Phase III Implementation Group it is highly likely that the Action Plan will be positively received by the DLUHC. The Action Plan includes the Recommendations in the Phase III report, the consequent proposed actions for DLUHC either by Regulation or Statutory Guidance, and work to be undertaken by SAB.

The approval of the Phase III report by SAB and the submission of the Action Plan to the Government (DLUHC) bring much closer the practical implementation of the Good Governance in the LGPS project proposals. However, implementation of the proposal by the DLUHC requires a formal Consultation.

Once DLUHC issues a Consultation a total period of six months might be anticipated for the actual Consultation (likely 13 weeks), consideration of responses and issuing of the final Statutory Guidance (and if necessary, any amendments to the LGPS Regulations). This period however could be longer.

In addition there is a small team at the DLUHC who work on the LGPS and it has been clearly indicated that their two most pressing priorities are issuing a Consultation and then final guidance for the LGPS in relation to TCFD (Task Force on Climate Related Financial Disclosures) reporting, and resolution of the Age Discrimination in the LGPS (“McCloud” case). Therefore, it now (as at 1 November 2021) appears that the Good Governance in the LGPS proposals will not become mandatory on individual LGPS Funds until sometime well into 2022 or even 2023.

The full **“Good Governance: Phase 3 Report to SAB”** can be accessed at https://www.lgpsboard.org/images/Other/Good_Governance_Final_Report_February_2021.pdf

The **Action Plan** can be accessed at https://www.lgpsboard.org/images/Other/Annex_to_Good_Governance_letter_11_0221.pdf

Potential Implications and possible actions for the Haringey Pension Fund

This section of the paper considers the potential implications and possible actions for the Haringey Fund of the Good Governance in the LGPS project proposals, as set out in the Phase III report. Reference is made to both the Phase II and Phase III report narrative. In relation to the proposals of the Good Governance in the LGPS project the Phase III report states (page 1) *“this paper should be reads in conjunction with the paper from Phase 2.”*

It should however be noted that the proposals as set out in the Phase III report and the final requirements of DLUHC following a Consultation may not be precisely the same. Given however the significant consultations undertaken with LGPS stakeholders in preparing the Phase I, Phase II and Phase III reports together with the involvement of DLUHC in the process so far it is likely that the final DLUHC requirements will be closely aligned to the Phase III proposals. Therefore, the Council, and Committee and Board may potentially wish to progress some proposals in the Phase III report prior to the issuing of final Statutory Guidance (and potentially some amendments to the actual LGPS Regulations) by DLUHC and the issuing of any SAB guidance.

It must however be clearly stated that the potential actions suggested in this paper are merely that. Any decisions will need to be made by the Council, and Committee and Board taking account of the advice and recommendations of the Fund Officers.

In the Table below the first and second columns reproduce exactly the Proposals as in the SAB Phase III report. The third column is the Independent Advisor's Commentary on each proposal and its implications. The fourth column sets out the Independent Advisor's suggestions as to Potential Action(s) for Haringey.

The comments in the third and fourth columns in relation to Knowledge and Understanding (Area D) take account of the CIPFA publications issued in June 2021 (after the issuing of the Phase III report and SAB Action Plan) entitled *"Code of practice on LGPS knowledge and skills"* and *"Knowledge and skills framework for LGPS committee members and LGPS officers."* Both of these documents are relevant to the issue of Knowledge and Understanding in the context of all LGPS Funds in England and Wales.

The Independent Advisor suggests that Haringey could potentially implement/partially implement the following proposals A.2, B.1, C.1, E.3, E.4 and should implement/partially implement D1 and D3 prior to the finalisation by DLUHC of new Statutory Guidance (and any necessary amendments to the LGPS Regulations) and the issuing of any complimentary guidance by the SAB. Whether there is any such implementation of the proposals listed in this paragraph is of course entirely a matter for the Council/Pensions Committee and Board after having taken advice from Officers.

1 November 2021

Area	SAB Proposal	Commentary/Implications	Potential Action for Haringey
A. General	A.1 DLUHC will produce statutory guidance to establish new governance requirements for funds to effectively implement the proposals below. ("the Guidance").	DLUHC Statutory Guidance will, in effect, mean that the new LGPS Governance requirements arising from the "Good Governance" project will be enforceable and compliance by individual LGPS Funds an expectation.	The Fund should respond to the DLUHC Consultation on the Statutory Guidance when issued by DLUHC. The Fund will need to comply with the Statutory Guidance when finalised and issued by DLUHC. The Committee and Board will need to ensure resourcing and policies/procedures to achieve robust compliance
	A.2 Each administering authority must have a single named officer who is responsible for the delivery of all LGPS related activity for that fund. ("the LGPS senior officer").	This proposal is fundamental to the enhancement of both LGPS Fund Governance and operations as envisaged by the "Good Governance" project. "The LGPS senior officer" will be responsible for all the core LGPS activities – Governance, Funding, Investment, Administration & Communication. They will be responsible for ensuring proper resourcing including preparing the Fund's Business Plan and Annual Budget & agreeing it with the Pensions Committee/ Pensions Committee & Board. There is no assumption in the Phase II or Phase III reports that the LGPS senior officer should be the S151 Officer –	The Council will need to create/assign the role of LGPS Senior Officer." This could be done now or when the LGPS Regulations are amended/SAB issue their guidance. In creating/assigning this role the Council should ensure it is closely focussed on the LGPS function – the Phase III report states <i>"The role of Senior Officer is demanding and those undertaking it should give it the necessary attention. While the Senior Officer might have some other responsibilities...these should not be of a scale that they impact adversely on the ability to ensure the effective delivery of the LGPS function."</i> The role of LGPS Senior Officer should, of course, be an

		<p>the Phase II report states it <i>“may be the S151 officer, assuming they have the capacity, LGPS knowledge...to assume that role. Alternatively, the...role may be undertaken by another officer...suitably qualified and experienced and has the capacity to assume this role.”</i></p> <p>In the Action Plan SAB requests DLUHC to establish the requirement for the LGPS Senior Officer in <i>“scheme regulations”</i> In due course SAB intend to publish a guide relating to the LGPS Senior Officer role.</p>	<p>organisational role and not a personal appointment.</p> <p>The Phase III report is clear that the LGPS Senior Officer should be a senior role. The preference in the report is very clearly that it should be a Tier 2 or Tier 3 post (where the Chief Executive alone is Tier 1). Example 4 of Appendix 1 to the Phase III report does however indicate circumstances where a Tier 4 role <i>“...may provide an appropriate level of seniority and capacity...”</i></p>
A.3	Each administering authority must publish an annual governance compliance statement that sets out how they comply with the governance requirements for LGPS funds as set out in the Guidance. This statement must be co-signed by the LGPS senior officer and S151.	<p>The Annual Governance Compliance Statement will set out how the Fund meets the new Statutory Guidance on Governance. This will be a detailed document with a possible <i>“example”</i> provided at Appendix 2 of the Phase III report.</p> <p>This <i>“enhanced”</i> Annual Governance Compliance Statement will be examined as part of the regular Independent Governance Review of each Fund further details of which are set out in the Phase II and Phase III reports.</p>	<p>The preparation of the new format Annual Governance Compliance Statement will only be required (and possible) once the new Statutory Guidance on LGPS Governance is finalised by the DLUHC. SAB is expected to produce a guide once the Statutory Guidance is issued.</p> <p>The Phase III report expects that the Pensions Committee and Board <i>“would be appropriately involved”</i> in the preparation of the Annual Governance Compliance Statement.</p>

B. Conflicts of interest	<p>B.1 Each fund must produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund, with specific reference to key conflicts identified in the Guidance</p>	<p>The Good Governance project has been concerned with Conflicts of Interest particularly those, (to quote the Phase III report), <i>“that can arise as a result of managing a pension fund within the local authority environment. The intention of this recommendation is that all administering authorities publish a specific LGPS conflicts of interest policy. This should include information on how it identifies, monitors and manages conflicts...”</i></p> <p>It is expected that SAB will produce a guide once the Statutory Guidance is issued.</p>	<p>Although <i>“the areas of potential conflict that are specific to the LGPS”</i> are expected to be listed in the awaited new Statutory Guidance on Governance the Haringey Fund could prepare a Conflicts of Interest Policy now as the Phase III report gives examples of areas expected to be covered which include</p> <ul style="list-style-type: none"> • Contribution setting for the Administering Authority and other Employers • Charging for Services or shared resourcing between the Administering Authority and Fund • Investment decisions about local infrastructure • How the Pension Fund responds to Council decisions or policies on global issues such as climate change
	<p>B.2 The Guidance should refer all those involved in the management of the LGPS, and in particular those on decision making committees, to the guide on statutory and fiduciary duty which will be produced by the SAB –</p>	<p>The supporting narrative in the Phase III report states however that <i>“There are no immediate plans for SAB to opine on or publish a statement on fiduciary duty...”</i></p> <p>The Action Plan proposes <i>“Request that MHCLG clarify Fiduciary Duty in statutory</i></p>	<p>The Fund will need to take very careful account of any DLUHC and SAB statement(s) when published.</p>

		guidance at A.1” and SAB “Publish guide on statutory and fiduciary duty based on A1 guidance and further legal advice”	
C. Representation	C.1 Each fund must produce and publish a policy on the representation of scheme members and non-administering authority employers on its committees, explaining its approach to voting rights for each party	<p>The Phase II report includes the statement <i>“the Local Government Act 1972 allows local authorities wide discretion over committee appointments and delegations.”</i> The Phase III report states <i>“The intention behind this recommendation is simply that administering authorities prepare, maintain and publish their policy on representation...”</i></p> <p>It is however expected that MHCLG will set out their view on representation in the new Statutory Guidance and SAB will then publish a guide.</p>	<p>The Haringey Pensions Committee and Board easily surpasses the Representation expectations as expressed in the Phase III report which are <i>“The SAB’s view is that it would expect scheme managers to have the involvement [of] employers and member representatives on any relevant committees”</i></p> <p>The Haringey Fund will still however need to produce and publish a policy on representation which it could do now. This may however subsequently need some amendment in the light of the future Statutory Guidance on Governance to be issued by DLUHC.</p>
D. Knowledge & Understanding	D.1 Introduce a requirement in the Guidance for key individuals within the LGPS, including LGPS officers and pensions committees, to have the appropriate level of knowledge and understanding to carry out their duties effectively	The commentary in the Phase III report includes the following <i>“...the expectation is that the TPR requirements that apply to Local Pension Boards should apply equally to pension committees. As a minimum those sitting on pension committees...should comply</i>	Haringey Committee and Board members due to the combined/joint nature of this body are already expected to have the level of knowledge and understanding anticipated in the Phase II and Phase III Good Governance in the LGPS reports.

		<p><i>with the requirements of MiFID II opt-up to act as a professional client...</i></p> <p>It is expected that MHCLG will cover Knowledge & Understanding in the new Statutory Guidance and SAB will then <i>“publish a guide to relevant training...”</i></p> <p>In June 2021 CIPFA issued two documents providing updated guidance on Knowledge and Skills/Understanding for LGPS Funds, their Committee Members and Fund Officers. These are the CIPFA <i>“Code of practice on LGPS knowledge and skills”</i> and the <i>“Knowledge and skills framework for LGPS committee members and LGPS officers”</i> The content of these documents should be now be taken into account by all LGPS Funds and consequently the comment in column 4 (opposite) that <i>“The Fund should”</i> rather than the Fund <i>“could”</i> now review training requirements.</p>	<p>The Fund should now review the training requirements of Committee and Board Members, and Fund Officers (including taking particular account of the new June 2021 CIPFA Code and Framework, as well as TPR guidance, the workplan of the Fund and topical/current issues) prepare a Training Plan to meet these needs and maintain training records for individuals against the Training Plan. Training requirements would however need to be further reviewed following the issuing of the Statutory Guidance and SAB guide.</p>
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		<p>The Phase III commentary on Knowledge and Understanding also includes the following statement <i>“A pension committee member should put aside political considerations, act in the interest of all employers and members and act within a regulatory framework”</i></p>	<p>The Phase III report commentary on the approach that a Pension Committee member <i>“should”</i> take merely reflects existing requirements. For example - legally the Pensions Function is not an Executive Function and cannot be subject to the Cabinet. In making decisions Members must take account of relevant Regulations and Statutory Guidance such as that of 2017 on Preparing and Maintaining an Investment Strategy Statement. In his Opinion on LGPS issues of 2014 for the LGA Nigel Giffin QC stated <i>“the administering authority should not impose its own view...if that would differ from views likely to be generally held by other scheme employers and scheme members.”</i></p>
	<p>D.2 Introduce a requirement for s151 officers to carry out LGPS relevant training as part of CPD requirements to ensure good levels of knowledge and understanding.</p>	<p>The Phase III report states <i>“The intention behind this recommendation is that an understanding of the LGPS should be a requirement for s151 officers (or those aspiring to the role).”</i></p>	<p>This is a matter for the Scheme Advisory Board and the professional Accountancy bodies, particularly CIPFA, to action.</p>
	<p>D.3 Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these</p>	<p>The Phase III report states that <i>“all LGPS Funds should produce a strategy which should set out how those involved with the fund will: have</i></p>	<p>The Haringey Fund should now produce a Strategy to meet this recommendation given the revised CIPFA Pensions Knowledge and Skills Code and</p>

	requirements.	<p><i>their knowledge measured and assessed; receive appropriate training to fill any knowledge gaps identified; ensure that knowledge is maintained; and evidence the training that is taking place”</i></p> <p>SAB are expected to issue a guide following the issuing of the new Statutory Guidance</p>	<p>Framework of June 2021 (which was after the SAB Action Plan was issued).</p> <p>This Strategy may need to be revisited once the Statutory Guidance/SAB guide are issued.</p>
	D.4 CIPFA should be asked to produce appropriate guidance and training modules for s151 officers	SAB will engage with CIPFA regarding this recommendation.	This is a matter for SAB and CIPFA to action.
E. Service Delivery for the LGPS Function	E.1 Each administering authority must document key roles and responsibilities relating to the LGPS and publish a roles and responsibilities matrix setting out how key decisions are reached. The matrix should reflect the host authority's scheme of delegation and constitution and be consistent with role descriptions and business processes	<p>As the Phase II report stated, <i>“Clarity around roles, responsibilities and decision making are central to good delivery of the LGPS function.”</i></p> <p>The Action Plan indicates requirements will be set out in the new Statutory Guidance and SAB then intend to <i>“Publish a Guide to Roles and Responsibilities Matrix”</i></p>	Following the issuing of the Statutory Guidance by DLUHC and the SAB Guide the Haringey Fund will need to publish a document whose contents will include details who is responsible for recommending, final sign off, implementation and oversight of key decisions.
	E.2 Each administering authority must publish an administration strategy	This recommendation would mandate LGPS Funds to publish an Administration Strategy which at present is optional.	The Haringey Fund has approved a Pension Administration Strategy under the existing Regulation 59 of the LGPS Regulations 2013.

		<p>The Action Plan indicates that SAB believes this should not simply be included in the new Statutory Guidance but be a <i>“requirement in scheme regulations”</i></p> <p>The Phase III report also indicates that SAB may recommend to DLUHC that new requirements relating to minimum standards of performance, assessment of charges against inefficient Employers and timescales for submitting data be included in Statutory Guidance.</p>	<p>The existing Pension Administration Strategy should be reviewed following any amendment to the LGPS Regulations, the issuing of new Statutory Guidance and any guide issued by SAB.</p>
	<p>E.3 Each administering authority must report the fund's performance against an agreed set of indicators designed to measure standards of service.</p>	<p>The agreement of <i>“some 10 to 15 key indicators or measures of LGPS service delivery...”</i> was proposed in the Phase II report. The Phase III report sets out 16 suggested indicators covering both Governance and Pensions Administration. The Action Plan suggests that DLUHC <i>“Set requirement in scheme regulations or SG”</i> (Statutory Guidance)</p>	<p>The Haringey Fund could now begin assessing, monitoring and reporting against all or some of the 16 suggested indicators.</p> <p>When the final indicators are issued in Regulations and/or Statutory Guidance the Haringey Fund will need to examine the final required indicators, assess its present position, make proposals for any necessary improvements, implement, monitor and report.</p>
	<p>E.4 Each administering authority must ensure their committee is included in the</p>	<p>The Phase II and Phase III reports are clear that there should be should be sufficient</p>	<p>The Action Plan proposes that DLUHC should <i>“Set requirement in statutory</i></p>

	<p>business planning process. Both the committee and LGPS senior officer must be satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year.</p>	<p>resourcing of the LGPS function to provide “a good service” to both Scheme Members and Employers and that a Business Plan should drive the Fund’s Budget.</p> <p>The Phase III report is robust in its narrative on this issue and includes the following:</p> <p><i>“Each Administering Authority has a specific legal responsibility to administer the LGPS within their geographical region and to maintain a specific reserve for that purpose. It is important therefore that the fund’s budget is set and managed separately from the expenditure of the host authority.</i></p> <p><i>Budgets for pension fund functions should be sufficient to meet all statutory requirements, the expectations of regulatory bodies and provide a good service to Scheme members and employers. The budget setting process should be one initiated and managed by the fund’s officers and the pension committee and assisted by the local pension board.</i></p> <p><i>Required expenditure should be</i></p>	<p><i>guidance at A.1” and CIPFA “publish appropriate guidance.”</i></p> <p>Ahead of the Statutory Guidance and CIPFA Guidance Haringey could review its Business Planning and Budgeting arrangements as they apply to the Pension Fund and implement any improvements it identifies. Greater involvement of the Pensions Committee and Board in the Business Planning and Budgeting processes is an obvious early possible action.</p>
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		<p><i>based on the fund's business plan and deliverables for the forthcoming year. The practice should not simply be to uprate last year's budget by an inflationary measure or specify an "available" budget and work back to what level of service that budget can deliver."</i></p>	
F. Compliance and Improvement	F.1 Each administering authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified. IGR reports to be assessed by a SAB panel of experts.	<p>In the Action Plan it is anticipated that DLUHC will set the <i>"requirement in scheme regulations, and include in high level statutory guidance"</i> and that SAB will <i>"Establish panel of experts to review biennial governance reviews."</i></p> <p>The Phase II report (page 8) contains a detailed narrative relating to the Independent Governance Review (IGR) which is likely to clearly influence the final arrangements relating to IGR's.</p> <p>The Phase III report includes a summary of the IGR proposal as follows; <i>"Annually, each administering authority to produce a governance compliance statement signed by the senior LGPS officer and S151 which demonstrates compliance with LGPS [requirements]. Biennially, each administering</i></p>	<p>Once the DLUHC has determined the requirements relating to the Independent Governance Review (IGR) the Haringey Fund will need to comply with these requirements including submitting the IGR to the SAB panel of experts. The purpose of the IGR will be, in the words of the Phase II report, <i>"to ensure required standards are adhered to."</i></p>

		<p><i>authority to commission an Independent Governance Review (IGR). IGR reports to senior LGPS officer, pensions committee and pensions board. IGR report goes to a SAB panel of experts for assessment. Panel could request further details of improvement plans, make recommendations or report to TPR & MHCLG"</i></p>	
	<p>F.2 LGA to consider establishing a peer review process for LGPS Funds.</p>	<p>The Phase II report includes the following narrative: <i>"The LGA run a peer challenge process for some areas of local government. It is a process commissioned by a council...It is suggested that a similar peer challenge process is established for the LGPS."</i></p>	<p>It is a matter for the LGA to consider the request from SAB to establish a peer review process for the LGPS.</p> <p>If such a process were established by the LGA it would be a matter for a LGPS Fund whether, at any time, it wished to use this process.</p>

Report for: Pensions Committee and Board – 2 December 2021

Title: Local Authority Pension Fund Forum (LAPFF) Voting Update

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. This paper provides an update on the Local Authority Pension Fund Forum's (LAPFF) voting activities on behalf of the Pension Fund. The Pension Fund is a member of LAPFF, and the Pensions Committee and Board has previously agreed that the Fund's investment managers should cast its votes at investor meetings in line with the LAPFF voting recommendations.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1. To note the report.

4. Reason for Decision

- 4.1. Not applicable.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. There was only one voting alert received from LAPFF during the quarter and the outcome of votes, as well as how the Pension Fund's equity manager, Legal and General Investment Management (LGIM) voted is detailed below.

Company	Description	LAPFF Recommendation For/Oppose	LGIM Vote	AGM Vote Outcome
BHP	• Climate Transition Plan	Oppose	Oppose	For (84.90%)
	• Climate-related lobbying	For	For	For (98.92%)

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1. There are no financial implications arising from this report.

Head of Legal and Governance (Monitoring Officer)

8.2. The Assistant Director of Governance has been consulted on the content of this report. There are no specific legal implications arising from this report.

Equalities

8.3. Not applicable.

9. Use of Appendices

9.1. None.

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

Report for: Pensions Committee and Board – 2 December 2021

Title: Risk Register

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. This paper has been prepared to update the Pensions Committee and Board on the Pension Fund's risk register and provide an opportunity for the Committee and Board to further review the risk score allocation.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1. To note and provide any comments on the Pension Fund's risk register. The area of focus for review at the meeting is Accounting.

4. Reason for Decision

- 4.1. Not applicable.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. The Pensions Regulator requires that the Pension Committee and Board (PCB) establish and operate internal controls for the Pension Fund. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.

- 6.2. The PCB previously approved a full version of the risk register on 20 September 2016 and from each meeting after this date, different areas of the register have been reviewed and agreed so that the risk register remains current.
- 6.3. Work is currently underway to update the format of the risk register and conduct a comprehensive review of each of the different risk areas. Appendix 1 to this paper includes the accounting risks which have been reviewed and updated for the PCB to provide feedback on at the meeting.
- 6.4. The other risk areas which include administration, governance, investments, and legislation will be presented to the PCB in the forthcoming meetings.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. There are no financial implications arising from this report.

Head of Legal and Governance (Monitoring Officer)

- 8.2. The Head of Legal and Governance has been consulted on the content of this report and there are no legal issues.

Equalities

- 8.3. Not applicable.

9. Use of Appendices

- 9.1. Appendix 1: Haringey Pension Fund Risk Register – Accounting Risks

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.

London Borough of Haringey Pension Fund Risk Register										
Risk Ref	Risk Group	Risk Description	Impact	Likelihood	Risk Score	Controls and Mitigations In Place	Further Actions	Revised Likelihood	Total Risk Score	Reviewed on
ACC07	Accounting Risk	Risk of the Pension Fund's statement of accounts being delayed beyond statutory deadlines due to impacts of coronavirus pandemic. A delay beyond 30 November would mean the Fund would be unable to produce its annual report by the statutory deadline.	3	5	15	1) The Pension Fund's external auditors have commenced the audit later than usual this year due to the ongoing impact of the response to the coronavirus pandemic. The auditors will present the audit plan to the Pensions Committee and Board which will provide indicative timescales for audit completion. 2) The Pension Fund's timescales for publication and audit of the accounts have been extended by the Government compared to previous years.	Treat 1) Officers will work closely with the Pension Fund's external auditors to provide them with the relevant information to assist in the timely completion of the audit.	5	15	31/10/2021
ACC02	Accounting Risk	Internal controls are not in place to protect against fraud/mismanagement	5	2	10	1) The Council's Internal Audit Plan includes dedicated hours for the review of internal controls related to the management and accounting of the Pension Fund. 2) The Pensions Team is audited annually, with investments and administration covered on alternate years.	Treat 1) Officers will continue to work closely with the internal audit team to identify areas of improvements and implement the required processes and controls in a timely manner to reduce or remove any identified risks.	2	10	31/10/2021
ACC01	Accounting Risk	The Pension Fund's Statement of Accounts do not represent a true and fair view of the Pension Fund's financing and assets.	5	2	10	1) The Fund's accounts are prepared by a qualified accountant using the most up to date CIPFA Financial Accounting Code of Practice, Disclosure Checklist and other relevant CIPFA training materials and publications. 2) The Draft Statement of Accounts and working papers are reviewed by the Head of Pensions and Treasury and the Council's Chief Accountant's team. 3) The Pension Fund Statement of Accounts are audited annually by the Fund's external auditors.	Treat 1) Officers will continue to attend accounting management and reporting workshops, collaborating and sharing ideas with peers on the latest best practice in accounting methods.	2	10	31/10/2021
ACC08	Accounting Risk	Risk of misstatement of figures in the Pension Fund's accounts and potential audit qualification due to material uncertainty over year end valuations	4	3	12	1) Several of the Pension Fund's illiquid (Level 3) investment valuations were estimated and rolled forward as at 31 March 2021. This has been noted in the Pension Fund's draft Statement of Accounts and will likely be a focus during the audit. 2) Level 3 valuation estimates and assumptions impact all Local Government Pension Scheme (LGPS) funds who invest in similar investment strategies.	Treat 1) Officers will assist the auditors in obtaining the required assurances from investment managers and where necessary, restate the balances provided in the draft statement of accounts.	2	8	31/10/2021
ACC03	Accounting Risk	The Pension Fund does not have robust internal monitoring and reconciliation process in place, leading to incorrect figures in the accounts	4	2	8	1) The Pensions Team maintains a checklist of all daily, weekly, monthly and quarterly reconciliations to ensure that all tasks are completed in a timely manner. All reconciliations are independently reviewed and signed off by a second officer.	Treat 1) Officers will continued to monitor current reconciliations and where possible, identify areas of future improvement in reconciliation activities.	2	8	31/10/2021

ACC06	Accounting Risk	Contributions received from employers participating in the Pension Fund are not in line with what is specified in actuarial reports and adjustment certificates, potentially leading to an increased funding deficit or surplus.	4	2	8	<p>1) Fund employers receive a contribution form at the start of each financial year which confirms the correct rates they are required to pay.</p> <p>2) A contributions reconciliation is monitored monthly and where there are discrepancies, the employer will be required to make immediate payment to make up the shortfall.</p> <p>3) Employers making late payments are reported to the Pensions Committee and Board on a quarterly basis.</p>	<p>Treat</p> <p>1) Officers will continue to monitor the contributions paid by Fund employers and alert the Pensions Committee and Board where relevant issues arise.</p>	2	8	31/10/2021
ACC04	Accounting Risk	The market value of assets recorded in the Statement of Accounts figures are incorrect leading to a material misstatement and potentially a qualified audit opinion.	5	2	10	<p>1) The Pensions Team undertakes a quarterly reconciliation exercise between the market values reported by the investment managers and the market values provided by the custodian's financial accounting team.</p> <p>2) All adjustments (including unrealised profits) are posted into the Pension Fund's general ledger so that the accounts can be reported and created directly for the Council's accounting system, SAP.</p>	<p>Treat</p> <p>1) Officers will continue to reconcile investment market values and transactions regularly.</p>	1	5	31/10/2021
ACC05	Accounting Risk	Inadequate monitoring of contributions and investment income leads to cash flow issues for the Pension Fund.	4	2	8	<p>1) The Pensions Team regularly monitors employer contributions and payments on a monthly basis, include a full reconciliation between the expected receipt and actual receipt. Late payers are identified and chased for payment as soon as possible.</p> <p>2) The Pensions Team regularly monitors the Pension Fund's cash flow requirements including daily dealing and monthly and quarterly forecast updates.</p> <p>3) The Pension Fund holds a small amount of cash to pay pensions and fund any outstanding investment commitments. Several of the Pension Fund's investments have weekly dealing arrangements in place.</p>	<p>Treat</p> <p>1) Officers will continue to monitor the Pension Fund's cash flow requirements, and where necessary recommend changes to investments that are currently reinvesting income rather than distributing it to the Fund.</p>	1	4	31/10/2021

Report for: Pensions Committee and Board – 2 December 2021

Title: Forward Plan

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. This paper has been prepared to identify topics that will come to the attention of the Pensions Committee and Board over the upcoming months and seek members input into future agendas. Suggestions on future training are also requested.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1. To identify additional issues and training for inclusion within the work plan and to note the update on member training attached at Appendix 3 to the report.
- 3.2. To complete the Pensions Regulator's public sector toolkit and training needs assessment.

4. Reason for Decision

- 4.1. Not applicable.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. It is best practice for a pension fund to maintain a work plan. The plan sets out the key activities anticipated over the upcoming months in the areas of governance, members/employers, investments, and accounting. The Pensions Committee and Board (PCB) is requested to consider whether it wishes to amend future agenda items as set out in the work plan.
- 6.2. A previous review of the Pension Fund's governance arrangements recommended that the PCB should be provided with an update on member training. Specifically, the PCB noted the importance of training and required members to complete the TPR public sector toolkit and training needs assessment to assist with identifying member training needs. This information is provided in Appendix 3 of the report.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. There are no financial implications arising from this report.

Head of Legal and Governance (Monitoring Officer)

- 8.2. The Assistant Director of Governance has been consulted on the content of this report. There are no specific legal implications arising from this report.

Equalities

- 8.3. Not applicable.

9. Use of Appendices

- 9.1. Appendix 1: Forward Plan
9.2. Appendix 2: Training Plan
9.3. Appendix 3: Update on TPR Public Service Toolkit/Training Needs Analysis
9.4. Appendix 4: Training Needs Assessment Form

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.

November 2021	January 2022	March 2022	July 2022
Standing Items			
Administration Report	Administration Report	Administration Report	Administration Report
Governance/LGPS Update Report (if required)	Governance/LGPS Update Report (if required)	Governance/LGPS Update Report (if required)	Governance/LGPS Update Report (if required)
Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities
Risk Register Review	Risk Register Review	Risk Register Review	Risk Register Review
Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update
Fund Administration & Governance			
Good Governance Project Update	Investment Consultant's Performance Review	Administration Strategy Statement	Administration Strategy Statement
	Pension Administration System Contract	LCIV AGM Briefing and Votes	
	Business Plan and Annual Budget	Cost Benchmarking Exercise	
		Annual Pension Fund Accounts and Annual Report (including various statutory documents)	
Investments			
LAPFF Voting update	LAPFF Voting update	LAPFF Voting update	LAPFF Voting update
	TCFD Consultation		
Funding and Valuation			
Training			
Training & Conferences Update	Training & Conferences Update	Training & Conferences Update	Training & Conferences Update
	TCFD Training		Actuarial Valuation Training

Date	Conference / Event	Training/ Event Organiser	Website	Cost	Delegates Allowed
	Scheme Advisory Board Website	LGPS Scheme Advisory Board	http://www.lgpsboard.org	Free - Online	N/A
	The Pension Regulator's Pension Education Portal	The Pension Regulator	www.thepensionsregulator.gov.uk	Free - Online	N/A
	The Pension Regulator's Trustee Toolkit	The Pension Regulator	https://trusteetoolkit.thepensionsregulator.gov.uk/?redirect=0	Free - Online	N/A
	LGPS Regulation and Guidance	LGPS Regulation and Guidance	http://www.lgpsregs.org/	Free - Online	N/A
	LGPS Members Website	LGPS	http://www.lgps2014.org/	Free - Online	N/A
	Local Government Association (LGA) Website	LGA	www.local.gov.uk	Free - Online	N/A

Please contact Tim Mpofu, Head of Pensions & Treasury if you require any further information on the available training
Email: tim.mpofu@haringey.gov.uk

Pensions Committee and Board Member	TPR Public Sector Toolkit (Online)	Training Needs Analysis
Cllr Yvonne Say (Chair)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cllr Eldridge Culverwell (Vice Chair)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cllr Patrick Berryman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cllr Dana Carlin	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cllr Paul Dennison	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cllr Viv Ross	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Keith Brown	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ishmael Owarish	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Randy Plowright	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Craig Pattinson	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Haringey Pensions Committee and Board

Member Training Needs Assessment

Name of Member:

Please rate your current level of knowledge and understanding for each of the following key areas by placing a tick in the relevant box:

Topic:	Good	Moderate	Poor	Unsure
Pensions Legislation and Governance				
Pensions Administration				
Pensions accounting and auditing standards				
Financial Markets and Investment Products				
Procurement of Financial services and relationship management				
Investment Performance and Risk management				
Actuarial methods, standards and practices				

If you had to choose just one area that you would particularly like to receive more training on, please name this in the box below:

(this may be one of the key areas shown in the list above, but it could also be a different topic that you feel you have a particular need or interest in expanding your knowledge of)

Are you available to attend day time training sessions (please tick the box which best applies):

Yes, I am generally available during the day to attend training sessions	
I am sometimes available during the day to attend training sessions provided adequate notice is provided (at least 2 months)	
I am general unable to attend training sessions during the day time	

Please provide any comments or feedback you feel are important about the current format or content of training sessions (i.e. one hour of training before committee meetings on various topics)

Please indicate the format of training that you have a preference for, or would have an interest in attending (tick as many that apply):

1 hour evening training prior to committee meetings (current format)	
1 hour evening training but on different nights to formal committee meetings	
Evening workshops of 2-3 hours on different nights to formal committee meetings	
Half day workshops during the day time	
Individually tailored training by attendance at key events – e.g. CIPFA events, London CIV information days, trustee training events	
Flexible individually tailored training through online webinars, or training material that can be read in the member's own time	
Flexible individually tailored training through meetings with officers or advisors in the day time either on a one to one basis or as a group of several members	

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