

Compliance and Reporting Committee

DATE:	23rd October 2023
VENUE:	Hybrid meeting – MS Teams & 18 Smith Square
TIME:	11.00am – 1.00pm

AGENDA

Item		Paper	Timings
1	Welcome, introductions, apologies and declaration of interests		11:00
2	Hybrid meeting protocol		11:05
3	Actions and Agreements from the 19 th June Meeting	Paper A	11:10
4	Process for producing statutory guidance		11:15
5	Annual Reporting guidance update	Paper B	11:25
6	Knowledge & Skills Survey of pension committees and boards	Paper C	11:40
7	Good Governance		11:50
8	ICAEW report on audit	Paper D - CONFIDENTIAL	12:00
9	Update from recent LGA meeting with TPR		12:15
10	Update on workplan and workstreams	Paper E	12:25
11	AOB and date of next meeting		12:50

Compliance and Reporting Committee

MEETING OF 23rd OCTOBER 2023

Item 3 – Paper A

HYBRID MEETING HELD ON 19th JUNE 2023

ACTIONS AND AGREEMENTS

PRESENT

Mark Wynn	Chair
Jeffrey Dong	Welsh Treasurers
Karen Gibson	Practitioner – County Councils
Richard McIndoe	Practitioner – Scottish Authorities
Nemashe Sivayogan	Practitioner – London Borough
Robert Branagh	Practitioner – LPFA
Kevin Gerard	Practitioner – Wales
Nicola Todd	Practitioner – Northern Ireland
Fiona Miller	Border to Coast
Nick Harvey	CIPFA
John Boyd	Audit Scotland
Paul Mayers	NAO
Oliver Simms	ICAEW
Peter Worth	Adviser
Alan Wareham	DLUHC
Joanne Donnelly	LGA – Board Secretary
Jeremy Hughes	LGA – Deputy Board Secretary
Ona Ehimuan	LGA – Pensions Secretary
Gareth Brown	LGA – Data Analyst

Items 1 & 2 – Welcome, apologies, introductions, and meeting protocol

1. Mark Wynn (MW) welcomed attendees to the meeting and advised them of the meeting protocol.
2. Apologies were received from Ian Williams (LB Hackney), Rachel Brothwood (Practitioner – Metropolitan Authorities), John Jones (Local Pension Board Representative), John Neal (UNITE), George Georgiou (GMB) and Becky Clough (LGA). There were no declarations of interest.

Item 3 – Matters arising from the meeting of April 2023

3. The actions and agreements of the meeting on 17th April 2023 were agreed as an accurate account of the meeting.

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Item 4 – SAB Update

4. Jeremy Hughes (JH) introduced the item to the committee. The Code of Transparency had been successful since its inception with over 90% of AUM being held by Code signatories. The data system used for investment cost reporting had been created by Byhiras in 2019 under a 5-year contract which expires in August 2024 (although it includes provision for a two-year extension). The Board agreed that a paper on options and a timetable for decisions would be brought to its next meeting in July.
5. The tenth SAB [Annual Report](#) was due to be published on 26th June 2023. Highlights include a slight increase in the maturity of the scheme and a decrease in life expectancy post COVID, along with a significant increase in management fees, perhaps explained by performance and some shifts into more expensive asset classes. Work on the Scheme Valuation Report was due to be completed in July 2023, with the help of Barnett Waddingham, and would be published on the SAB website shortly afterwards.
6. The HMT draft Valuation Directions had been shared in confidence with the CMBDA committee and would be discussed at the next committee meeting on 26th June 2023.
7. Various government consultations were still outstanding. It was expected that the pooling consultation would be published before summer recess and DLUHC had confirmed that climate risk reporting requirements would not be implemented until April 2024, at the earliest. It was also confirmed that the Minister would not be removing the upper age limit for death grants, despite advice that not doing so was legally risky.
8. On the publication of the Scheme Annual Report, Nemashe Sivayogan (NS) asked whether it would be a draft version considering that many funds had not yet completed the audit of their reports for 2021/22. Gareth Brown (GB) confirmed that the report is not a draft version but does make use of draft pension fund reports where audited data is not available. For any pension funds that had not published a draft report for 2021/22, the last available audited report was used.
9. NS also highlighted that some audit firms were not following the CIPFA/NAO issued guidance on the need to restate certain figures in their annual accounts now that more reliable 2022 valuation data was available. It was confirmed that this was an issue to be discussed at the next Audit Summit on 12th July 2023.
10. The Board had expressed support for the ongoing work of the CRC, and it was confirmed that Board Chair, Cllr Roger Phillips would be meeting with the Minister on 21st June 2023.

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Item 5 – Committee Workplan

11. MW introduced Paper B to the committee and invited the chairs of the workstreams to give updates.
12. JH gave the update for the **Funding Strategy Statement Guidance** workstream in Rachel Brothwood's absence. The working group was still working to identify common themes across selected examples of current FSS with a view to identify potential changes to future guidance. The group was also thinking about how the guidance could reflect the situation when many funds were in surplus. This was a new position for many funds and employers, and it raised questions about possible exits for admitted bodies and the treatment of surpluses in employer accounts.
13. Peter Worth (PW) added that CIPFA had drafted new guidance on reporting surpluses in accounts, but this applied to admitted bodies as opposed to local authorities. This would be discussed at the next Audit Summit on 12th July 2023. John Boyd (JB) said that he would also share the guidance issued by Audit Scotland on the issue of recognising surpluses. **[POST MEETING NOTE: the guidance can be found on [pg.17 of Audit Scotland's June 2023 Technical Bulletin 2023/2](#)]**
14. PW updated the Committee on the **Annual Report Guidance** working group. The group had reached a consensus on areas to be kept, changed or removed from the guidance. On the use of hyperlinks, Alan Wareham (AW) said that the Department was taking legal advice on whether this met the requirement of the regulations that the annual report include fund policy and strategy statements.
15. NS asked whether the changes to the Annual Report guidance would be in place before the 2022/23 pension fund audit which would begin in October. PW expressed that this was unlikely and there were various issues that were yet to be resolved. If guidance were to be issued in the coming months, it would be advisory for 2022/23 audits before becoming more formalised ahead of 2023/24 audits.
16. MW commended the work of the Annual Report group and said that it would be good to circulate an update to practitioners as this would be an area that many would be interested in.

ACTION – That the Secretariat draft an update message to be shared with practitioners on the work of the Annual Report workstream.

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17. NS updated the Committee on the **Audit Issues** workstream. On the issue of pension fund separation, the group had gathered evidence to support the argument for separation and was waiting for DLUHC to table primary legislation on the issue. AW informed the Committee that there had been engagement with the Minister on this issue, but no further progress could be made until the Department had identified an appropriate legislative vehicle. NS also stated that conversations with London fund officers revealed further support for this change and asked AW how important the issue was on the Department's list. Some present expressed a view that many roundtables had been held with the Department on different issues, and too often they had seemed to result in little progress. AW was asked whether the Department would be able to push this piece of work forward with the Minister. AW stated that this could not be confirmed at this stage but there had been discussion with their legal advisors on this piece of work.

18. On the issues of asset allocation and different materialities, Oliver Simms (OS) confirmed that two separate working group meetings had been held between auditors and actuaries following the Audit Summit on 20th April 2023. All parties agreed that guidance would be helpful which sets out:

- the timeline
- information flow through a valuation period and
- the processes in place to provide assurance.

19. This information will help auditors meet the requirements of understanding the scheme and its controls as well as knowing where to request the information required. However, questions remained of where the resource would come from to compile this guidance. This issue would be discussed at the next Audit Summit.

20. It was agreed that the agenda items for the next Audit Summit be shared with the Committee for comment.

ACTION – That the Secretariat share the agenda items for the next Audit Summit with the Committee.

21. Jeffrey Dong (JDo) updated the Committee of the **Review of Guidance on Administration, Communications and Governance** workstream. The group was looking to identify opportunities for meaningful outputs whilst awaiting a ministerial readout and had agreed with the suggestion from DLUHC that it review the 2008 LGPS Governance Compliance Statement Guidance from DLUHC. The group would be welcoming two new members, Nemashe Sivayogan (LB Merton) and Jo Quarterman (Norfolk).

22. MW noted that there was likely to be some overlap on the work of this group and the Knowledge and Skills working group.

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23. MW asked for the Secretariat to help him draw up and send a message of thanks to all those who had participated in the different working groups.

ACTION – That the Secretariat draft a note for MW to thank working group members for their contributions.

Item 6 – Knowledge and Skills Survey Summary

24. Gareth Brown (GB) introduced Paper C to the Committee and gave a high-level summary of the Knowledge and Skills Survey which closed on 19th April 2023. The Committee was then invited to comment.

25. Fiona Miller (FM) asked about the response rate from Pension Committee members and raised the issue of statistical significance given the smaller proportion of responses from this group.

26. PW also raised the issue of validity within the context of self-assessment. JH acknowledged both points but stated that many respondents displayed a level of frankness that suggests that they were realistic in their assessment of their own performance.

27. NS stated that there were two main issues to be addressed. Firstly, there was a need to accurately identify the training needed and secondly, a need to ensure compliance and ensure that training is completed. She noted that the latter was currently difficult but emphasised the importance of ensuring compliance with training requirements. PW reiterated that compliance was highly important and needed to be improved across the local government sector.

28. The Committee agreed that the training should include content on understanding accounts and identifying risks accurately. This could contribute to better risk management in funds and local authorities relating to financial and investment decisions.

29. JH noted that the most recent Knowledge and Skills guidance was published in 2021, so the group was not looking to make substantive changes. The aim going forward would be to pull together thoughts on how Knowledge and Skills training could be made better. It was suggested that this could be covered in a session at the next LGA LGPS Governance conference, to be held on 18-19th January 2024 in York.

30. The Committee agreed that the survey results provided enough information to identify areas where improvements were needed and to identify key messages to be shared.

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31. However, the Committee also asked the Knowledge and Skills working group to carry out a further survey specifically targeted towards Pension Board and Committee members.

ACTION – That the Knowledge and Skills working group consider issuing a survey targeted to Pension Board and Committee members.

Item 7 – Update on the Committee Action Plan

32. Ona Ehimuan (OE) introduced Paper D to the Committee and provided information on overarching issues relating to the workstreams. On CIPFA's involvement with drafting guidance, MW confirmed that he and Joanne Donnelly (JD) would be meeting with Sarah Sheen at CIPFA to discuss CIPFA's role. The Secretariat would also be working on a high-level project plan to help manage the pressures that could be created from multiple deadlines now that some workstreams were moving towards drafting guidance. The Committee noted this update.

Item 8 – Any Other Business and date of next meeting

33. MW informed the Committee that OS would be stepping down from the CRC and this would be his last meeting before he started a new role at the Financial Reporting Council. MW thanked OS for his contributions to the Committee. OS confirmed that Amelia Pickard would be taking his place in the Audit Issues working group and his replacement for the CRC would be announced once his successor at ICAEW started their role.
34. JD informed the Committee that the frequency of meetings would be an item for discussion at the next Board meeting on 17th July 2023. The current Terms of Reference for the Board and Committees mandated a minimum of four meetings per year, but the Board would be considering a reduction to three times a year to allow for smoother and more manageable workflow. The Committee agreed that if the Board moved to a three-meeting cycle then it would follow the same pattern.
35. The date of the next meeting was confirmed as 23rd October 2023.

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ITEM 5 – PAPER B

ANNUAL REPORT GUIDANCE – WORKSTREAM UPDATE

Current position:

1. Workstream participants have reviewed the 2019 Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and identified changes required to improve the current guidance and bring it up to date.
2. A revised version of the guidance, with tracked changes from the old version, is now ready to move to final drafting and public consultation. However, consideration needs to be given to the proposals in DLUHC's recent [Investments Consultation](#) and how these could affect the final publication timetable.
3. Within the [Investments Consultation](#) document, question 5 specifically asked for respondents to comment on the proposal for additional reporting within the fund Annual Report and pushes for consistency in reporting of assets with paragraph 38 proposing *'to require a single standard set of data on investments across annual reports and LGPS statistics'*.
4. More consistency of reporting across fund Annual Reports is welcome, however the timetable for any new reporting needs to be considered. The timeliness of DLUHC's response to the Investments Consultation outcome is critical for many in the LGPS, but specifically for the Annual Report guidance it will have an impact on the timetable if any new proposals are delayed. The new Annual Report guidance is proposed to be in place from 1 April 2024 and it is acknowledged that officers will need the new guidance as early as possible in the calendar year of 2024 to prepare.
5. The SAB secretariat are in discussions with DLUHC to ensure that any proposals affecting the Annual Report guidance are shared as soon as possible to avoid the need to update the guidance again, and to give funds as much time as possible to prepare. However, it is acknowledged that it may not be possible for funds to report on all the new requirements for the 2023/24 reporting year (for reports to be published by 1 December 2024) as changes to the recording and reporting of data may take time to implement.
6. It was reported at the June 2023 CRC meeting that fund administration officers will be invited to provide feedback separately on the

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administration Key Performance Indicators (KPIs) in the current guidance and this was undertaken using the National Technical Working Group.

7. In total, 9 funds met with the SAB Secretariat individually to provide feedback on how the current administration KPIs could be developed and feedback was also received by the SAB Secretariat attending Pension Officer Groups. The team will also present the developments to the Pension Administration Managers conference in November 2023 in Torquay.
8. It is noted that some of the new administration KPIs might not be currently collected and/or reported by all funds but feedback indicated that including them in the guidance would help funds develop these areas in the future. The administration KPIs have been expanded to champion the engagement work undertaken in addition to actual casework such as retirements and deaths. The new KPIs also aim to highlight the time spent dealing with scheme members and employer queries and will be useful to monitor whether this increases or decreases in the future.
9. The SAB secretariat are also considering whether any administration KPIs can be collected and reported at scheme level, to be included in the SAB Annual Report. This would not be for a benchmarking or league table exercise, instead it would highlight the volume of work and any emerging issues in the administration arena.
10. Workstream volunteers have also highlighted to DLUHC the requirement under Regulation 57 of the LGPS regulations 2013 for funds to reproduce policy statements within the Annual Report. This is seen as an unnecessary requirement and a request has been made to DLUHC to allow the appropriate website links instead.

Next steps:

11. The Committee has previously noted inconsistent compliance with the existing annual reporting guidance by funds. It is therefore important that all funds are helped and encouraged to adhere to the new Annual Report guidance and the workstream have acknowledged that this is critically dependent on the guidance being freely available and published in good time to be built into the 2023/24 reporting period timetables. However, confirmation of the final drafting timetable is largely dependent on the outcome of Item 4 on the agenda.

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ITEM 6 – PAPER C

KNOWLEDGE AND SKILLS WORKSTREAM – UPDATED SURVEY TO PENSION COMMITTEE AND BOARD MEMBERS.

1. Earlier in the year the Secretariat issued a survey designed by members of the Knowledge and Skills workstream to funds to obtain views on knowledge, skills and training issues for Pension Committee and Pension Board members. The response rate to that survey was good but responses were mainly from fund officers. We received few responses from Pension Committee and Board members. At the June 2023 CRC meeting, it was recommended to issue another survey specifically tailored to Pension Board and Committee members to capture their views on training as it was felt to be important to have that information as well.
2. Members of the Knowledge and Skills workstream, along with the SAB secretariat have compiled a new survey focusing on collecting the individual views of members of LGPS Pension Committee and Boards. The questions posed cover a broad scope, asking for views on the effectiveness of training methods, any barriers in place which may prevent access to training and incentives which could improve training take-up. For reference, the questions posed can be found in Annex A.
3. The survey will have been issued by the time the Committee meets so a verbal update will be given at the CRC meeting on the progress of responses. The contacts held in the Pensions Team database have been used to issue the survey to individual Pension Committee and Board members email addresses. Funds are required to update this database and despite reminders to update, we are aware that there are gaps in contacts, or the details might not be the most up to date. To ensure the survey reaches the intended audience, an email has also been sent to Pension Managers to forward on to their governance contacts. The SAB secretariat team are currently exploring other options with the LGA's internal research team which could be used to identify LGPS pension committee and board members directly.
4. The survey results will be shared with the Committee and announced at the Governance conference in January 2024. They will also be used to determine whether there are any specific recommendations which can assist funds in this area.

ANNEX A – Knowledge and Skills in the LGPS – survey questions for Pension Committee and Board members October 2023 – see below



Knowledge and Skills in the LGPS - a survey of Pension Committee and Board members

1. Please describe your role within your pension fund

- ☐ Pension Committee member
- ☐ Pension Board member

2. Please indicate your specific role within your fund (choose all that apply)

- ☐ Chair
- ☐ Vice-chair
- ☐ Councillor
- ☐ Employee representative (non-union)
- ☐ Employee representative (union)
- ☐ Employer representative
- ☐ Non-voting
- ☐ Voting
- ☐ Union representative
- ☐ Other (please specify)

3. Please confirm the name of the fund you are representing

4. How long have you been in your current role?

Less than 12 months

Between 12 months
and 3 years

More than 3 years

5. When you started in your role did you receive an induction?

- ☐ Yes
- ☐ No
- ☐ Not sure

6. When did you last receive training for your role? (Include any e-learning or in-person specific training events or training as part of a formal meeting)

- ☐ In the last 3 months
- ☐ Between 3 and 6 months
- ☐ Between 6 and 9 months
- ☐ Between 9 and 12 months
- ☐ Longer than 12 months
- ☐ Other (please specify)

7. How much knowledge of the LGPS did you have before you started your role?

- ☐ None
- ☐ Some awareness of
- ☐ Conversant (i.e working knowledge)
- ☐ Advanced
- ☐ Expert

Other (please specify)

8. Which areas did you have specific knowledge of?

- ☐ Pensions legislation and guidance
- ☐ Pensions governance
- ☐ Funding strategy and actuarial methods
- ☐ Pensions administration and communication
- ☐ Pensions financial strategy, management, accounting, reporting and auditing standards
- ☐ Investment strategy, asset allocation, pooling, performance and risk management
- ☐ Financial markets and products
- ☐ Pension services procurement, contract management and relationship management
- ☐ Other (please specify)

- ☐ None of the above

9. What areas would you like further training in?

- ☐ Pensions legislation and guidance
- ☐ Pensions governance
- ☐ Funding strategy and actuarial methods
- ☐ Pensions administration and communication
- ☐ Pensions financial strategy, management, accounting, reporting and auditing standards
- ☐ Investment strategy, asset allocation, pooling, performance and risk management
- ☐ Financial markets and products
- ☐ Pension services procurement, contract management and relationship management
- ☐ Other (please specify)

- ☐ None of the above

10. How would you rate your knowledge level now?

- ☐ None
- ☐ Some awareness of
- ☐ Conversant (i.e working knowledge)
- ☐ Advanced
- ☐ Expert

11. Were you aware of any knowledge and skills requirements before starting your role?

- ☐ Yes
- ☐ No

12. On average, how many hours' training per year do you receive in relation to your role?

- ☐ None
- ☐ Not sure as new to role
- ☐ Less than 5 hours
- ☐ 6-10 hours
- ☐ 11-20 hours
- ☐ 21-30 hours
- ☐ 31-40 hours
- ☐ More than 40 hours

13. Does your fund undertake an annual knowledge and skills assessment to help identify any potential gaps in knowledge?

- ☐ Yes
- ☐ No
- ☐ Unsure

14. Do you think knowledge and understanding of Committee and Board members should be assessed?

- ☐ Yes
- ☐ No

Other (please specify)

15. Do you agree that an individual annual knowledge and skills assessment helps identify any potential gaps in knowledge?

- ☐ Strongly agree
- ☐ Agree
- ☐ Somewhat agree
- ☐ Neither agree nor disagree
- ☐ Somewhat disagree
- ☐ Disagree
- ☐ Strongly disagree

16. What prevents you from attending training events organised by your fund?

- ☐ I have no issues attending training
- ☐ Lack of time
- ☐ Training events take place in the day and I have a full time job
- ☐ Training offered by fund not suitable
- ☐ It's not mandatory
- ☐ Training not needed
- ☐ Other (please specify)

17. Select the approaches (all that apply) which you think are effective to help you obtain the appropriate level of knowledge and skills.

- ☐ Training briefings as part of formal meetings
- ☐ Annual training day
- ☐ Annual training plan
- ☐ Quarterly training events (separate to Committee or Board meetings)
- ☐ Training agenda item at each formal meeting
- ☐ Attendance at external training events
- ☐ Attendance at conferences / seminars
- ☐ Access to online learning
- ☐ Payment of an allowance/honorarium to cover the time for attendance
- ☐ Other (please specify)

18. Select the approach (one only) which you think is the most effective to you help you obtain the appropriate level of knowledge and skills.

- ☐ Training briefings as part of formal meetings
- ☐ Annual training day
- ☐ Annual training plan
- ☐ Quarterly training events (separate to Committee or Board meetings)
- ☐ Training agenda item at each formal meeting
- ☐ Attendance at external training events
- ☐ Attendance at conferences / seminars
- ☐ Access to online learning
- ☐ Payment of an allowance/honorarium to cover the time for attendance
- ☐ Other (please specify)

19. If not currently available, would you support making payments to Board and Committee members to encourage the development of the skills and knowledge needed to oversee the management of the Fund?

- ☐ Yes
- ☐ No

Other (please specify)

20. Do you think the publication of training you have undertaken in the annual report would encourage attendance?

- ☐ Yes
- ☐ No

21. Do you agree that the legislative requirement under the Public Service Pensions Act 2013 that Pension Board members '*must have knowledge and understanding of the law relating to pensions, and such other matters as may be prescribed*' should be extended to Pension Committee members?

- ☐ Strongly agree
- ☐ Agree
- ☐ Somewhat agree
- ☐ Neither agree nor disagree
- ☐ Somewhat disagree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Other (please specify)

22. Would you welcome scheme wide guidance on minimum training requirements for the LGPS?

- ☐ Yes
- ☐ No

23. Have you received any training on non-pension skills to help you in your role? (i.e. decision making, the 'Devil's advocate' technique, communication, teamworking, leadership, using data to make informed decisions, risk bias)

- ☐ Yes
- ☐ No
- ☐ Other (please specify)

24. Do you think this type of non-pensions training is important?

- ☐ Yes
- ☐ No
- ☐ Other (please specify)

25. Would you support a peer review system whereby a network is created for pension committees and boards to seek fellow members' views to provide an external perspective on training?

☐ Yes

☐ No

26. Would you welcome scheme wide training data to be collected and published to understand how your fund compares nationally?

☐ Yes

☐ No

☐ Other (please specify)

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ITEM 10 – PAPER E

WORKSTREAM UPDATE

This paper summarises the agreements and the work undertaken by each of the five workstreams since the last CRC meeting in June 2023. Each group has met twice since the last CRC meeting and the SAB secretariat wishes to thank all volunteers within each workstream for their input into each project.

Funding Strategy Statement (FSS) Guidance

Lead Officer	Rachel Brothwood (West Midlands Pension Fund)
Supported by	Ian Howe (Leicestershire CC); Sara Maxey (Essex CC); Nick Harvey (CIPFA), James Graham (Kent), Alan Wareham (DLUHC) and Julia Grace (Avon)
Start Date	September 2022
Target Completion Date	Target is set as Spring 2024 to allow funds to start to prepare for the 2023/24 reports, but this hasn't yet been confirmed. Although it is accepted that funds may need a full year (or longer) to make changes to data not currently collected in the 2023/24 reporting year.

Meetings since June 2023: 25th July 2023 and 19th September 2023

1. Current position

In July 2023, the group welcome a new member, Julia Grace from Avon Pension Fund.

Using the findings of a review of a sample of fund policies and workstream volunteers' feedback, the group has produced a high-level list of contents as a start to shape the new FSS guidance. During the review of sample policies, it was noted that there are many different styles and approaches used by funds but also a difference in terminology and depth of information provided. The high-level contents list combines a range of best practice examples produced by funds of varying size, location and actuarial adviser used. As a document largely covering actuarial assumptions, it is common for FSS documents to be similar in content across the funds who use the same actuary.

It was also noted that some funds use the FSS to state fund policy but also some go further to outline operational process, which was thought to be best practice by the workstream.

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As the current FSS guidance was produced in 2016 there are several topics not currently covered which the new guidance aims to address, such as an increase in the number of employers, setting up of academies/Multi Academy Trusts and treatment of specific employer events such as exits.

The timetable and process for moving to the next stage on this document is dependent on the outcome of Item 4 on the agenda.

2. Next steps:

Drafting final guidance timetable to be drawn up

Annual Report Guidance

Lead Officer	Peter Worth (TAS Accounting)
Supported by	Ian Howe (Leicestershire CC); Dominic Taylor (Staffordshire CC); Sara Maxey (Essex CC); Nick Harvey (CIPFA); George Graham (SYPF); Alan Wareham (DLUHC)
Start Date	September 2022
Target Completion Date	April 2024
Meetings since June 2023:	19 th July 2023 and 2 nd October 2023

3. Current position:

Throughout the last six months the workstream volunteers have worked together to identify the key changes required to the current Annual Report guidance issued by CIPFA and these have been agreed by the workstream.

It was reported at the last CRC meeting that administration teams will be invited to provide feedback separately on the current administration Key Performance Indicators (KPIs) and this was undertaken using volunteers from the National Technical Working Group.

A revised version of the guidance, with tracked changes from the old version and a checklist agreed by the group and DLUHC, is now ready to move to final drafting and public consultation. However, any new proposals from DLUHC's response to the recent [Investments Consultation](#), which affect the Annual Report guidance, do need to be considered and the SAB secretariat are in discussions with DLUHC about how these fit into the timetable, considering that the consultation has just closed.

It would be helpful to include any new proposals in the new guidance and DLUHC have been made aware of the drafting timetable so the new guidance can be applicable from April 2024, but available as early as possible to allow funds to prepare.

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4. Next steps:

The timetable and process for moving to the next stage on this document is dependent on the outcome of Item 4 on the agenda.

Audit Issues

Lead Officer	Nemashe Sivayogan (Merton LB)
Supported by	Melanie Stokes (Staffordshire CC); Sara Maxey (Essex CC); Nick Harvey (CIPFA); Sean Johns (Cornwall CC); Peter Worth (TAS Accounting); Joana Marfoh (Islington LB); Bola Tobun (Harrow LB), Amelia Pickard (The Institute of Chartered Accountants in England and Wales (ICAEW)), Alan Wareham (DLUHC)
Start Date	August 2022
Target Completion Date	To be confirmed
Meetings since June 2023: 3 rd July 2023 and 4 th October 2023	

5. Current position:

At the last meeting of the working group, there was unfortunately no substantive update on finding an appropriate legislative vehicle to change primary legislation to allow the separation of pension fund accounts, and therefore audits, from the administering authority accounts. There is increasing speculation that the ARGA Bill (which is a potential vehicle) will not now feature in the Kings Speech on 7 November.

At the Audit Summit in July 2023, the working group agreed that it would be useful to produce some guidance suitable for various audiences that would set out the timeline and information flow throughout a triennial valuation period to help aid understanding and signpost the different parties, and in particular auditors, to where they should be requesting the information that they need. Following the meeting, the group agreed a specification to procure a short, factual guide that would describe the flow of information between LGPS stakeholders throughout the triennial valuation cycle and the annual IAS19 valuation cycles. This would enable the various parties to understand who held what information, how it was being relied on, for what purpose and what assurances could be placed upon it (summarised as “where is the best version of the truth”). The proposed audience would be actuaries, auditors, fund practitioners and employers.

6. Next steps:

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The SAB secretariat is currently in discussions with the ICAEW on the different options for funding the production of this guidance.

Administration, Communications and Governance workstream (now called Good Governance and Administration)

Lead Officer	Jeff Dong (Swansea PF)
Supported by	Kevin Gerard (Carmarthenshire PF); Nick Harvey (CIPFA), Alan Wareham (DLUHC), Nemashe Sivayogan (Merton PF) and Jo Quarterman (Norfolk PF)
Start Date	November 2022
Target Completion Date	To be confirmed
Meetings since June 2023: 10 th July 2023 and 25 th September 2023	

7. Current position:

The group suggested that the name of the workstream is changed to reflect the scope of its work more accurately to the 'Good Governance and Administration working group'.

The group reviewed the statutory guidance from DLUHC on the preparation of a Governance Compliance Statement but felt that as it was quite out of date, as it was issued in 2008. The group felt it would be difficult to update this document and therefore new guidance should be drafted from scratch, taking into consideration the recommendations made by SAB in 2021. The group have developed a list of topics to be included in the revised statutory guidance document and topics which could be produced as additional SAB guidance.

The SAB secretariat team has met with DLUHC over the Summer to progress this workstream.

The group provided detailed feedback on the suggested content for future statutory guidance, and this is being considered by DLUHC.

8. Next steps:

The group to provide any final comments to DLUHC for consideration when collating the statutory guidance consultation, and DLUHC to confirm when the consultation on replacement guidance will be (likely in 2024). SAB to consider how to include the production of SAB guidance on these issues as part of setting the 2024/2025 workplan.

Compliance and Reporting Committee (CRC)

Knowledge and Skills Framework

Lead Officer	John Jones (Local Pension Board Chair)
Supported by	Karen Gibson (Dorset CC); Nick Harvey (CIPFA); Heidi Catherall (Cheshire PF); Justin Bridges (Shropshire PF); Alison Grange (Shropshire PF), Alan Wareham (DLUHC)
Start Date	December 2022
Target Completion Date	March 2023
Meetings since June 2023: 18 th July 2023 and 14 th September 2023	

9. Current position:

The group have progressed with the recommendation made in the June 2023 CRC meeting to issue another survey specifically tailored to Pension Board and Committee members, as the completion of the survey issued earlier in the year by this cohort was low.

The group considered an initial draft at its September meeting and has now finalised the text.

The survey was issued on 13th October 2023 and closes on 29th October 2023.

Next steps:

The findings of the survey will be analysed and presented at the Governance conference in 2024 and discussed by members of the workstream to consider any new actions required.
