

## Lancashire Local Pension Board

Meeting to be held on Tuesday, 20 April 2021

|  |
|--|
| Electoral Division affected:<br>(All Divisions); |
|--|

### Local Pension Partnership Administration – Audit Assurance Report

(Appendix A refers)

Contact for further information:

Sean Greene, Head of Fund, Sean.Greene@lancashire.gov.uk

#### Executive Summary

This report provides an update on progress of the PricewaterhouseCoopers (PwC) audit of the pensions administration functions of Local Pension Partnership Administration (LPPA).

#### Recommendation

The Board is asked to note the content of this report.

#### Background and Advice

Lancashire County Pension Fund is administered by Lancashire County Council. The Fund's administration and investment functions are provided by Local Pensions Partnership Ltd and its subsidiaries, Local Pensions Partnership Administration Ltd (LPPA) and Local Pensions Partnership Investments Ltd (LPPI).

The administration of the Fund is delegated to the Council's Pension Fund Committee. Under the Pension Regulator's Code of Practice 14, there are requirements for the scheme manager to establish and operate adequate internal controls which applies when services are outsourced to a third party. In addition, the Pension Board is required to 'monitor' and 'review' internal and external audit reports in relation to the Fund.

During the course of 2020, the Board discussed assurance regarding pension administration activity undertaken by LPPA and its internal audit function. It was agreed at the Board meeting in October 2020 that further audit work of the Local Pensions Partnership (LPP) would be commissioned from an external organisation.

This work is intended to supplement the work undertaken by Deloitte as the internal auditors of LPP and provide additional assurance to the Fund for the financial year 2020/21. PwC was commissioned by Lancashire County Council to undertake this assurance work.

The scope of this audit work was finalised in December 2020 and a copy of the terms of reference is enclosed at Appendix 'A' for information. The focus of this work is to review and assess the design and operating effectiveness of the processes and controls in place at LPPA for processing benefit calculations arising on retirement, death and transfers out of the scheme.

PwC commenced work on the 11<sup>th</sup> January 2021 and is due to issue a report by the end of April 2021. Once the report has been finalised a copy will be presented to the Pension Fund Committee on 18<sup>th</sup> June 2021 and at the subsequent Board on the 6<sup>th</sup> July 2021.

## **Consultations**

Head of Internal Audit and Officers at Local Pension Partnership Administration Ltd

## **Implications:**

This item has the following implications, as indicated:

## **Risk management**

The Lancashire Local Pension Board provide scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective compliance with the Pension Regulators' Code of Practice 14.

## **Local Government (Access to Information) Act 1985 List of Background Papers**

| Paper   | Date       | Contact/Tel               |
|---|------------|---------------------------|
| Code of Practice 14 – Governance and administration of public service pension schemes                                       | April 2015 | Sean Greene               |
| Assurance reports on internal controls of service organisations made available to third parties TECHNICAL RELEASE 01/20 AAF | 2020       | Ruth Lowry (01772 534898) |