



Pension Fund Board agenda

Date: Wednesday 13 December 2023

Time: 10.00 am

Venue: Jubilee Room - The Gateway Gatehouse Road, Aylesbury HP19 8FF

Membership:

B Black (Scheme employer representative), P Dearden (Scheme member representative), R Ellis (Scheme employer representative) (Chairman), T Pearce (Scheme member representative), Rulton (Scheme Employer Representative), I Thompson (Scheme member representative) (Vice-Chairman) and J Whiteley (Scheme employer representative)

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To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local	

Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

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If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Harry Thomas via democracy@buckinghamshire.gov.uk



Pension Fund Board minutes

Minutes of the meeting of the Pension Fund Board held on Thursday 26 October 2023 in The Paralympic Room, Buckinghamshire Council, Gatehouse Road, Aylesbury HP19 8FF, commencing at 10am and concluding at 11:48am.

Members present

B Black, P Dearden, R Ellis, A Rulton, I Thompson and J Whiteley

Others in attendance

J Edwards M Preston and S Price

Agenda Item

1 Apologies / Declarations of interest

Apologies were received from Claire Lewis-Smith and Tina Pearce.

2 Minutes of the Pension Fund Board

RESOLVED: Members of the Board AGREED the minutes of the Pension Fund Board held on 19th July 2023.

The following matters arising were discussed:

My Pensions Online - The testing and development of the Heywood software employee module had been progressing well and things were on track for the scheduled December/early January deadline to go live. A more comprehensive update would be provided at the December meeting of the Board as that deadline approached.

Following the comments made about difficulty accessing back copies of newsletters via My Pension Online, it was confirmed that broken links had been found and replaced with ones that took visitors to the correct document.

3 Minutes of Pension Fund Committee

RESOLVED: That the minutes of the Pension Fund Committee held on 27th September 2023 be noted.

The following matters arising were discussed:

DLUHC LGPS Pooling Consultation – The Government consultations that related to a 10% allocation to Private Equity for the LGPS and the consolidation of LGPS Assets into the Pools by March 2025 had concluded on 2nd October 2023. The Government was considering the responses received. The Assistant Director of Finance was happy to provide feedback to the Board once the Government had issued its guidance. There was no timetable currently in place for this.

4 Breaches of the Law

Buckinghamshire Council had developed a procedure reflective of the guidance contained in The Pension Regulator’s Code of Practice to enable individuals responsible for reporting and whistleblowing under Section 70 of the Pensions Act 2004 (“the Act”) to identify, assess and report (or record if not reported) a breach of law relating to the Buckinghamshire Pension Fund. An appendix detailed instances in the period Q2/3/4 for 2022/23 and Q1 for 2023/24 in which breaches had occurred.

The Assistant Pensions Administration Manager clarified that there had been an increase in the number of refunds issued between Q3 and Q4 2022/23, with 47 refunds of employee contributions paid in excess of 5 years since their date of leaving (up from 23). This increase was due to a successful member tracing exercise. The LGPS Regulations 2013 stipulated that all contribution refunds must be paid before the expiry of 5 years of the member leaving. However, if a member did not claim the refund, or could not be reached due to outdated contact/banking information, there was little that the Pensions Administration Team could do to meet the deadline, causing an administrative breach.

A discussion was held about the manageability of situations where an individual (often a younger person) had been enrolled in several pension schemes as their employment situation changed. It was hoped that Department for Work and Pensions’, ‘Pensions Dashboard’ programme might mitigate this problem in the future.

The annual benefit statement breach has been removed from the breach log as 100% were issued for the 2022/23 scheme year.

RESOLVED: That the report be noted.

5 Annual Report Extract

The Local Government Pension Scheme (LGPS) Regulations 2013 required the Buckinghamshire Pension Fund to draft an Annual Report each year in accordance with Chartered Institute of Public Finance (CIPFA) guidance. The report detailed governance arrangements of the Fund, scheme administration, financial and investment performance, the Buckinghamshire Pension Fund Statement of Accounts, and the Fund’s policy statements.

Members noted the following highlights:

- Membership of the Fund increased by 1.1% from 83,809 at 31 March 2022 to

86,769 at 31 March 2023.

- The Fund processed 1,157 retirements during 2022/2023.
- The Fund paid out a total of £132,997,000 in pension benefits.
- The Fund collected a total of £165,961,000 in contributions.
- The triennial actuarial valuation estimated the funding level increased from 94% on 31 March 2019 to 104% on 31 March 2022.
- Net assets available to Fund benefits were £3,741,873,000.
- On 31 March 2023, 96% of the Fund's assets had been transitioned to the Brunel Pension Partnership.

Following the request made by the Chairman at the meeting on 19th July, pages 1-44 of the Annual Report had been brought back to the Board for comment. The following key points were raised:

The 'Pension Fund Accounts' had been amended and updated to reflect amendments requested by auditors.

During discussion around the balance between the provision of a stable pension, and ethical investment, the Pensions & Investments Manager confirmed that the Brunel Pension Partnership (in which 96% of the Buckinghamshire Pension Fund's assets were currently transitioned), aligned its investments with the targets set under the Paris Agreement in relation to greenhouse gas emissions and carbon neutrality, as set out in their Responsible Investment Policy Statement and Climate Change Policy.

Attention was drawn to some figures contained in the report extract which appeared anomalous to members, and were earmarked for double checking to ensure their veracity. These were as follows:

- The 'Return' figure of 8.8% (Page 44) which was also reflected in Tables 1,2 and 3 on pages 81,82 and 83.
- The 'Forecast' figures related to management expenses in Table 1 (Page 69)
- The percentage figures of 'Payments Received Late' and 'Payments Received on Time' in 2022/23 in Table 7 (Page 71)
- The 'Average Employee's Contribution' figures for Princes Risborough Town Council and Priory Rise School in Table 9 (Page 76)

The Pensions & Investments Manager also agreed to produce a report to compare the amount paid in fees (detailed in the cost transparency table on page 83) against other Funds. This would be submitted to a future meeting of the Board, likely in the new year.

ACTION

RESOLVED: That the report and the Board's comments be noted.

6 **Forward Plan**

The Board made the following comments on the forward plan:

The title of the 'i-Connect/Pensions Online Update' item scheduled for 27th March 2024 would be adjusted by the Assistant Pensions Admin. Manager to better reflect the intended discussion focusing on the My Pensions Online. It would also be listed as an annual item, as opposed to a bi-annual.

The 'Internal Administration Benchmarking' item had been moved to the December meeting in order to include results from the CIPFA benchmarking exercise.

The proposed 'Valuation Update' item had been removed from the December meeting, as it was no longer considered relevant.

The Cyber Policy item had been moved forward from December to allow any comments made by the Board to be passed on to the Pension Fund Committee in time for their next meeting on 15th November.

Official sign off was still being sought on the 2020/21 and 2021/22 accounts because the council's overall accounts had still not been signed off, and this needed to be done simultaneously. It was anticipated that the 2020/21 accounts would be signed off around December.

RESOLVED: That the work programme be noted.

7 **Administration Performance Statistics**

The Board received a report on the performance of the Pensions Administration Team as follows:

Benefit Administration - Priority Areas

The target was to achieve a minimum of 95% of priority tasks completed within relevant turnaround times which were reported on quarterly. The team had achieved an average 97.08% completion rate over 2022/23 and had been meeting the 95% average target throughout the first two quarters of 2023/24. The previous area of underperformance (AVC's at retirement) had improved from 64% to 77%, though refunds had dropped from 99% to 90%. The Assistant Pensions Admin. Manager confirmed that this was due to delays caused by a GAD review, causing refunds to be put on hold for a short period of time, though the backlog had now been eliminated, and this would be reflected in future updates.

Open and Overdue Cases

The team regularly reviewed older overdue cases. As of 12th October 2023, there were 68 cases that were due for completion before 30 June 2023. Of these 68 cases, 60 were waiting for information from a scheme employer/scheme member/next of kin, 3 where information has been received within the last 2 days and 5 waiting to

be checked and complete. It was agreed that in future, the absolute number of cases would also be included in the table, to contextualise the percentage figures of overdue cases.

Employer Submissions/Data Reconciliation

Employers were due to submit data via i-Connect by 19th of each month. Monitoring took place monthly by the Employer Liaison Team to ensure submission. The aim was for 100% submission by the deadline however whilst i-Connect was still relatively new for some employers, the target was 95% with the intention of this increasing to 100%. 40 employer submissions were made after the deadline during quarter 2 of 2023/24, with 43% of these under 5 days late and it was hoped that late submissions would continue to reduce. It was explained that Employer Liaison Officers were on hand to help employers with late submissions to this end. Over quarter 2 of 2023/24, 1700 reconciliation reviews took place.

The Assistant Pensions Admin. Manager confirmed that she would check the figures for the number of new opt-out cases created in the Benefit Administration table on page 134 against the number of opt-outs listed for Q1 and Q2 2023/24 on page 139.

ACTION

RESOLVED: That the content of the report be noted.

8 Annual Benefit Statements - Administration Year End Update

The Assistant Pensions Administration Manager reported on the current position with regard to annual benefit statements.

100% of statements were issued to entitled active scheme members prior to the statutory deadline for the 2022/23 scheme year. All queries were resolved with employers and there were no outstanding queries.

Preparations had started for next year's statements with the intention to achieve the same result again. The Assistant Pensions Admin. Manager explained that owing to previous delays caused by the Communications Working Group, the team sought to issue their own communications moving forward. As many of the smaller employers already submitted their returns prior to the 30th April deadline, it was intended for the 2023/24 statements to be issued progressively from April onwards next year.

The officers were commended for achieving the issuance of 100% of ABS before the 2023 statutory deadline.

RESOLVED: That the report be noted.

9 Exclusion of Press and Public

RESOLVED: That the press and public be excluded for the following items as they were exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local

Government Act 1972 because they contained information relating to the financial or business affairs of any particular person (including the authority holding that information).

10 Administration Performance Statistics - Confidential Appendix

The Board Members discussed the contents of the confidential appendix and its implications.

RESOLVED: That the confidential appendix be noted.

11 Confidential minutes of Pension Fund Board

The Board Members discussed the matters arising from the confidential minutes of the Buckinghamshire Pension Fund Board.

RESOLVED: That the confidential minutes of the Buckinghamshire Pension Fund Board held on 19th July, be approved as a correct record.

12 Confidential minutes of Pension Fund Committee

RESOLVED: That the confidential minutes of the Buckinghamshire Pension Fund Committee held on 27th September, be noted.

13 Employer Risk Analysis

Board Members made comments on the contents of the employer risk analysis as requested.

RESOLVED: That the Board's comments on the results of the employer risk analysis be noted.

14 Cyber Policy

Board Members discussed and made comments on the contents of the cyber policy report.

RESOLVED: That the Board's comments on the Cyber Policy be noted.

15 Risk Register

RESOLVED: That the report be noted.

16 Pension Fund Performance

Board Members discussed and commented on the contents of the investment performance report.

RESOLVED: That the report be noted.

18 Any Other Business

The scheme members' webinar last year had been positively received. A similar webinar was scheduled for 29th November 2023, and details could be found in the Inform Newsletter.

17 **Date of Next Meeting**
13th December 2023

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Agenda Item 3
Buckinghamshire Council
Pension Fund Committee

Minutes

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON WEDNESDAY 15 NOVEMBER 2023 IN THE PARALYMPIC ROOM, BUCKINGHAMSHIRE COUNCIL, GATEHOUSE ROAD, AYLESBURY HP19 8FF, COMMENCING AT 2.00 PM AND CONCLUDING AT 4.40 PM

MEMBERS PRESENT

R Bagge, T Butcher, E Gemmell, I Macpherson, M Walsh and J Wilson-Marklew.

OTHERS IN ATTENDANCE

C Crozier, C Dobson, J Edwards, R Ellis, T English, R Fanshawe, C Lewis-Smith, M Passey, M Preston and M Stocks.

Agenda Item

35 APOLOGIES FOR ABSENCE

An apology for absence was received from A Collingwood.

36 MINUTES OF THE LAST MEETING

That the minutes of the Pension Fund Committee held on 27 September 2023 were agreed as a correct record.

37 BUCKINGHAMSHIRE PENSION FUND BOARD DRAFT MINUTES

That the draft minutes of the last Pension Fund Board meeting held on 26 October 2023 be noted.

38 STATEMENT OF ACCOUNTS AUDIT 2022/23

Mark Stocks of Grant Thornton attended the meeting and took Members through the report.

The Committee received the audited Statement of Accounts for the Buckinghamshire Pension Fund for the year ended 31 March 2023 (Appendix 1 to the report). The Pension Fund Accounts and Net Assets Statement showed that in the year to 31st March 2023 the value of the Buckinghamshire Pension Fund decreased by £171m to £3.741bn.

The Committee was informed that this was the net result of income received (£189m) including employers' and employees' contributions, transfers in from other pension schemes and other income; payments out including benefits (£133m), payments to and on account of leavers (£17m); management expenses (£22m) plus net losses on investments (£188m).

Reference was made to the audit work which had identified an issue in respect of the valuation

of Level 2 investments. The 31 March 2023 value in the accounts was overstated by £19.587m compared to the value in the 31 March 2023 capital statements. The Committee was informed that in completing further testing there was another potential overstatement of around £15m.

The capital statements are provided by the investment managers quarterly in arrears. The 31 March value in the accounts is based on the previous 31 December valuation adjusted for any payments to the fund or distributions received. Members were informed that there would always be a difference which would vary depending upon the volatility of the financial markets during the final quarter of the financial year.

The £19.587m represented 0.52% of the Buckinghamshire Pension Fund net asset value and management propose not adjusting the Statement of Accounts since the amount is not material. Grant Thornton was conducting some additional investment checks, and this value may change on finalisation of those checks.

In respect of the valuation of Level 3 investments, the 31 March 2023 value in the accounts was overstated by £6.323m compared to the value in the 31 March 2023 capital statements. This was not unusual that they were slightly overstated.

Reference was made to the work on IT where the recommendation was to remove ABAP debugger access from production and the auditor view was to use Firefighter accounts. In response to a question, the Committee was informed that Debuggers allow access into IT systems. A powerful tool was changing the programme codes.

In response to a question regarding overvaluations, Members were informed that this was down to the difference in share value prices in the passive world developed equities index fund. For example a small decrease in share prices creates a significant difference in the value.

RESOLVED – (1) That the Committee reviewed the Buckinghamshire Pension Fund 2022/23 Audited Statement of Accounts, including the External Audit findings and report.

(2) That the management’s proposed treatment of areas identified by the auditor be endorsed.

39 INVESTMENT STRATEGY STATEMENT

The Committee received an updated Investment Strategy Statement from Mercer.

Members were provided with proposed changes to the wording of the Investment Strategy Statement. Discussion took place on the suggested changes and the Committee asked that the document be updated and circulated to Members based on the points raised.

RESOLVED – That the updated Investment Strategy Statement be noted and Mercer be asked to update the document further as suggested during discussion.

40 CARBON METRICS REPORT

The Committee was informed that Brunel in partnership with Trucost have analysed the Buckinghamshire Pension Fund’s carbon footprint as at 31 December 2022. The Weighted Average Carbon Intensity (WACI) in December 2022 is 25% below the benchmark.

This reduction in the Buckinghamshire Pension Fund’s WACI compared to 2019 represented good progress towards achieving a 50% reduction in emissions by 2030.

Reference was made to the change in the benchmark and Members were informed that new data from new companies had shown that the value of the companies had changed. There were complexity with these metrics.

The carbon intensity industry has made greater returns which have skewed the numbers.

RESOLVED - That the Buckinghamshire Pension Fund carbon metrics for the year ending 31 December 2022 be noted.

41 PENSION FUND COMMITTEE FORWARD PLAN

RESOLVED – That the Forward Plan be noted.

42 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded for the following items as they were exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because they contain information relating to the financial or business affairs of any particular person (including the authority holding that information).

43 CONFIDENTIAL MINUTES OF THE LAST MEETING

RESOLVED – That the confidential minutes of the Pension Fund Committee held on 27 September 2023 be approved as a correct record.

44 BUCKINGHAMSHIRE PENSION FUND BOARD CONFIDENTIAL DRAFT MINUTES

RESOLVED – That the confidential draft minutes of the last Pension Fund Board meeting held on 26 October 2023, be noted.

45 CYBER POLICY

RESOLVED – That approval be given to the Cyber Policy and it be reviewed every three years.

46 BRUNEL PENSION PARTNERSHIP UPDATE

RESOLVED – That the Brunel Pension Partnership update be noted.

47 PENSION FUND PERFORMANCE

RESOLVED – That the investment performance of the Buckinghamshire Pension Fund for the third quarter of 2023 ending 30 September 2023 be noted.

48 MULTI-ASSET CREDIT UPDATE

RESOLVED – That the Multi-Asset Credit Update be noted.

49 CASHFLOW MODELLING

RESOLVED – That the Cashflow Modelling for the Buckinghamshire Pension Fund be noted.

50 DATE OF THE NEXT MEETING

13 March 2024 at 2.00pm.

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Report to Pension Fund Board

Date: 13 December 2023

Title: Internal Dispute Resolution Procedure

Author and/or contact officer: Sam Price, Assistant Pensions Administration Manager

Recommendation: The Board is asked to **NOTE** the content of this report.

Executive summary

- 1.1 The Local Government Pension Scheme (LGPS) operates a two stage dispute procedure under Regulation 72 to 79 of The Local Government Pension Scheme Regulations 2013.

Within the first stage of this procedure, the complaint will be considered by a person nominated by the body that took the decision that the member wishes to complain against. Each employer is asked to nominate a 'specified person' and any complaints against the employing authority will be directed to them. Where the complaint is against the administering authority, these complaints will be addressed by myself, as the 'specified person'.

If the member is not satisfied with the decision from stage 1, they have not received a decision or an interim letter more than 3 months after the date the initial complaint is lodged or it is more than 1 month from the date they were informed a decision would be made, then a member can progress their complaint to stage 2. At this stage, the administering authority can take a fresh look at the complaint which would be undertaken by a person not involved in the first stage decision. Where the stage 1 complaint was against the employing authority, I will undertake the stage 2 review. Where the stage 1 complaint was against the administering authority, Buckinghamshire Council Legal team are responsible for this review.

If members are still unhappy following stage 1 & Stage 2 then they can take the case to the Pensions Ombudsman within 3 years of the original decision.

Content of report

1.2 The table below provides details of IDRP cases during the 2022/2023 year

CASE	DESCRIPTION	EMPLOYING/ ADMIN AUTHORITY	STAGE 1	OUTCOME	PROGRESSED TO STAGE 2	OUTCOME
1	Retirement	Admin	April 2022	Declined		
2	Ill health	Employing	June 2022	Declined		
3	Scheme membership	Employing	October 2022	Declined	2023/24	ongoing

Details of cases

Case 1 – Scheme member was unhappy with, what they felt was the BPF decision to not permit flexible retirement. Member was also unhappy with incorrect retirement estimates being provided. Following investigation, the flexible retirement had not been permitted as it was not within the employer’s discretionary policy and though incorrect figures had been provided to the scheme member, BPF apologised for the error but did not find that this had resulted in any financial impact or impact the members retirement decision, so appeal was not upheld.

Case 2 – Scheme member appealed employers’ decision not to award ill health retirement. Further IRMP review took place which agreed with initial decision. Appeal was not upheld.

Case 3 – Scheme member complaint against employer on the basis of incorrect information being provided during employment which resulted in the member not opting back into the scheme following opt out. Investigation took place by the employer who could not find evidence that the employee had been provided with any incorrect advice. Appeal was not upheld.

Non-formal appeals

Between 1 April 2022 & 31 March 2023 the team received 32 non-formal complaints, with 1 of these relating to payroll related complaints. 97% of these complaints were responded to

within the 5 working days target. The majority of these complaints relate to where there is a delay in payment of scheme benefits and a Senior Pensions Officer will review and ensure that the administration team have processed where possible. On the whole, these tend to be as a result of missing notifications from the scheme employer in which case the Senior Pensions Officer will escalate this in order to resolve. Another reason for complaints is where a scheme member believes they hold an entitlement to a benefit, such as a refund of contributions or to trivially commute a main scheme benefit/AVC and they do not have this option. In these cases the appeal is again referred to a Senior Pensions Officer to review scheme Regulations or HMRC guidance.

Lessons Learned

We continue to be keen to learn from both IDRPs appeals and non-formal appeals to look at where improvements can be made to internal procedures. The Assistant Pension Administration Manager and Senior Officers in the team have a bi-annual meeting to review all appeals & complaints that have taken place during the 6 month period. This has allowed procedures to be more efficient and can highlight and areas of risk or where further checks are required.

Other options considered

1.3 N/A

Legal and financial implications

1.4 N/A

1.5 N/A

Consultation and communication

1.6 N/A

Next steps and review

Background papers

N/A

Your questions and views (for key decisions)

If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the

cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk]



Report to Pension Fund Board

Date: 13 December 2023

Title: Internal Administration Benchmarking

Author and/or contact officer: Sam Price, Assistant Pensions Administration Manager

Recommendation: The Board is asked to **NOTE** the content of this report.

Executive summary

1.1 This report is to provide this Board with an annual comparison against measures including; staffing, scheme membership, costs & workload. These comparisons are year on year against the performance of the Buckinghamshire Pension Fund itself.

This report covers the 2022/2023 year along with the previous 2 years.

Content of report

1.2 This report will cover the following sections

Section 1: [Staff Related Measures](#)

Section 2: [Scheme Membership](#)

Section 3: [Cost Measures](#)

Section 4: [Workload Measures](#)

Staff Related Measures

This section covers measures relating to the analysis of staff numbers by team, salary, pensions work experience & sickness.

Current team structure

The Pensions & Investments team structure was reviewed, and a new structure was in place from April 2019 with two functions: Pensions Administration & Investments.

The Pension Administration team is headed up by the Pensions Administration Manager & Assistant Pensions Administration Manager and then split into 4 sub-teams with one further stand-alone roles. Each of the four sub-teams are led by Senior Officers.

Benefit Administration – This team is responsible for the processing of all member benefits including responding to general queries, creating & maintaining member records and all calculations.

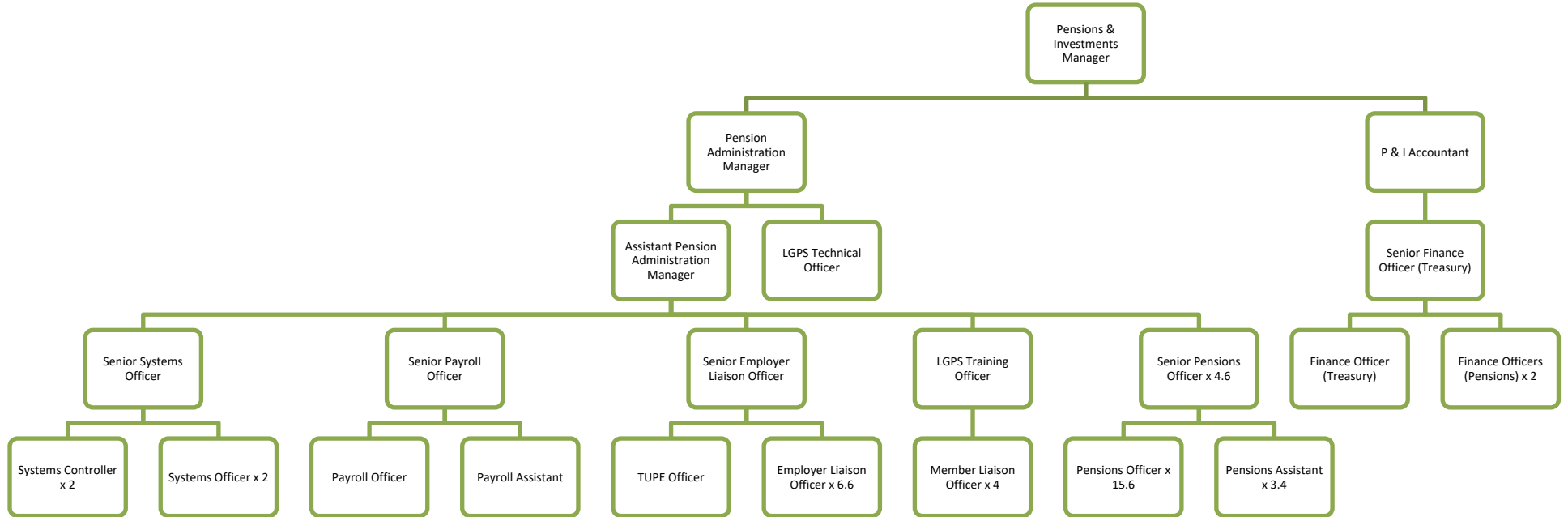
Employer Liaison – The Employer Liaison team are the first point of contact for all employer queries & training. The team is also responsible for monthly reconciliation of data submitted by employers via i-Connect and ensuring that data on records is accurate so that annual benefit statements can be issued.

Systems – The systems team are responsible for the pensions software system including maintaining, updating and development. They are also heavily involved in the uploading of annual returns, issuing annual benefit statements, i-Connect & triannual valuations.

Payroll – this sub-team is responsible for creating & processing payments including the monthly pensioner payroll & immediate payments. The payroll team also deal with any queries relating to pensions in payment as well as processing any changes.

Stand-alone roles – LGPS Technical Officer

The following page provides the current Pensions & Investment Team structure.



The following table gives a breakdown of staff FTE levels within each sub-team for the past three years'. There only change to the structure over 2022/23 was the removal of a fixed term post covering maternity leave.

	2020/2021	2021/2022	2022/2023
<i>ADMIN</i>			
Management	2	2	2
Benefit Administration	23.6	29.6	28.6
Employer Liaison	7.6	7.6	7.6
Systems	5	5	5
Payroll	3	3	3
Stand-alone posts	1	1	1
Total Admin	42.2	48.2	47.2
<i>NON-LGPS ADMIN</i>	0.9	0.9	0.9
Total	43.1	49.1	48.1
Agency Staff			

The table below provides details of staffing changes over 2022/2023.

Vacant posts at 31 st March 2022	2
Total FTE posts in the structure at 31 st March 2022	49.1
New posts created during 2022/23	0
Posts removed during 2022/23	1
FTE changes to existing posts in the structure	0
Total FTE posts in structure at 31st March 2023	48.1
Vacant posts at 31 st March 2023	1.4

The following tables provide details of staffing in terms of salary, experience and sickness levels.

Salary	2020/2021	2021/2022	2022/2023
Less than £20,000	0	0	0
£20,000 - £25,000	22.8	16.2	7
£25,000 - £30,000	9.6	17.2	25.4
£30,000 - £40,000	8.6	13.6	13.6
£40,000 - £50,000	1	0	0
£50,000 - £70,000	1.1	2.1	2.1
More than £70,000	0	0	0
Total	43.1	49.1	48.1

We are highly focused on staff training to increase knowledge and also ensuring staff are motivated in order to retain staff and increase staff experience in terms of the number of years within the team. The experience of the team in terms of years is increasing & we hope that this will continue.

Experience	2020/2021	2021/2022	2022/2023
Less 1 year	2	10.8	3
1 year – 5 years	23.8	18.4	20.8
5 years – 10 years	9	12.2	16.6
10 years – 15 years	3.4	2.4	1.4
More than 15 years	4.9	5.3	6.3
Total	43.1	49.1	48.1

Staff sickness levels had been a concern in previous years but have been improving overall over the past 3 years in particular with the long-term absence. There was an increase in the average short term sickness absence and the management team has continued to address any issues and manage staff sickness in line with the Buckinghamshire Council Health & Attendance policy.

Average days per FTE	2020/2021	2021/2022	2022/2023
Short-term sickness	2	2	4
Long-term sickness	6	5	2

Scheme Membership

Three-year analysis of scheme membership

Type of Membership	2020/2021	2021/2022	2022/23
Active	25,577	25,816	25,127
Deferred	30,881	32,192	33,082
Pensioners	18,509	19,309	20,006
Dependants	2,508	2,658	2,762
Frozen refunds*	4,690	5,241	5,230
Undecided leavers**	1,388	594	566
Total	83,553	85,810	86,773

*Frozen refunds are where a member holds an entitlement to a refund, have been advised of this but a yet to claim payment

**Undecided leaver is where we are aware that a member has left employment, but we are yet to receive the necessary information from the employer to calculate the deferred benefit.

The following table provides a staff to fund member ratio based on the pensions administration team. The number of scheme members per FTE admin staff member reduced in 2021/22 due to the additional posts added to the structure and increased slightly in 2022/23 due to the removal of a fixed term post.

Type of Membership	2020/2021	2021/2022	2022/2023
Active	1:599	1:536	1:523
Deferred	1:866	1:789	1:824
Pensioners	1:493	1:455	1:482
TOTAL	1:1959	1:1780	1:1838

Cost Measures

The table below provides an analysis of cost per member of administering the Local Government Pension Scheme. This is further broken down to show the costs of staff costs and Heywood (software provider) as these are the highest two costs.

Based on Administration costs (excluding investment & Oversight and Governance costs)

Type of Membership	2020/2021	2021/2022	2022/2023
Total	£26.64	£27.93	£32.17
Active	£8.15	£8.40	£9.31
Deferred	£11.78	£12.38	£14.41
Pensioners	£6.70	£7.15	£8.45

Staffing costs –These costs include all staff who administer the scheme

	2020/2021	2021/2022	2022/2023
Total staffing costs	£1,553,127	£1,658,010	£1,814,479
Total cost per scheme member	£18.59	£19.32	£20.91

Heywood Costs – Heywood costs include all costs incurred from Altair (pensions software system) including fees for maintenance, development & consultancy along with charge's for i-Connect.

	2020/2021	2021/2022	2022/2023
Total pensions software system costs	£408,237	£513,695	£713,668
Total cost per scheme member	£4.89	£5.99	£8.22

Workload Measures

The Pension Administration team work from a workflow-based system with each piece of work being an individual workflow called a case. Cases are created on a daily basis as a result of a member request or being advised by an employer that a member is leaving/retiring. The team works through outstanding tasks on a daily basis in order to complete within the relevant turnaround times.

The following table provides an overview of all cases that were created & completed during 2022/23 in comparison to the previous two years.

	2020/2021	2021/2022	2022/2023
Cases outstanding at the beginning of the year	5,481	4,547	2,395
New cases created during the year	38,797	41,473	61,030
Cases complete in the year	39,731	43,625	60,769
Cases outstanding at the end of the year	4,547	2,395	2,656
Cases complete as a percentage of cases due	90%	95%	96%

From the information above, the new cases created during the year has continued to increase, although the increase was significantly higher than previous years. This is as a result of employer data being submitted via i-Connect and procedures within the team being reviewed to implement monthly data reconciliation.

We also find it useful to keep track of the average number of cases per admin staff member. In previous years, this figure was quite high and had reduced over 2019/20 to what we feel is a more manageable level. This did increase over 2020/21 which was the basis for an additional Pensions Officer post which was added to the structure in 2021/22. A further increase can be seen over 2022/23. This increase is as a result of new monthly reconciliation checks that now take place following employer monthly submissions via i-Connect and other changes to procedures.

	2020/2021	2021/2022	2022/2023
Average cases per admin staff member	1,049	955	1,344

Other options considered

1.3 N/A

Legal and financial implications

1.4 N/A

1.5 N/A

Consultation and communication

1.6 N/A

Next steps and review

Board policies are reviewed annually.

Background papers

N/A

Your questions and views (for key decisions)

If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk]

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Report to Buckinghamshire Pension Board

Date: 13th December 2023

Reference number: N/A

Title: Buckinghamshire Pension Fund – 2022/23 Audited Statement of Accounts (including External Audit findings report)

Relevant councillor(s): N/A

Author and/or contact officer: Julie Edwards, Pensions & Investments Manager

Ward(s) affected: Not applicable

Recommendations:

1. The Board is asked to **NOTE** the Buckinghamshire Pension Fund 2022/23 audited Statement of Accounts, including the External Audit findings report.

Executive Summary

1.1 The audited Statement of Accounts for the Buckinghamshire Pension Fund for the year ended 31 March 2023 is attached as Appendix 1. The Pension Fund Accounts and Net Assets Statement show that in the year to 31st March 2023 the value of the Buckinghamshire Pension Fund decreased by £171m to £3.741bn. The audit work was completed remotely by Grant Thornton during August to October. Grant Thornton's work is substantially complete and they have not identified any adjustments to the financial statements which have an impact on the Buckinghamshire Pension Fund's reported financial position. Grant Thornton anticipates issuing an unmodified audit report opinion.

Content of report

1.2 The Pension Fund Accounts and Net Assets Statement show that in the year to 31st March 2023 the value of the Pension Fund decreased by £171m to £3.742bn. This is the net result of income received (£189m) including employers' and employees' contributions, transfers in from other pension schemes and other income; payments

out including benefits (£133m), payments to and on account of leavers (£17m); management expenses (£22m) plus net losses on investments (£188m).

1.3 The table below summarises the income, expenditure and returns on investments for the financial years 2021/22 and 2022/23.

31 March 2022		31 March 2023
£000		£000
(3,638,265)	Value 1st April	(3,913,161)
(168,510)	Income	(189,490)
127,601	Benefits	132,997
16,708	Payments to and on Account of Leavers	17,353
17,136	Management expenses	21,820
(267,831)	Returns on Investments	188,608
(3,913,161)	Value 31st March	(3,741,873)

1.4 The draft Audit Findings Report for the Buckinghamshire Pension Fund for the year ended 31st March 2023 is attached as Appendix 2. The audit work was completed remotely by Grant Thornton during August to October. Grant Thornton's work is substantially complete and they have not identified any adjustments to the financial statements which have an impact on the Pension Fund's reported financial position. Grant Thornton anticipates issuing an unmodified audit report opinion. An unmodified opinion is expressed when the auditor concludes that the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.

1.5 The formal sign off for the Pension Fund accounts will take place at the same time as the formal sign off for Buckinghamshire Council's accounts which is anticipated to be during 2024. On 15th November 2023 the Buckinghamshire Pension Fund Statement of Accounts 2022/23 were presented to the Buckinghamshire Pension Fund Committee. On 27th November 2023 the Buckinghamshire Pension Fund Statement of Accounts 2022/23 were approved by the Audit and Governance Committee.

1.6 The audit work identified an issue in respect of the valuation of Level 3 investments. The 31st March 2023 value in the accounts was overstated by £6.323m compared to the value in the 31st March 2023 capital statements. The capital statements are provided by the investment managers quarterly in arrears. The 31st March value in the accounts is based on the previous 31st December valuation adjusted for any payments to the fund

or distributions received. There will always be a difference which will vary depending upon the volatility of the financial markets during the final quarter of the financial year. Although a large monetary amount, the £6.323m represents 0.16% of the Buckinghamshire Pension Fund net asset value and management propose not adjusting the Statement of Accounts since the amount is not material the external auditors support this approach.

1.7 The audit work identified an issue in respect of the valuation of Level 2 investments. The 31st March 2023 value in the accounts was overstated by £16.5m when compared to the Level 2 investment price valuations in statements provided by third parties. The most significant difference in the price valuation was the Legal & General (LGIM) passive world developed equity where the price valuation statement was dated 27th March and based on the value of the underlying assets on 24th March 2023. The 31st March 2023 value in the Buckinghamshire Pension Fund Statement of Accounts uses the price valuation statement dated 3rd April 2023 which is based on the value of the underlying assets on 31st March 2023. Although a large monetary amount, the £16.5m represents 0.44% of the Buckinghamshire Pension Fund net asset value and management propose not adjusting the Statement of Accounts since the Statement of Accounts is based on the value of the underlying assets on 31st March 2023, the external auditors support this approach.

Other options considered

1.8 Not applicable.

Legal and financial implications

1.9 There are none arising directly from this report.

Corporate implications

1.10 Not applicable.

Consultation and communication

1.11 Not applicable.

Background Papers

1.12 Not applicable.

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Buckinghamshire Pension Fund

Statement of Accounts

For the year ended 31 March 2023

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Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Service Director of Finance (Section 151);
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts, delegated to the Audit and Governance Committee.

The Service Director of Finance (Section 151) Responsibilities

The Service Director of Finance (Section 151) is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code).

In preparing this Statement of Accounts, the Service Director of Finance (Section 151) has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Service Director of Finance (Section 151)

I certify that this Statement of Accounts for the year ended 31 March 2023 gives a true and fair view of the financial position of the Buckinghamshire Pension Fund as at 31 March 2023 and its income and expenditure for the year ending 31 March 2023.

David Skinner
Service Director of Finance (Section 151)
Buckinghamshire Council
Insert date

Independent Auditor's Report to the Members of Buckinghamshire Pension Fund

Pension Fund Accounts

The Buckinghamshire Pension Fund Accounts contain two core statements, the Pension Fund Account and the Net Assets Statement. Each of the statements is accompanied by supplementary notes providing additional detail to the figures presented.

31 March 2022 £000	Pension Fund Account	Note	31 March 2023 £000
	Dealings with Members, Employers and Others directly Involved in the Fund		
	Income		
(151,882)	Contributions	3	(165,961)
(16,524)	Transfers in from other pension funds	4	(23,383)
(104)	Other income		(146)
(168,510)			(189,490)
	Benefits	5	
103,893	Pensions		109,826
23,708	Commutation of pensions and lump sums		23,171
	Payments to and on Account of Leavers	6	
521	Refunds of contributions		1,163
16,187	Transfers out to other pension funds		16,190
144,309			150,350
(24,201)	Net (Additions)/Withdrawals from Dealings with Members		(39,140)
17,136	Management expenses	7	21,820
(7,065)	Net (Additions)/Withdrawals including Fund Management Expenses		(17,320)
	Returns on Investments		
(14,719)	Investment income	8	(14,581)
(253,112)	(Profits) and losses on disposal of investments and changes in the market value of investments	9	203,188
0	Taxes on income	14	1
(267,831)	Net Returns on Investments		188,608
(274,896)	Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		171,288

Net assets statement

31 March 2022	Net Assets Statement	Note	31 March 2023
£000			£000
	Investments		
840	Long term investments	9	840
295	Equities - quoted	9	169
3,525,017	Pooled investment vehicles	9	3,442,292
243,766	Property - unit trusts	9	209,235
132,073	Cash deposits	9	68,673
391	Investment income receivable	9	518
3,902,382	Net Investments	11	3,721,727
15,225	Current assets	15	24,251
(4,446)	Current liabilities	15	(4,105)
3,913,161	Net Assets of the Fund Available to Fund Benefits at 31 March		3,741,873

Note: The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 18.

Note 1 - Description of the Fund

Buckinghamshire Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS) and is administered by Buckinghamshire Council. Organisations participating in the Fund include Buckinghamshire Council, Milton Keynes Council, parish Councils of Buckinghamshire, Thames Valley Police, Buckinghamshire and Milton Keynes Fire Authority, and other scheduled and admitted bodies. These are listed in Note 21 to these Financial Statements. Teachers, fire fighters and police officers, for whom separate pension schemes apply, are excluded from the Fund. The Administering Authority is Buckinghamshire Council.

The purpose of the Fund is to provide defined benefits for employees and their widows, widowers and children, based on pay and past service. The Scheme is a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Employee contribution bands range from 5.5% to 12.5% of pensionable pay. In April 2014 a 50/50 option was introduced which means members can pay half their contribution rate and build up half the pension benefit whilst retaining full value of other scheme benefits such as death in service lump sum and ill health cover. Accrued pension is revised annually in line with the Consumer Prices Index. Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. More details of benefits provided under the scheme are available on the Council's pension website.

[Local Government Pension Scheme | Buckinghamshire Council](#)

The Fund is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended);
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

In 2015 the Government announced that they wanted the 91 Local Government Pension Scheme funds to pool their investments into larger pools to achieve savings in investment management costs. Brunel Pension Partnership Ltd was formed to implement the investment strategies for ten Funds. The founding Funds include The Environment Agency Pension Fund, and the Local Government Funds of Avon, Buckinghamshire, Cornwall, Devon, Dorset, Gloucestershire, Oxfordshire, Somerset and Wiltshire. The company Brunel Pension Partnership Ltd was formed on 14 October 2016. By 31 March 2023 the collective assets transitioned to Brunel portfolios were circa £30.765 billion.

The objective of pooling assets is to achieve savings over the longer term from both lower investment management costs and more effective management of the investment assets. The pool will look to deliver the savings based upon the collective buying power the collaboration initiative will produce. Local accountability will be maintained as each individual fund will remain responsible for strategic decisions including asset allocation. The pooling of assets will only affect the implementation of the investment strategy in terms of manager appointments. The transition of assets began in July 2018 and most of the assets have now transitioned, although illiquid alternative assets such as private equity will need a longer transition timetable. More information and updates can be found on the Brunel Pension Partnership website at: www.brunelpensionpartnership.org

The following summarises the membership of the Fund:

Membership of the Fund	31 March 2022	31 March 2023
Contributors	25,717	25,127
Pensioners	21,982	22,768
Deferred pensioners	32,234	33,078
Total Membership of the Fund	79,933	80,973

Investment strategy statement

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require administering authorities to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State. The Buckinghamshire Pension Fund Investment Strategy Statement can be viewed on the Council's website.

[Funding and investment policies | Pensions \(buckinghamshire.gov.uk\)](#)

Further Information

The Council publishes a separate Annual Report on the Buckinghamshire Pension Fund, which gives more detailed information, a copy can be viewed on the Council's pension website.

[The Pension Fund Annual report | Pensions \(buckinghamshire.gov.uk\)](#)

Basis of Preparation

The accounts summarise the Fund's transactions for the 2022/23 financial year and its position at year end as at 31 March 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting (the Code), which is based on International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits is disclosed at Note 18 of these accounts. The Buckinghamshire Pension Fund is administered by Buckinghamshire Council.

Note 2 - Accounting Policies and Critical Judgement in Applying Accounting Policies

Accounting Policies

Accruals of Income and Expenditure

The financial statements are prepared on an accrual basis, unless otherwise stated. That is, income and expenditure are recognised as they are earned or incurred, not as they are received or paid.

Contributions, benefits and investment income are included on an accrual basis. All settlements for buying and selling investments are accrued on the day of trading. Interest on deposits is accrued if not received by the end of the financial year. Investment management expenses are accounted for on an accrual basis. Administrative expenses are accounted for on an accrual basis, staff costs are paid by Buckinghamshire Council then recharged to the Fund at the year end and group transfers to and from the Fund are accounted for on an accruals basis unless it is too early in the negotiations for an estimate of the value to be available. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Net Assets Statement. Some additional payments are made to beneficiaries on behalf of certain employers. These payments are subsequently reimbursed by those employers. The figures contained in the accounts are shown exclusive of both payments and reimbursements.

Contribution Income

Normal contributions are accounted for on an accruals basis as follows:

Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.

Employer contributions are set at the percentage rate recommended by the fund actuary in the Fund Actuary's Rates and Adjustment certificate for the period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pension strain contributions are accounted for in the period in which the liability arises. Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Investment Income

Investment income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as investment income. Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset. Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year. Interest income is recognised in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs (where

material) or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

Benefits Payable

Pensions and lump sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Management Expenses

All management expenses are accounted for on an accrual basis. Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. These are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

Financial Instruments

Financial instruments that are “held for trading” are classified as financial assets and liabilities at fair value through profit or loss when the financial instrument is:

- Acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or
- A derivative.

Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value excluding transaction costs and carried at fair value without any deduction for transaction costs that would be incurred on sale or disposal.

Financial assets held at amortised cost. These represent loans and loan-type arrangements where repayments of interest and principal take place on set dates and for specified amounts. The amount presented in the Net Asset Statement represents the outstanding principal plus accrued interest. Interest credited is the amount receivable as per the loan agreement.

The value of market quoted investments is determined by the bid market price ruling on the final day of the accounting period. Fixed interest securities are recorded at net market value based on their current yields. Pooled investments in property funds, equity funds, fixed interest funds, private equity funds, infrastructure funds and private debt funds are valued by the Fund manager in accordance with industry guidelines. Note 12 includes commentary on the valuation methods that the Fund’s fund managers use.

Foreign Currency Transactions

Foreign currency transactions are translated into sterling at the exchange rate ruling at the date of transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

Contingent Assets & Liabilities and Commitments

Contingent liabilities are disclosed by way of a note when there is a possible obligation which may require a payment or a transfer of economic benefits. The timing of the economic transfer and the level of certainty attaching to the event are such that it would be inappropriate to make a provision.

Contingent assets are disclosed by way of a note where inflow or a receipt or an economic benefit is possible and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Fund.

Commitments are disclosed by way of a note when there is a contractual commitment which may require a payment. The timing of the payment is such that it would be inappropriate to make a provision. Commitments are accounted for at the best estimate of the obligation.

Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. As permitted under the code, the fund has opted to disclose the actuarial present value or promised retirement benefits by way of a note to the net assets statement (Note 18).

Critical Judgements in Applying Accounting Policies

There are no critical judgements in applying accounting policies to be disclosed in the Statement of Accounts.

Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end date and the amounts reported for the revenues and expenses during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

The items in the Net Assets Statement at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 18)	Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance:</p> <p>A 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £67m.</p> <p>A 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £4m.</p> <p>A 0.1% increase in pension increases and deferred revaluation would increase the value of the liabilities by approximately £66m.</p> <p>A one-year increase in assumed life expectancy would increase the liability by approximately £146m.</p>
Level 2 investments (Note 12)	Level 2 investments are not traded on an open market. Management use fund managers to determine valuations using recognised pricing techniques.	The Brunel Smaller Companies equity portfolio is valued at £179.620m in the financial statements. There is a risk that this investment may be under or overstated in the accounts by £42.211m. A movement of 23.5% in market price risk is reasonably possible.
Level 3 investments (Note 12)	Level 3 investments are valued at fair value in accordance with 'International Private Equity and Venture Capital Valuation Guidelines'. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Level 3 investments are valued at £501.558m in the financial statements. There is a risk that this investment may be under or overstated in the accounts by £106.632m. A movement of 21.26% in market price risk is reasonably possible.

Events After the Reporting Date

There have been no events since 31 March 2023, and up to the date when these accounts were authorised that require any adjustments to these accounts. Recent market turmoil has impacted global financial markets. As at the end of *(date to be inserted when accounts are approved)*, investments are

valued overall at £x.xxx billion a *(state lower or higher)* value than in these financial statements as at 31 March 2023.

Accounting Standards that have been issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. Potentially relevant standards include annual improvements to IFRS standards 2014/2016.

None of the accounting standards that have been issued but not yet adopted will have a significant impact on the financial statements.

Note 3 - Contributions

Contributions relating to wages and salaries paid up to 31 March 2023 have been included in these accounts, there were no augmented employers’ contributions received during 2021/22 or 2022/23.

2021/2022 £000	Contributions by Category	2022/2023 £000
	Employers’ Contributions	
(100,396)	Normal Contributions	(109,489)
(16,337)	Deficit Recovery Contributions	(18,242)
(116,733)	Total Employers’ Contributions	(127,731)
(35,149)	Members’ Contributions	(38,230)
(151,882)	Total Contributions	(165,961)

2021/2022 £000	Contributions by Authority	2022/2023 £000
(60,766)	Administering authority	(62,616)
(87,664)	Scheduled bodies	(100,313)
(3,452)	Admitted bodies	(3,032)
(151,882)	Total Contributions	(165,961)

Note 4 - Transfer Values

2021/2022 £000	Transfers in from other pension funds	2022/2023 £000
(167)	Group transfers	0
(16,357)	Individual transfers	(23,383)
(16,524)	Total Transfers in from other pension funds	(23,383)

The individual transfer values relate to transfers, which have been received during the financial year i.e. included on a cash basis. On 31 March 2023 there were thirty-one transfer values receivable greater than £50k, for which £3.603m had not been received. (On 31 March 2022 there were twenty-three transfer values receivable greater than £50k, for which £2.899m had not been received).

On 31 March 2023 there was one group transfer to the Fund being negotiated with another fund (no group transfers to the Fund being negotiated on the 31 March 2022). Calculations have not yet been carried out for the transfer.

The above refer to payments into the Fund from other pension funds.

Note 5 - Benefits

Benefits include all valid benefit claims notified during the financial year.

2021/2022 £000	Benefits Payable by Category	2022/2023 £000
103,893	Pensions	109,826
20,223	Commutations of pensions and lump sum retirement benefits	19,875
3,485	Lump sum death benefits	3,296
127,601	Total Benefits	132,997

2021/2022 £000	Benefits Payable by Authority	2022/2023 £000
63,467	Administering authority	64,990
53,877	Scheduled bodies	57,820
10,257	Admitted bodies	10,187
127,601	Total Benefits	132,997

Note 6 - Payments to and on Account of Leavers

2021/2022 £000	Payments to and on Account of Leavers	2022/2023 £000
521	Refunds to members leaving service	1,163
62	Group transfers to other pension funds	302
16,125	Individual transfers to other pension funds	15,888
16,708	Total Payments to and on Account of Leavers	17,353

The individual transfer value to other Pension Funds relate to transfers, which have been paid during the financial year i.e. included on a cash basis. On 31 March 2023 there were seventeen transfer values where the amount was greater than £50k, for which £1,402k had not been paid during 2022/23 (on 31

March 2022 there were eleven transfer values receivable greater than £50k, for which £800k had not been paid during 2021/22).

On 31 March 2023 there was one group transfer out from the Fund to other Pension Funds being negotiated, the value of the transfer £85k has been accrued. There was one on the 31 March 2022 where the £2,556k value was accrued.

The above refer to payments from the Fund to other pension funds.

Note 7 - Management Expenses

2021/2022	Management Expenses	2022/2023
£000		£000
2,397	Administrative costs	2,792
14,008	Investment management expenses	18,309
731	Oversight and governance costs	719
17,136	Total Management Expenses	21,820

The analysis of the cost of managing the Fund during the period has been prepared in accordance with CIPFA guidance. Management expenses have been categorised as administrative costs, investment management expenses and oversight/governance costs. The fees for 2022/23 main external audit were £43.375k and £9.6k for the IAS19 assurance letters for scheduled bodies. The fees for the 2021/22 main external audit main fee were £46.05k and the £9.0k for the IAS19 assurance letters for scheduled bodies.

Investment management fees are calculated according to the specific mandate and the associated contract. Management fees for pooled funds and transaction costs have been included in the investment management expenses. There were no performance related fees in the investment management expenses (£1.070m in the 2021/2022 financial year) payable to the Fund’s investment managers. It also includes £6,268k in respect of transaction costs (£363k in the 2021/2022 financial year).

Note 8 - Investment Income

In recent years there has been a decrease in investment income due to the transition of the Fund’s segregated holdings to Brunel pooled funds. Investment income is accumulated within the fund and is accounted for in the market value change rather than investment income.

2021/2022	Investment Income	2022/2023
£000		£000
746	Dividends from equities	62
(4,216)	Income from bonds	242
(2,695)	Income from pooled investments	(5,906)

(8,330)	Income from property unit trusts	(6,984)
(215)	Interest on cash deposits	(1,997)
(9)	Other	2
(14,719)	Total Investment Income	(14,581)

Note 9 - Investments

All investments are valued on a fair value basis and where there is an active market the bid price is the appropriate quoted market price. The investment accounting information is provided by State Street, the Fund's custodian. During 2022/2023 the Buckinghamshire Pension Fund reported a decrease in the market value of investments of £203.188m.

Investments (All values are shown £000)	Value at 31 March 2022 £000	Purchases at Cost £000	Sales Proceeds £000	Change in Market Value £000	Value at 31 March 2023 £000
Long term investments	840	0	0	0	840
Equities - quoted	295	215	(289)	(52)	169
Bonds	0	0	41	(41)	0
Pooled investment vehicles	3,525,017	207,317	(123,556)	(166,486)	3,442,292
Property - unit trusts	243,766	45,958	(43,578)	(36,911)	209,235
	3,769,918	253,490	(167,382)	(203,490)	3,652,536
Cash deposits	132,073			302	68,673
Investment income due	391				518
	3,902,382			(203,188)	3,721,727

During 2021/2022 realised profit of £322.401m and unrealised losses of £69.289m combined to report an increase in the market value of investments of £253.112m.

Investments (All values are shown £000)	Value at 31 March 2021 £000	Purchases at Cost £000	Sales Proceeds £000	Realised Profit/ (Loss) £000	Unrealised Profit/ (Loss) £000	Value at 31 March 2022 £000
Long term investments	840	0	0	0	0	840
Equities - quoted	25,638	396	(25,522)	(1,135)	918	295
Bonds	480,116	648,626	(1,153,323)	47,030	(22,449)	0
Pooled investment vehicles	2,858,278	1,170,462	(689,806)	273,977	(87,894)	3,525,017
Property - unit trusts	213,051	28,203	(41,838)	4,693	39,657	243,766
Derivative contracts	0	2,480	(419)	(2,061)	0	0
Cash deposits	43,662	0	88,035	(103)	479	132,073
	3,621,585	1,850,167	(1,822,873)	322,401	(69,289)	3,901,991
Investment income due	7,124					391
	3,628,709					3,902,382

Pooled investment vehicles are funds where the Fund is not the named owner of specific investments such as shares or bonds but owns a proportion of a pooled fund. The Code requires that pooled investments are analysed between unit trusts, unitised insurance policies and other managed funds. The pooled investment vehicles in the tables above are other managed funds. These funds include the following types of investments:

- Equities
- Fixed interest securities
- Index linked gilts
- Infrastructure
- Private debt
- Private equity fund of funds

The change in the fair value of investments during the year comprises all increases and decreases in the fair value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. The Fund's investments in derivatives are not material and therefore further disclosures are not included in the accounts. Indirect costs are incurred through the bid-offer spread on investments within pooled investments.

The Fund does not participate directly in a stock lending programme.

Note 10 - Investment Management Arrangements

The following table summarises the proportion of the Fund managed by Brunel Pension Partnership limited and the Fund, assets which exceed 5% of the total value of the net assets of the Fund are also shown:

Fund Manager/Mandate	Proportion of Fund 31 March 2022 £000	%	Proportion of Fund 31 March 2023 £000	%
Investments managed by Brunel				
Low Volatility Equity	288,918	8	271,655	7
Passive Developed Equity	670,843	18	646,380	17
Emerging Markets Equity	175,087	5	166,080	4
Global High Alpha Equity	628,127	16	630,793	17
Smaller Companies Equity	184,846	5	179,620	5
Multi-Asset Credit	359,637	10	347,289	9
Passive Index Linked Gilts	386,603	10	310,040	8
Infrastructure	113,510	3	248,035	7
Private Debt	22,664	0	73,611	2
Private Equity	66,183	2	100,429	3
Property – unit trusts	272,175	7	240,674	7
Sterling Corporate Bonds	399,464	9	356,822	10
Cash	1,915	0	3,015	0
Total Investments managed by Brunel	3,569,972		3,574,443	96
Investments managed by the Fund				
Long term investments	0	0	840	0
BlackRock -Cash/inflation plus	4	0	4	0
Blackstone Alternative Asset Management - Hedge fund of funds	4,464	0	0	0
Investec Asset Management- Less constrained global equities	120	0	0	0
Legal & General Investment Management – Passive index-tracker	133,807	4	39,647	1
Pantheon Private Equity- Private equity	84,595	2	63,823	2
Partners Group- Private equity	10,880	0	8,067	0
Royal London Asset Management- Core plus bonds	919	0	0	0
Schroders- Less constrained global equities	1,820	0	194	0
Aberdeen Standard Investments – Less constrained UK equities	127	0	0	0
GTP	377	0	208	0
Hg Capital	1,033	0	1	0
Cash	0	0	34,500	1
Total Investments managed by the Fund	238,146		147,284	4
Total	3,808,118	98	3,721,727	100

Note 11 - Analysis of the Value of Investments

31 March 2022 £000	Analysis of the Value of Investments	31 March 2023 £000
840	Long Term Investments	840
	Equities	
141	UK quoted	102
154	Overseas quoted	67
295	Total Equities	169
	Pooled Investment Vehicles	
1,947,821	Overseas Equity	1,894,530
117,519	Overseas Infrastructure	251,271
533,271	Fixed Interest Securities	396,469
386,603	Index linked gilts	310,040
359,637	Multi-Asset Credit	347,289
22,664	Overseas Private Debt	73,611
157,502	Overseas Private Equity	169,082
3,525,017	Total Pooled Investment vehicles	3,442,292
	Other	
243,766	Property - unit trusts	209,235
132,073	Cash deposits – sterling and foreign cash	68,673
391	Investment Income receivable	518
376,230	Total Other	278,426
3,902,382	Total Value of Investments	3,721,727

Note 12 - Financial Instruments

The Net Assets of the Fund disclosed in the Net Assets Statement are made up of the following categories of financial instruments:

31 March 2022			31 March 2023			
Fair value through profit and loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Financial Assets	Fair value through profit and loss	Financial Assets at Amortised Cost	Financial Liabilities at amortised cost
£000	£000	£000		£000	£000	£000
840			Long Term Investments	840		
295			Equities	169		
243,766			Property – unit trusts	209,235		
			Pooled investments:			
533,271			Fixed interest securities	396,469		
1,947,821			Equities	1,894,530		
386,603			Index Linked Gilts	310,040		
117,519			Infrastructure	251,271		
359,637			Multi-Asset Credit	347,289		
22,664			Private Debt	73,611		
157,502			Private Equity	169,082		
391			Investment Income receivable	518		
111,285	20,788		Cash deposits	83,106		
	5,214		Current assets		12,816	
3,881,594	26,002			3,736,160	12,816	
			Financial Liabilities			
			Cash deposits		(14,434)	
		(3,247)	Current liabilities			(2,840)
		(3,247)			(14,434)	(2,840)
3,881,594	26,002	(3,247)	Total	3,736,160	(1,618)	(2,840)
		3,904,349				3,731,702

31 March 2022 £000	Reconciliation to Net Assets of the Fund Available to Fund Benefits at 31 March in the Net Assets Statement	31 March 2023 £000
3,913,170	Net Investments	3,741,873
(10,020)	Less contributions due current assets	(11,435)
0	Less rounding error	(1)
1,199	Add HMRC current liabilities	1,265
3,904,349	Value of financial instruments carried at fair value	3,731,702

The net gains and losses on financial instruments are shown in the table below.

31 March 2022 £000		31 March 2023 £000
	Financial Assets	
(253,112)	Fair value through profit and loss	203,188
0	Financial Assets measured at amortised cost	0
0	Financial liabilities measured at amortised cost	0
	Financial Liabilities	
0	Fair value through profit and loss	0
0	Financial Assets measured at amortised cost	0
0	Financial liabilities measured at amortised cost	0
(253,112)	Total	203,188

The Code requires that for each class of financial assets and financial liabilities an authority shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount. As all investments are disclosed at fair value, carrying value and fair value are therefore the same.

Valuation of Financial Instruments Carried at Fair Value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1: Financial instruments where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, quoted equities are classified as level 1. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2: Financial instruments where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data. Fixed interest securities are traded in an active market and evaluated prices sourced from a valid pricing vendor. The values of the hedge fund of funds are based on the net asset value provided by the Fund manager. Assurances over the valuation are gained from the independent audit of the value.

Level 3: Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions. The values of the investment in private

equity are based on valuations provided by the general partners to the private equity fund of funds in which the Fund has invested. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS. Valuations are audited annually as at 31 December, and the valuations as at 31 March reflect cash flow transactions since 31 December.

The following table analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Value at 31 March 2023	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Outputs Level 3 £000	Total £000
Long term investments	0	0	840	840
Equities	169	0	0	169
Fixed interest securities	0	396,469	0	396,469
Index-linked gilts	0	310,040	0	310,040
Equities	0	1,894,530	0	1,894,530
Infrastructure	0	0	251,271	251,271
Multi-Asset Credit	0	347,289	0	347,289
Private Debt	0	0	73,611	73,611
Private Equity	0	0	169,082	169,082
Property – unit trusts	0	202,481	6,754	209,235
Cash Instruments	0	83,106	0	83,106
Total	169	3,233,915	501,558	3,735,642

Cash deposits in money market fund have been included in the above analysis as they are held at fair value through profit and loss. Remaining cash deposits are held at amortised cost and therefore excluded from the analysis.

Reconciliation to Net Investments in the 31 March 2023 Net Assets Statement	31 March 2023 £000
Net Investments	3,721,727
Add Cash deposits	14,434
Less rounding error	(1)
Less investment income receivable	(518)
Valuation of Financial Instruments carried at fair value	3,735,642

Value at 31 March 2022	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Outputs Level 3 £000	Total £000
Long term investments	0	0	840	840
Equities	295	0	0	295
Fixed interest securities	0	533,271	0	533,271
Index-linked gilts	0	386,603	0	386,603
Equities	0	1,947,821	0	1,947,821
Infrastructure	0	0	117,519	117,519
Multi-Asset Credit	0	359,637	0	359,637
Private Debt	0	0	22,664	22,664
Private Equity	0	0	157,502	157,502
Property – unit trusts	0	241,830	1,936	243,766
Cash Instruments	0	111,285	0	111,285
Total	295	3,580,447	300,461	3,881,203

Cash deposits in money market fund have been included in the above analysis as they are held at fair value through profit and loss. Remaining cash deposits are held at amortised cost and therefore excluded from the analysis.

Reconciliation to Net Investments in the 31 March 2022 Net Assets Statement	31 March 2022 £000
Net Investments	3,902,382
Less Cash deposits	(20,788)
Less investment income receivable	(391)
Valuation of Financial Instruments carried at fair value	3,881,203

Sensitivity Analysis of Assets Valued at Level 3

Using Mercer’s analysis of market volatility for individual asset classes in the last 20 years and current market trends, the Fund has determined that the valuation methods described above are likely to be accurate within the following ranges and has set out below the potential impact on the closing value of investments held on 31 March 2023 and 31 March 2022.

	Assessed valuation range (+/-)	Value at 31 March 2023 £000	Value on increase £000	Value on decrease £000
Long term investments	23.5%	840	1,037	643
Infrastructure	18.5%	251,271	297,756	204,786
Private Debt	16.1%	73,611	85,462	61,760
Private Equity	27.7%	169,082	215,918	122,246
Property – unit trusts	18.7%	6,754	8,017	5,491
Total		501,558	608,190	394,926

	Assessed valuation range (+/-)	Value at 31 March 2022 £000	Value on increase £000	Value on decrease £000
Long term investments*	20.6%*	840*	1,013*	667*
Infrastructure	17.1%	117,519	137,615	97,423
Private Debt	15.7%	22,664	26,222	19,106
Private Equity	26.3%	157,502	198,925	116,079
Property – unit trusts	17.3%	1,936	2,271	1,601
Total		300,461*	366,046*	234,876*

*Restated

Reconciliation of Fair Value Measurements Within Level 3

Investments (All values are shown £000)	Value at 31 March 2022 £000	Purchases £000	Sales £000	Realised profit/(loss) £000	Unrealised profit/(loss) £000	Value at 31 March 2023 £000
Long term investments	840	0	0	0	0	840
Infrastructure	117,519	121,479	(10,156)	1,059	21,370	251,271
Private debt	22,664	52,732	(301)	0	(1484)	73,611
Private equity	157,502	33,106	(19,213)	13,863	(16,176)	169,082
Property – unit trusts	1,936	5,090	(414)	120	22	6,754
	300,641	212,407	(30,084)	15,042	3,732	501,558

Investments (All values are shown £000)	Value at 31 March 2021 £000	Purchases £000	Sales £000	Realised profit/(loss) £000	Unrealised profit/(loss) £000	Value at 31 March 2022 £000
Long term investments*	840*	0*	0*	0*	0*	840*
Infrastructure	44,837	75,469	(5,064)	1,463	814	117,519
Private debt	0	22,547	0	0	117	22,664
Private equity	121,765	34,499	(38,981)	30,864	9,355	157,502
Property – unit trusts	25	1,854	0	0	57	1,936
	166,627*	134,369	(44,045)	32,327	10,343	300,641*

*Restated

The Fund’s fund managers provided the following commentary on the valuation methods they use:

Fixed interest securities – level 2 - Brunel £356.822m and LGIM £39.647m – total £396.469m

Brunel – fixed interest securities – active sterling corporate bonds

Price of Units in each (Royal London Pooled Pension) RLPPC Fund shall be established as at each Valuation Point (close each business day) by taking the value of any securities held in that RLPPC Fund which are quoted on a recognised Stock Exchange, the amount of any cash held in or due to that RLPPC Fund which shall be valued at face value, and value of all other assets held in that RLPPC Fund determined by Royal London to be the price which would have to be paid to purchase those assets Less; All expenses and outgoings (including without limitation taxation) which are, at the Valuation Point, payable out of that RLPPC Fund.

LGIM – fixed interest securities – passive tracker fund

The method used to value units is the same at every valuation date throughout the year. All holdings of the appropriate Pooled Fund Sections are valued at the close of business valuation point using a recognised pricing service. These values are then adjusted to allow for outstanding dividends, tax payable or recoverable and any relevant expenses (this creates the “bid price”).

Index linked gilts – level 2 - Brunel £310.040m

The method used to value units is the same at every valuation date throughout the year, valuation point is 17:00. Valuations are normally carried out each working day. Notional acquisition costs allow for the costs of purchasing investments, such as stockbrokers’ commissions, stamp duties and transaction costs. Notional realisation costs allow for the costs of selling investments such as stockbrokers’ commissions, sales taxes and transaction costs. There may be some withholding taxes on some overseas investments. The current valuation methodology is to value the assets of the fund at closing mid-market or last traded values and adjust for the market spread and the aforementioned notional dealing expenses.

Pooled equities – level 2 - Brunel – Passive Global Developed Equity £646.380m, Active Global High Alpha Equity £630.793m, Active Global Emerging Markets Equity £166.080m, Active Low Volatility Equity £271.655m and Active Smaller Companies Equity £179.620m Authorised Contractual Scheme Funds (ACS), an ACS is a type of collective investment vehicle created to hold and manage assets on behalf of a number of investors – total £1,894.530m.

Passive equities - The method used to value units is the same at every valuation date throughout the year. All holdings of the appropriate Pooled Fund Sections are valued at the close of business valuation point using a recognised pricing service. These values are then adjusted to allow for outstanding dividends, tax payable or recoverable and any relevant expenses (this creates the “bid price”).

Active equities - Weekly priced each Wednesday valued at close of business valuation point. These values are then adjusted to allow for outstanding dividends, tax payable or recoverable and any relevant expenses (this creates “bid price”).

Infrastructure – level 3 - Brunel £248.035m and Partners Group £3.236m – total £251.271m

Brunel - Brunel selects managers who apply a fair value process, which is in accordance with International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounts Principles (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by third parties for appropriateness.

Partners Group - Partners Group performs independent valuations of its underlying investments through a fair market valuation process, which is in accordance with International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounting Principles (US GAAP).

Partners Group gathers the valuation-relevant information by systematically screening a broad set of sources for valuation-relevant information about portfolio companies which are held directly or indirectly by Partners Group's programs and mandates. This includes information supplied by the firm's due diligence and monitoring professionals, underlying fund managers and information published in industry journals and/or other publications.

Multi Asset Credit – level 2 – Brunel £347.289m

Monthly valuation point for all three underlying managers, first Wednesday of each calendar month, world close. All valuations are conducted by the Alternative Investment Fund Managers (AIFM) under the rulings of the AIFM Directive. An investment which is quoted, listed or traded on or under the rules of any recognized market shall be valued at the latest available dealing price or, if unavailable or if bid and offer quotations are made, the latest available middle market quotation. The value of any investment which is not normally quoted, listed or traded on or under the rules of a recognized market, will be valued at fair value estimated with care and in good faith by the AIFM or an external third-party valuer. This includes FI securities, cash deposits, loans and derivatives.

Private Debt – level 3 - Brunel £73.611m

Brunel selects managers who apply a fair value process, which is in accordance with International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounting Principles (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by 3rd parties for appropriateness.

Private Equity – level 3 – Brunel £100.429m, Pantheon £63.823m and Partners Group £4.83m – Total - £169.082m

Brunel – Private Equity – level 3

Brunel selects managers who apply a fair value process, which is in accordance with International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounts Principles (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by third parties for appropriateness.

Pantheon – Private Equity – level 3

Investments are valued using the most relevant of methods listed below:

- Cost/recent round of financing/price of recent investment where recent transactions may be the most reflective of fair value.
- Comparable Private Company Transactions used for companies with low enterprise value or low EBITDA which means it is not appropriate to use earnings multiples of similar publicly listed companies.
- Earnings/Earnings Multiples/Performance Multiples valuations involve applying a multiple, appropriate to the company being valued, to the earnings of a company. The valuation is described as a function of two variables, price and earnings (The most widely used of the valuation methodologies, especially for buyout or other businesses that have comparable characteristics to companies in the public markets).
- Underlying value of Net Assets.
- Discounted Cash flows (DCF) where there are predictable cash flows visible over a given time horizon.
- Industry Benchmarks are normally based on the assumption that investors are willing to pay for market share, and that profitability of the business in the does not vary greatly.
- Unrestricted Publicly traded securities are valued at the closing public market price on the valuation date.

These methods are consistently applied across all investment types.

Partners Group – Private Equity – level 3

Partners Group performs independent valuations of its underlying investments through a fair market valuation process, which is in accordance with International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounting Principles (US GAAP).

Partners Group gathers the valuation-relevant information by systematically screening a broad set of sources for valuation-relevant information about portfolio companies which are held directly or indirectly by Partners Group's programs and mandates. This includes information supplied by the firm's due diligence and monitoring professionals, underlying fund managers and information published in industry journals and/or other publications.

Brunel - Property unit trusts – level 2 £202.481m and level 3 £6.754m – Total £209.235m

Brunel selects managers who apply either open market values or fair value processes, open market values are in accordance with RICS valuation standards and fair value processes are driven by IPEV guidelines. Systematically Brunel ensure that both processes are annually appraised by third parties for appropriateness. There are no Material Uncertainty Clauses (MUC's) in place on any underlying valuations applicable to this portfolio.

Note 13 - Additional Financial Risk Management Disclosures

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure that there is sufficient liquidity to meet the Fund's forecast cash flows. The Buckinghamshire Pension Fund Committee manages these investment risks as part of its overall Fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Buckinghamshire Pension Fund Committee. The Buckinghamshire Pension Fund Risk Assessment analyses the risks faced by the Council's pensions operations, it is reviewed regularly by the Buckinghamshire Pension Fund Committee to reflect changes in activity and in market conditions. The analysis below is designed to meet the disclosure requirements of IFRS 7.

Market Risk

Market risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in market prices of equities, commodities, interest rates, foreign exchange rates and credit spreads. This could be a result of changes in market price, interest rates or currencies. The objective of the Fund's investment strategy is to manage and control market risk exposure within acceptable parameters, while optimising the return.

In general, excessive volatility in market risk is managed through diversification across asset class, investment manager, country, industry sector and individual securities. Each manager is expected to maintain a diversified portfolio within their allocation.

Market Price Risk

Market price risk represents the risk that the value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting the market in general.

By diversifying investments across asset classes and managers, the Fund aims to reduce the exposure to price risk. Diversification of asset classes seeks to reduce correlation of price movements, whilst the appointment of specialist managers enables the Fund to gain from their investment expertise.

Market Price - Sensitivity Analysis

Whilst the value of the Fund's assets is sensitive to changes in market conditions and the Fund's assets are diversified across fund managers and asset classes to mitigate the risks. The Fund's liability to pay future benefits is equally sensitive, particularly to interest rate changes. In consultation with Mercer, the Fund's investment consultant, the Fund has determined that the following movements in market price risk were reasonably possible for 2022/2023. The analysis assumes that all other variables, in particular foreign exchange rates and interest rates, remain constant. If the market price of the Fund's investments had increased/decreased in line with the table below, the change in the market price of net assets available to pay benefits would be as follows:

Asset Type	31 March 2023 £000	Percentage Change %	Value on increase £000	Value on decrease £000
Long term investments	840	23.5%	1,037	643
Equities	1,894,699	21.62%	2,304,333	1,485,065
Fixed interest securities	396,469	6.85%	423,627	369,311
Index linked gilts	310,040	9.0%	337,944	282,136
Overseas infrastructure	251,271	18.5%	297,756	204,786
Multi-asset credit	347,289	12.9%	392,089	302,489
Private debt	73,611	16.1%	85,462	61,760
Private equity	169,082	27.7%	215,918	122,246
Property - unit trusts	209,235	18.7%	248,362	170,108
Cash deposits	68,673	0.9%	69,291	68,055
Investment income receivable	518	21.7%	630	406
Total	3,721,727		4,376,449	3,067,005

In consultation with Mercer, the Fund’s investment consultant, the Fund has determined that the following movements in market price risk were reasonably possible for 2021/2022. The analysis assumes that all other variables, in particular foreign exchange rates and interest rates, remain constant. If the market price of the Fund’s investments had increased/decreases in line with the table below, the change in the market price of net assets available to pay benefits would be as follows:

Asset Type	31 March 2022 £000	Percentage Change %	Value on increase £000	Value on decrease £000
Long term investments	840	20.6%	1,013	667
Equities	1,948,116	20.82673%*	2,353,845	1,542,387
Fixed interest securities	533,271	4.80%	558,868	507,674
Index linked gilts	386,603	7.90%	417,145	356,061
Overseas infrastructure	117,519	17.10%	137,615	97,423
Multi-asset credit	359,637	4.80%	376,900	342,374
Private debt	22,664	15.70%	26,222	19,106
Private equity	157,502	26.30%	198,925	116,079
Property - unit trusts	243,766	17.3%	285,938	201,594
Cash deposits	132,073	1.0%	133,394	130,752
Investment income receivable	391	20.6%	472	310
Total	3,902,382		4,490,337	3,314,427

*Restated

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Rate – Sensitivity Analysis

The Fund recognises that interest rates vary and can impact income to the Fund and the fair value of the assets, both of which affect the value of the net assets available to pay benefits. The sensitivity of the Fund’s investments to changes in interest rates has been analysed by showing the impact of a 1% change, long term average interest rates are expected to move less than 1% from one year to the next. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

The following two tables show the impact that a 1% in/decrease has on the value of the assets on 31 March:31 March 2023 exposure to interest rate risk	Asset Value £000	Value after impact of 1% increase in interest rates £000	Value after impact of 1% decrease in interest rates £000
Cash and cash equivalents	80,699	80,699	80,699
Fixed interest securities	396,469	400,434	392,504

Index linked gilts	310,040	310,040	310,040
Total	787,208	791,173	783,243

31 March 2022 exposure to interest rate risk	Asset Value £000	Value after impact of 1% increase in interest rates £000	Value after impact of 1% decrease in interest rates £000
Cash and cash equivalents	135,770	135,770	135,770
Fixed interest securities	533,271	538,604	527,938
Index linked gilts	386,603	386,603	386,603
Total	1,055,644	1,060,977	1,050,311

The following two tables show the impact that a 1% in/decrease has on the interest receivable during the year:

2022/2023 exposure to interest rate risk	Interest receivable £000	Impact of 1% increase £000	Impact of 1% decrease £000
Cash and cash equivalents	1,997	2,017	1,977
Total	1,997	2,017	1,977

2021/2022 exposure to interest rate risk	Interest receivable £000	Impact of 1% increase £000	Impact of 1% decrease £000
Cash and cash equivalents	215	217	213
Fixed interest bonds	4,216	4,258	4,174
Index linked gilts	0	0	0
Total	4,431	4,475	4,387

Changes in interest rates do not impact on the value of cash/cash equivalent balances but they will affect the interest income received on those balances. Changes to both the fair value of assets and the income received from investments impact on the net assets available to pay benefits.

Currency Risk

Currency risk represents the risk that the fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than Sterling. When Sterling depreciates the Sterling value of foreign currency denominated investments will rise and when Sterling appreciates the Sterling value of foreign currency denominated investments will fall. Over the long term the differences in currencies are likely to balance out and the Fund has chosen not to hedge its currencies.

Currency Risk – Sensitivity Analysis

The sensitivity of the Fund’s investments to changes in foreign currency rates have been analysed using an 8.21% movement in exchange rates in either direction for 31 March 2023. This analysis assumes that all variables, in particular interest rates, remain constant. Based on the composition of the Fund’s currency exposure an 8.21% fluctuation in the currency is considered reasonable. An 8.21% weakening or strengthening of Sterling against the various currencies on 31 March 2023 would have increased or decreased the net assets by the amount shown below:

Currency Exposure by Asset Type	31 March 2023 £000	Value on increase £000	Value on decrease £000
		+8.21%	-8.21%
Equities – quoted	1,775,217	1,920,962	1,629,472
Infrastructure	24,631	26,653	22,609
Overseas Private Equity	163,696	177,135	150,257
Cash deposits	5,052	5,467	4,637
Total	1,968,596	2,130,217	1,806,975

The sensitivity of the Fund’s investments to changes in foreign currency rates have been analysed using a 7.56% movement in exchange rates in either direction for 31 March 2022. This analysis assumes that all variables, in particular interest rates, remain constant. Based on the composition of the Fund’s currency exposure a 7.56% fluctuation in the currency is considered reasonable. A 7.56% weakening or strengthening of Sterling against the various currencies on 31 March 2022 would have increased or decreased the net assets by the amount shown below:

Currency Exposure by Asset Type	31 March 2022 £000	Value on increase £000	Value on decrease £000
		+7.56%	-7.56%
Equities – quoted	1,831,296	1,969,742	1,692,850
Multi Asset Credit	61,370	66,010	56,730
Infrastructure	18,369	19,758	16,980
Overseas Private Equity	158,872	170,883	146,861
Cash deposits	20,274	21,807	18,741
Total	2,090,181	2,248,200	1,932,162

One important point to note is that currency movements are not independent of each other. If Sterling strengthened generally it may rise against all the above currencies producing losses across all the currencies.

Currency Exposure by Significant Currency

The Fund’s most significant currency exposures are to the US Dollar, the EURO and the Japanese Yen, using data on currency risk of 8.63% for the US Dollar, 6.32% for the EURO and 9.05% for the Japanese Yen. Weakening or strengthening of Sterling against US Dollars and EUROS on 31 March 2023 would have increased or decreased the net assets by the amounts shown in the following table:

Asset Type	31 March 2023 £000	Percentage Change %	Value on increase £000	Value on decrease £000
US Dollars	1,244,761	8.63%	1,352,184	1,137,338
EUROs	231,461	6.32%	246,089	216,833
Japanese Yen	106,758	9.05%	116,420	97,096
Total	1,582,980		1,714,693	1,451,267

Weakening or strengthening of Sterling against US Dollars and EUROs on 31 March 2022 would have increased or decreased the net assets by the amounts shown in the following table:

Asset Type	31 March 2022 £000	Percentage Change %	Value on increase £000	Value on decrease £000
US Dollars	1,289,488	7.69%	1,388,650	1,190,326
EUROs	291,881	6.67%	311,349	272,413
Japanese Yen	108,807	8.25%	117,784	99,830
Total	1,690,176		1,817,783	1,562,569

Credit Risk

Credit risk represents the risk that the counterparty to a transaction or financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market value of investments generally reflects an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. In essence the Fund's entire investment portfolio is exposed to some sort of credit risk. The Fund is exposed to credit risk through its investment managers, custodian and its daily treasury management activities. Credit risk is minimised through the careful selection and monitoring of financial institutions and counterparties. Contractual credit risk is represented by the net payment or receipt that remains outstanding.

A source of credit risk is the cash balances held internally or by managers. The Fund's bank account is held at Barclays, which holds an "A" long term credit rating. The management of the cash held in this account is managed by the Council's Treasury Management Team in line with the Council's Treasury Management Strategy which sets out the permitted counterparties and limits. The value of the Fund invested by the Treasury Management Team on 31 March 2023 was £0.478m in an instant access Barclays account and £11.450m invested in Federated's money market fund. (On 31 March 2022 £0.064m was invested in an instant access Lloyds account and £3.250m invested in Federated's money market fund.) Cash balances forming part of the investment assets are invested with the global custodian, State Street, in a diversified money market fund rated AAAM.

Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The main liabilities of the Fund relate to the benefits payable which fall due over a long period of time. The investment strategy reflects this and sets out the strategic asset allocation of the Fund. Liquidity risk is mitigated by investing a proportion of the Fund in actively traded instruments in

particular equities and fixed income investments. The Fund maintains a cash balance to meet operational requirements.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer to convert into cash. The following table summarises the Fund's illiquid assets by fund manager:

31 March 2022 £000		31 March 2023 £000
113,362	Brunel infrastructure	248,035
22,664	Brunel private debt	73,611
66,183	Brunel private equity	100,429
243,766	Brunel property unit trusts	240,674
84,595	Pantheon private equity	63,823
10,880	Partners Group private markets	8,067
1,033	Residual mandates	1
542,483		734,640

Note 14 - Related Parties

The Buckinghamshire Pension Fund is administered by Buckinghamshire Council and therefore there is a strong relationship between Buckinghamshire Council and the Buckinghamshire Pension Fund.

Buckinghamshire Council was reimbursed £3.05m (£2.70m in the 2021/2022 year) for oversight & governance costs and administration costs incurred by the Council on behalf of the Fund. The Council is also the single largest employer of members of the Fund and contributed £62.6m to the Fund in 2022/2023 (£60.8m in the 2021/2022 year).

The Fund's surplus cash held for day-to-day cash flow purposes is invested on the money markets by Buckinghamshire Council's treasury management team, through a service level agreement. During the year to 31 March 2023, the Fund had an average investment balance of £13.4m (£8.3m in the 2021/2022 year), earning interest of £297k (£2k in the 2021/2022 year).

Membership of the Local Government Pension Scheme (LGPS) for Councillors closed to new members on 31 March 2014. Councillors who were active members ceased to be a member at the next end of term of office. There are no members of the Buckinghamshire Pension Fund Committee who are deferred members of the Fund. There was one member of the Buckinghamshire Pension Fund Committee who was a pensioner member of the Fund on 31 March 2023 (on 31 March 2022 no pensioner members and no deferred members). The Service Director of Finance (s151 Officer) holds a key position in the financial management of the Fund and is an active member. He is an employee of Buckinghamshire Council for whom a portion of his costs of employment are re-charged to the Fund. Disclosure of his pay costs can be found within the officer remuneration note in the main Buckinghamshire Council accounts. Members of the Buckinghamshire Pension Fund Committee, the post of Service Director of Finance (s151 Officer) and the post of Assistant Director of Finance (Pensions,

Procurement and Revenues & Benefits) are the key management personnel involved with the Buckinghamshire Pension Fund. £31k was incurred by the Buckinghamshire Pension Fund for costs in relation to key management personnel. Members of the Buckinghamshire Pension Fund Committee are disclosed in the Buckinghamshire Pension Fund Report and Accounts.

The Fund has transactions with Brunel Pension Partnership Ltd (Brunel) (Company number 10429110) which was formed on 14 October 2016 and will oversee the investment of pension fund assets for ten Funds. The founding Funds include The Environment Agency Pension Fund, and the Local Government Funds of Avon, Buckinghamshire, Cornwall, Devon, Dorset, Gloucestershire, Oxfordshire, Somerset and Wiltshire. Each of the 10 organisations, including Buckinghamshire Council, own 10% of Brunel. During the year to 31 March 2023 Brunel provided services costing £1,318k (£1,214k in the year to 31 March 2022).

Note 15 - Current Assets and Liabilities

31 March 2022	Current Assets and Liabilities	31 March 2023
£000		£000
	Current Assets	
10,020	Contributions due from employers 31 March	11,435
3,697	Cash balances (not forming part of the investment assets)	12,026
1,508	Other current assets	790
15,225	Total Current Assets	24,251
	Current Liabilities	
(154)	Management charges	(229)
(1,199)	HM Revenue and Customs	(1,265)
(435)	Unpaid benefits	(455)
(2,658)	Other current liabilities	(2,156)
(4,446)	Total Current Liabilities	(4,105)
10,779	Net Current Assets	20,146

Note 16 - Taxes on Income

The Fund retains the following taxation status:

- VAT input tax is recoverable on all fund activities by virtue of Buckinghamshire Council being the administering authority.
- The Fund is an exempt approved fund under the Finance Act 2004 and is therefore not liable to UK income tax or capital gains tax.
- Income earned from investments overseas in certain countries is subject to withholding tax, unless an exemption is available.

Note 17 - Actuarial Position of the Fund

In accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013 (as amended), the Fund's actuary, Barnett Waddingham LLP, undertakes a funding valuation every three years to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the forthcoming triennial period. The last such valuation took place as at 31 March 2022. The next valuation will take place as at 31 March 2025.

On 31 March 2022, the market value of the assets held were £3.91bn, sufficient to cover 104% of the accrued liabilities assessed on an ongoing basis. No employer is permitted to pay their deficit over a period greater than eleven years from 1 April 2023. The primary rate of contribution is the employers' share of the cost of benefits accruing in each of the three years beginning 1 April 2023 and is 19.7% of payroll. In addition, some employers pay a secondary contribution rate based on their circumstances, the secondary contribution rate across the whole Fund averages 1.6% in 2023/2024, 1.5% in 2024/25 and 1.3% in 2025/26.

The results of the valuation are that the past service funding level of the Fund as a whole has increased from 94% to 104% between 31 March 2019 and 31 March 2022. Investment returns have been strong since the previous valuation, but gains in the funding position have been partially offset by a reduction in future anticipated investment returns net of inflation (i.e. a reduction in the real discount rate). To produce the future cashflows or liabilities and their present value Barnett Waddingham formulate assumptions about the factors affecting the Fund's future finances such as inflation, salary increases, investment returns, rates of mortality, early retirement and staff turnover etc.

The main assumptions used in the valuation were:

Financial assumptions

- Discount rate 4.6%
- Pension increases 2.9%
- CPI inflation 2.9%
- Salary increases 3.9%

Note 18 - Actuarial Present Value of Promised Retirement Benefits

International Financial Reporting Standards (IFRS) requires the disclosure of the actuarial present value of promised retirement benefits. The Fund’s Actuary has prepared a report which rolls forward the value of the Employers’ liabilities calculated for the triennial valuation as at 31 March 2022. On an IAS 19 basis the Actuary estimates that the net liability as at 31 March 2023 is £266m (31 March 2022 £2,193m), but figures calculated on an IAS 19 basis are not relevant for calculations undertaken for funding purposes or for other statutory purposes undertaken under UK pensions legislation. The Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

For the triennial valuation the actuary asks the question – what is the value of the assets required based on existing investment strategy to be sufficient to meet future liabilities? For IAS 19 valuations, however, the actuary asks the question – how much would need to be borrowed on the corporate bond market to meet future liabilities?

The expected returns on the assets held will be different from borrowing costs, and so different amounts are required. This manifests itself in different discount rates being used in each type of valuation, and so different values are placed on the same liabilities.

31 March 2022		31 March 2023
£000		£000
6,095,115	Present value of funded obligation	3,974,968
(3,902,383)	Fair value of scheme assets	(3,708,847)
2,192,732	Net Liability	266,121

The present value of funded obligation consists of £3,936m (£6,006m at 31 March 2022) in respect of vested obligation and £39m (£88m at 31 March 2022) in respect of non-vested obligation. Vested benefits are the benefits that employees have a right to receive even if they do not render services to the employer. In other words, the employees will receive their vested benefits even if they stop working for the employer. Thus, non-vested benefits are the benefits an employee can receive in the future if he or she continues providing services to the employer. The liabilities above are calculated on an IAS19 basis and therefore differ from the results of the triennial funding valuation (see Note 17) because IAS19 stipulates a discount rate rather than a rate that reflects market rates. The main assumptions used were:

Financial Assumptions / Inflation Expectations

31 March 2022		31 March 2023
2.60%	Discount rate	4.80%
3.45% to 4.00%	RPI increases	3.10% to 3.65%
3.20%	CPI increases	2.85%
3.20%	Pension increases	2.85%
4.20%	Salary increases	3.85%

These assumptions are set with reference to market conditions on 31 March. The actuary's approach to derive the appropriate discount rate is the Single Equivalent Discount Rate (SEDR) methodology. The actuary uses sample cashflows for employers at each year and derive the single discount rate which results in the same liability value as that which would be determined using a full yield curve valuation (essentially each year's cashflows has a different discount rate). In carrying out this derivation the Actuary uses the annualised Merrill Lynch AA rated corporate bond yield curve and assumes the curve is flat beyond the 30-year point. This is consistent with the approach used at the previous accounting date.

Similar to the SEDR approach described above the actuary adopted a Single Equivalent Inflation Rate (SEIR) approach in deriving an appropriate RPI assumption.

The SEIR adopted is such that the single assumed rate of inflation results in the same liability value (when discounted using the yield curve valuation described above) as that resulting from applying the Bank of England implied inflation curve. The Bank of England implied inflation curve is assumed to be flat beyond the 40-year point.

Following a recent review of the market, and in particular noting the muted market reaction to the likely alignment of RPI with CPIH (Consumer Prices Index with Housing) from 2030, the actuary's view is that gilt-implied inflation rates are currently distorted by supply and demand factors at medium and longer terms. The actuary has therefore allowed for an Inflation Risk Premium (IRP) of 0.4% at medium and longer terms (from 9 years). This results in an overall IRP of between 0.0% p.a. and 0.25% p.a. depending on the term of the liabilities (for terms ranging from 1 year up to 30 years).

Consistent with the SEDR approach, assumptions are rounded to the nearest 0.05% and the actuary used sample cashflows for employers at each duration year (from 1 to 30 years) in deriving the assumptions for the Fund.

It is expected that RPI will be on average 1.0% p.a. lower than it would have otherwise been from 2030 as a result of the proposed alignment of RPI to CPIH (and CPI) from that date. The actuary has therefore assumed that the annual increase in CPI inflation will be 1.0% p.a. lower than the market implied increases in RPI for each year prior to 2030 and will be in line with RPI inflation thereafter. This results in an assumed gap between the two inflation measures of between 0.25% p.a. and 0.80% p.a. depending on the term of the liabilities (for terms ranging from 30 years down to 5 years).

Salaries are assumed to increase at 1.0% above CPI. This approach is the same as the previous accounting date. Pension increases in the LGPS are expected to be based on Consumer Prices Index (CPI).

Demographic/Statistical assumptions

The actuary has adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2022. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males and 95% for females. These base tables are then projected using the CMI 2021 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.0 and no initial addition to improvement. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)	31 March 2022	31 March 2023
Retiring today		
Males	21.6	21.1
Females	25.0	24.6
Retiring in 20 years		
Males	23.0	22.3
Females	26.5	26.0

The actuary also assumed that:

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

Note 19 - Contingent Liabilities and Contractual Commitments

Outstanding contractual commitments on 31 March 2023 relate to outstanding call payments due on unquoted limited partnership funds held in the private equity, resources, global real estate and infrastructure parts of the portfolio. The amounts “called” by the funds are irregular in both size and timing over several years from the date of each original commitment. The undrawn amount, the outstanding commitment, for each of these contracts is shown in the table below:

Outstanding Capital Commitments	31 March 2022	31 March 2023
	£000	£000
Brunel Infrastructure Cycle 3	250,000	214,680
Brunel Private Debt Cycle 3	150,000	136,800
Brunel Private Equity Cycle 3	150,000	150,000
Brunel Infrastructure Cycle 2	183,278	110,220
Brunel Private Debt Cycle 2	107,363	69,430
Brunel Private Equity Cycle 2	98,952	82,390
Brunel Infrastructure Cycle 1	28,583	16,420
Brunel Private Equity Cycle 1	40,908	30,500
Pantheon Asia Fund V LP	1,225	900
Pantheon Asia Fund VI LP	2,888	2,874
Pantheon USA Fund VII Limited	1,097	1,169
Pantheon USA Fund VIII Feeder LP	4,171	4,264
Pantheon Global Secondary Fund IV Feeder LP	1,538	1,638
Partners Group Global Resources 2009, LP	3,248	3,623
Pantheon Europe Fund V “A” LP	812	844
Pantheon Europe Fund VI LP	2,911	3,027
Partners Group Global Real Estate 2008 SICAR	1,524	1,771
Partners Group Global Infrastructure 2009 SICAR	2,762	3,064
	1,031,260	833,614

On 31 March 2023 there was one group transfer to the Fund being negotiated with another fund (no group transfers to the Fund being negotiated on the 31 March 2022). Calculations have not yet been carried out for the transfer.

On 31 March 2023 there was one group transfers out from the Fund to another fund being negotiated where the £85k value was accrued. There was one on the 31 March 2022 where the £2,556k value was accrued.

Note 20 - Additional Voluntary Contributions (AVCs)

AVC providers secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. The AVC providers to the Fund are Prudential and Scottish Widows. Prudential invests in several funds including with profits accumulation, deposit and discretionary funds. Scottish Widows invests in a range of funds to suit Scheme members' changing lifestyles. These amounts are not included in the pension fund accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of funds) Regulations 2016.

2021/2022 £000	Prudential	2022/2023 £000
5,006	Value of AVC fund at beginning of year	5,492
0	Correction opening value	25
882	Employees' contributions and transfers in	1,658
436	Investment income and change in market value	(47)
(832)	Benefits paid and transfers out	(1,240)
5,492	Value of AVC fund at year end	5,888

2021/2022 £000	Scottish Widows	2022/2023 £000
2,157	Value of AVC fund at beginning of year	2,060
56	Employees' contributions	
128	Investment income and change in market value	
(281)	Benefits paid and transfers out	
2,060	Value of AVC fund at year end	

Information for the above table has been delayed by Scottish Widows. Scottish Widows are working on this and will have the information in time for the final accounts publication.

Note 21 - List of Scheduled and Admitted Bodies

Scheduled Bodies

Buckinghamshire Council	Marlow Town Council
Buckinghamshire and Milton Keynes Fire Authority	Mentmore Parish Council
Chiltern Crematorium	New Bradwell Parish Council
Chilterns Conservation Board	Newport Pagnell Town Council
Thames Valley Police	Newton Longville Parish Council
Milton Keynes Council	Olney Town Council
Milton Keynes Development Partnership	Penn Parish Council
PCC for Thames Valley	Piddington & Wheeler End Parish Council
	Princes Risborough Town Council
Amersham Town Council	Shenley Brook End and Tattenhoe Parish Council
Aston Clinton Parish Council	Shenley Church End Parish Council
Aylesbury Town Council	Slapton Parish Council
Beaconsfield Town Council	Stantonbury Parish Council
Bletchley & Fenny Stratford Town Council	Stony Stratford Town Council
Bow Brickhill Parish Council	Taplow Parish Council
Bradwell Parish Council	Waddesdon Parish Council
Broughton & Milton Keynes Parish Council	Wendover Parish Council
Buckingham Park Parish Council	West Bletchley Town Council
Buckingham Town Council	West Wycombe Parish Council
Burnham Parish Council	Weston Turville Parish Council
Campbell Park Parish Council	Winslow Town Council
Chalfont St Giles Parish Council	Woburn Sands Town Council
Chepping Wycombe Parish Council	Wolverton & Greenleys Town Council
Chesham Bois Parish Council	Wooburn & Bourne End Parish Council
Chesham Town Council	Woughton Community Council
Coldharbour Parish Council	
Coleshill Parish Council	Abbey View Primary School
Downley Parish Council	Alfriston School
Gerrards Cross Parish Council	Amersham School
Great Missenden Parish Council	Ashbrook School
Great Marlow Parish Council	Aspire Schools
Hambleden Parish Council	Aylesbury College
Hanslope Parish Council	Aylesbury Grammar School
Hazlemere Parish Council	Aylesbury High School
Hughenden Parish Council	Aylesbury Vale Academy
Iver Parish Council	Beaconsfield High School
Ivinghoe Parish Council	Bearbrook Combined & Pre-school
Kents Hill & Monkston Parish Council	Bedgrove Infant School
Lacey Green Parish Council	Bedgrove Junior School
Lane End Parish Council	Beechview Academy
Little Marlow Parish Council	Bourne End Academy
Little Missenden Parish Council	Bourton Meadow Academy
Loughton & Great Holm Parish Council	Bridge Academy
Marlow Bottom Parish Council	Brill CofE Combined School
	Brookmead School

Brookward School	Holmwood School
Brushwood Junior School	Holne Chase Primary School
Buckinghamshire New University	Ickford Learning Trust
Buckinghamshire University Technical College	Insignis Academy Trust
Burnham Grammar School	Inspiring Futures Partnership Trust
Bushfield School	Inspiring Futures through Learning Academy Trust
Campfire Education Trust	Ivingswood Academy
Castlefield School	John Colet School
Chalfonts Community College	John Hampden Grammar School
Chalfont St Peter CE Academy	Jubilee Wood Primary School
Chalfont Valley E-Act Academy	Kents Hill Park School
Charles Warren Academy	Kents Hill School
Chepping View Primary Academy	Kingsbridge Education Trust (MAT)
Chesham Bois CofE Combined School	Kingsbrook View Primary Academy
Chesham Grammar School	Knowles Primary School
Chestnuts Academy	Lace Hill Academy
Chiltern Hills Academy	Lakes Academy Trust
Chiltern Way Federation Academy	Langland Community School
Christ the Sower Ecumenical Primary School	Lent Rise Combined School
Cottesloe School	Longwick CofE Combined School
Curzon CofE Combined School	Lord Grey Academy
Danesfield School	Loudwater Combined School
Denbigh School	Loughton School
Denham Green E-Act Academy	Mandeville School
Dorney School	Manor Farm Junior School
Dr Challoner's Grammar School	Middleton Primary School
Dr Challoner's High School	Milton Keynes Academy
Edlesborough School	Milton Keynes College
Elmhurst School (Academy)	Milton Keynes Education Trust
Elmtree Infant and Nursery School	MK Primary Pupil Referral Unit
EMLC Academy Trust	Monkston Primary Academy
Fairfields Primary School	Moorland Primary School
George Grenville Academy	New Bradwell School
Germander Park School	New Chapter Primary School
Gerrards Cross CoE School	Oakgrove School
Glastonbury Thorn First School	Olney Infant School
Glebe Farm School	Olney Middle Academy
Great Horwood CofE Combined School	Orchard Academy
Great Kimble CoE School	Our Ladies Catholic Primary School
Great Kingshill CoE Combined School	Ousedale School
Great Marlow School	Overstone Combined School
Great Missenden CoE Combined School	Oxford Diocesan Bucks School Trust (MAT)
Green Park School	Oxley Park Academy
Green Ridge Primary Academy	Padbury CofE School
Hamilton Academy	Pioneer Secondary Academy
Heronsgate School	Portfields Combined School
Heronshaw School	Princes Risborough Primary School
Holmer Green Senior School	

Princes Risborough School
 Priory Rise School
 Rickley Park Primary School
 Royal Grammar School
 Royal Latin School
 St Edwards Catholic Junior School
 St John's CofE Combined School
 St Joseph's Catholic Infant School
 St Joseph's Catholic Primary School
 St Louis Catholic Primary School
 St Mary & St Giles CofE School
 St Mary's CofE Combined School
 St Nicolas' CE Combined School Taplow
 St Paul's RC School
 St Peter's Catholic Primary School
 Seer Green CofE School
 Shenley Brook End School
 Shepherdswell School
 Sir Henry Floyd Grammar School
 Sir Herbert Leon Academy
 Sir Thomas Fremantle Academy
 Sir William Borlase's Grammar School
 Sir William Ramsay School
 Southwood Middle School

Speen CofE VA School
 Stanton School
 Stantonbury School
 Stephenson Academy
 The Beaconsfield School
 The Hazeley Academy
 The Highcrest Academy
 The Kingsbrook School
 The Misbourne School
 The Premier Academy
 The Radcliffe School
 Thomas Harding Junior School
 Two Mile Ash School
 Waddesdon CoE School
 Walton High
 Water Hall Primary School
 Waterside Combined School
 Watling Academy
 West Wycombe Combined School
 Whitehouse Primary School
 Wooburn Green Primary Academy
 Woodside Junior School
 Wycombe High School
 Wyvern School

Admitted Bodies

Acorn Early Years (F&W)
 Acorn Early Years (Playzone)
 Acorn Early Years (Rowans)
 Action for Children Services Ltd
 Alliance in Partnership (BPPS)
 Ambassador Theatre Group
 Ambient Support
 Aspens Services (MK Academy)
 Aspens Services (SWR)
 Aston Commercial Cleaning Ltd
 Avalon Cleaning Services (Langland School)
 Birkin Cleaning Services (Lord Grey)
 Birkin Cleaning Services (Shenley Brook End)
 Buckinghamshire Local Enterprise Partnership
 Buckinghamshire Music Trust
 Bucks Association of Local Councils
 Bucks County Museum Trust
 Busy Bee Cleaning Services Ltd (BC)
 Busy Bee Cleaning Services Ltd (BCD)
 Busy Bee Cleaning Services Ltd (Walton High)
 Caterlink (Walton High)

Chiltern Rangers CIC
 Cleantec Services Limited (Denham Academy)
 Cleantec Services Limited (Oakgrove School)
 Cleantec Services Limited (Radcliffe School)
 CS Cleaning Ltd (MiltonKeynes)
 Cucina Restaurants (Denbigh School)
 Cucina Restaurants (Lord Grey)
 Cucina Restaurants (Shenley BE)
 Cucina Restaurants (Stantonbury)
 Everyone Active Ltd
 Excelcare
 Fresh Start Catering (LHA)
 Fujitsu Services Limited
 Hightown Housing Association Ltd
 ICTS (UK) Ltd
 Innovate Services Ltd (Buckingham)
 Innovate Services Ltd (Oakgrove)
 Innovate Ltd (Princes Risboro)
 May Harris Multi Services Ltd
 Mears Group plc
 Monitor Cleaning Services Ltd

Oxfordshire Health NHS Foundation Trust
Pace Security Ltd (MK College)
Places for People Leisure (Newport Pagnell TC)
Places for People Leisure (WDC)
Police Superintendents Association Limited
Profile Security Services Ltd new
Rapidclean (BC Stokenchurch) new
Rapidclean (MK Redway School)
Red Kite Community Housing Ltd
Ringway Infrastructure Services
Sasse Facilities Management Ltd
Serco (MKC)
Serco (MKC Recreation & Maintenance)
Sports Leisure Management
TGC Facility Services Ltd
The Pantry (Chiltern Hills)
The Pantry (Two Mile Ash)
Thrift Activity Farm Ltd
Turn IT On Ltd (SWR School)
Wellbeing Fitness and Leisure Community Trust
Wolverton Leisure Trust
Wycombe Heritage and Arts Trust

The Audit Findings Report for Buckinghamshire Pension Fund

Year ended 31 March 2023

November 2023



Contents



Your key Grant Thornton team members are:

Mark Stocks

Key Audit Partner

E Mark.S.Stocks@uk.gt.com

Hal Parke

Audit Manager

E Hal.RI.Parke@uk.gt.com

Marcella Cato

In Charge Auditor

E Marcella.EA.Cato@uk.gt.com

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This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with management and the Audit and Governance Committee.

Name: Mark Stocks

For Grant Thornton UK LLP

Date: 08.11.2023

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Pension Fund or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Buckinghamshire Pension Fund ('the Pension Fund') and the preparation of the Pension Fund's financial statements for the year ended 31 March 2023 for the attention of those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Pension Fund's financial statements give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2023 and of the amount and disposition at that date of the fund's assets and liabilities, other than liabilities to pay promised retirement benefits after the end of the fund year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

Our audit work was completed remotely during August-October. We have not identified any matters that have resulted in an adjustment to the Pension Fund's reported financial position. We have identified differences in the valuation of investments of c.£22m (overstated) in comparison to the information we have obtained. These are detailed in Appendix D (page 29). We do not consider that these are material to the financial statements and management have declined to adjust the accounts on this basis. We have also raised recommendations for management as a result of our audit work. These are set out in Appendix B. Our follow up of recommendations from the prior year's audit are detailed in Appendix C.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion or material changes to the financial statements, subject to the following outstanding matters;

- receipt of detail of experience items noted by the actuary, and
- receipt of management representation letter, and
- review of the final set of financial statements, and
- finalisation of partner review and clearance of review points.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated opinion on the financial statements will be unmodified.

1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Buckinghamshire Pension Fund ('the Pension Fund') and the preparation of the Pension Fund's financial statements for the year ended 31 March 2023 for the attention of those charged with governance.

Financial Statements

Whilst (subject to the outstanding matters above) our work on the Pension Fund financial statements is complete, we will be unable to issue our final audit opinion on the Pension Fund financial statements until the audit of the Administering Authority is complete.

We are required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements. We issued/propose to issue our 'consistency' opinion on the Pension Funds Annual Report alongside the financial statements opinion.

1. Headlines

National context - audit backlog

Nationally there have been significant delays in the completion of audit work and the issuing of audit opinions across the local government sector. Only 12% of local government bodies had received audit opinions in time to publish their 2021/22 accounts by the extended deadline of 30 November. There has not been a significant improvement over this last year, and the situation remains challenging. We at Grant Thornton have a strong desire and a firm commitment to complete as many audits as soon as possible and to address the backlog of unsigned opinions.

Over the course of the last year, Grant Thornton has been working constructively with DLUHC, the FRC and the other audit firms to identify ways of rectifying the challenges which have been faced by our sector, and we recognise the difficulties these backlogs have caused authorities across the country. We have also published a report setting out our consideration of the issues behind the delays and our thoughts on how these could be mitigated. Please see [About time? \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/about-time/)

We would like to thank everyone at the Pension Fund for their support in working with us to work constructively to resolve any and all issues and to not fall behind and to issue a timely audit opinion.

Local context - triennial valuation

Triennial valuations for local government pension funds have been published. These valuations, which are as at 31 March 2022, provide updated information regarding the funding position of the Pension Fund and set employer contribution rates for the period 2023/24 – 2025/26. For the Pension Fund, the valuation was undertaken by Barnett Waddingham, and showed that the Fund had assets sufficient to cover 104% of the accrued liabilities as at the 31st March 2022. The results of the latest triennial valuation are reflected in note 18 to the financial statements. These valuations also provide updated information for the net pension liability on employer balance sheets.

We have performed testing of the completeness and accuracy of triennial valuation source data. This was to support our work providing assurances to auditors of employer bodies. As part of this work, we tested a sample 25 and found the source data to be complete and accurate. This additional testing is only required after each triennial review, rather than annually. See Appendix E for the impact of this work on our 2022/23 audit fee.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice [‘the Code’]. Its contents will be discussed with management and the Audit and Governance Committee.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Pension Fund’s business and is risk based, and in particular included:

- An evaluation of the Pension Fund’s internal controls environment, including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion. These outstanding items include:

- receipt of detail of experience items noted by the actuary, and
- receipt of management representation letter and
- review of the final set of financial statements
- finalisation of partner review and clearance of review points.

2. Financial Statements

Overview of the scope of our audit

For Buckinghamshire Pension Fund, the Audit and Governance Committee fulfil the role of those charged with governance. The Pension Committee considers the draft financial statements and is part of the overall member oversight process.

Audit approach

Conclusion

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff. During the audit both your finance team and our audit team faced audit challenges again this year, such as remote access working arrangements i.e., remote accessing financial systems, verifying the completeness and accuracy of information provided remotely produced by the entity.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our audit plan on 27 09 23.

We set out in this table our determination of materiality for the Pension Fund.

Overall Materiality	Pension Fund Amount (£)	Qualitative factors considered
Materiality for the financial statements	£48.0m	This benchmark is determined as a percentage of the Funds Investment Assets, which has been set at approximately 1.3%.
Performance materiality	£33.6m	Performance Materiality is based on a percentage (70%) of the overall materiality.
Trivial matters	£2.4m	This balance is set at 5% of overall materiality.

Fund Account Materiality	Pension Fund Amount (£)	Qualitative factors considered
Materiality	£17.0m	This benchmark is determined as a percentage of the Funds expenditure, which has been determined as 10%
Performance materiality	£11.9m	Performance Materiality is based on a percentage (70%) of the fund account materiality.
Trivial matters	£850k	This balance is set at 5% of fund account materiality.

2. Financial Statements: Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan

Commentary

Management override of controls

We have:

- Evaluated the design effectiveness of management controls over journals;
- Analysed the journals listing and determined the criteria for selecting high risk unusual journals;
- Tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;
- Gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness with regard to corroborative evidence; and
- Evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Our audit work has not identified any issues in respect of management override of controls.

ISA240 revenue/expenditure risk - Rebutted

As noted in the Audit plan we have rebutted the presumed risk of material misstatement in these area:

Having considered the risk factors set out in ISA 240, and the nature of the revenue streams of the Pension Fund, we have determined that it is likely that the presumed risk of material misstatement due to the improper recognition of revenue can be rebutted, because:

- there is little incentive to manipulate revenue recognition;
- opportunities to manipulate revenue recognition are very limited; and
- the culture and ethical frameworks of public sector bodies, including London Borough of Sutton, mean that all forms of fraud are seen as unacceptable.

Therefore we do not consider this to be a significant risk for the Pension Fund.

2. Financial Statements: Significant risks (cont..)

Risks identified in our Audit Plan

Commentary

Valuation of Level 3 investments

We have:

- Evaluated management's processes for valuing Level 3 investments;
- Reviewed the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments; to ensure that the requirements of the Code are met;
- Independently requested year-end confirmations from investment managers and the custodian;
- For a sample of investments, tested the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconciled those values to the values at 31 March 2023 with reference to known movements in the intervening period;
- In the absence of available audited accounts, we have evaluated the competence, capabilities and objectivity of the valuation expert; and
- Where available reviewed investment manager service auditor reports on design and operating effectiveness of internal controls.

Our audit work has not identified any material issues in respect of the valuation of Level 3 investments. We did identify a £6.3m overstatement in respect of the valuation of Level 3 investments as a result of differences identified between the value of investments disclosed in the financial statements and the capital statements received from investment managers as at 31st March 23.

2. Financial Statements: Other risks

Risks identified	Commentary
Valuation of Level 2 Investments	<p>We have:</p> <ul style="list-style-type: none"> • Gained an understanding of the Fund’s process for valuing Level 2 investments and evaluated the design of the associated controls; • Reviewed the nature and basis of estimated values and considered what assurance management has over the year end valuations provided for these investments; • Reviewed the reconciliation of information provided by the individual fund managers, custodian and Pension Scheme's own records and sought explanations for variances; • independently requested year-end confirmations from investment fund managers and custodian; and • Reviewed investment fund managers service auditor reports on design effectiveness of internal controls. <p>Our audit work has not identified any material issues in respect of the valuation of Level 2 investments. We have identified a £16.5m overstatement when comparing level 2 investment price valuations to third party prices as at 31st of March.</p>

2. Financial Statements: Other risks (cont...)

Risks identified	Commentary
<p>Actuarial Present Value of Promised Retirement Benefits disclosure – IAS 26</p>	<p>We have:</p> <ul style="list-style-type: none"> • Updated our understanding of the processes and controls put in place by management to ensure that the Fund’s Actuarial Present Value of Promised Retirement Benefits is not materially misstated; • Evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary’s work; • Assessed the competence, capabilities and objectivity of the actuary who carried out the Fund’s valuation; • Assessed the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability; • Tested the consistency of disclosures with the actuarial report from the actuary; and • Undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor’s expert) and performing any additional procedures suggested within the report. <p>Our audit work is currently on going in respect of the valuation of Actuarial Present Value of Promised Retirement Benefits disclosure where we are awaiting receipt of detail of experience items noted by the actuary.</p>
<p>Local Government Pension Scheme triennial valuation</p>	<p>We have:</p> <ul style="list-style-type: none"> • reviewed the methods used to calculate the estimate, including the models used • reviewed the actuarial reports and assessed the reasonableness of the assumptions made in the reports. • performed tests on the accuracy and completeness of the data used in the valuation process, including member data. This included examining source documents and reconciling data to supporting records. • evaluated the adequacy and accuracy of the disclosures related to the LGPS triennial valuation within the financial statements. <p>Our audit work has not identified any issues in respect of the Triennial Valuation.</p>

2. Financial Statements: new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Risks	Auditor view
<p>IT Control deficiencies</p> <p>Users identified with inappropriate access to ABAP debugger in production</p> <p>ABAP debugger is used for performing debugging functions such as inserting a code to correct any errors in the source code. Users are therefore able to execute unauthorised transactions through these amendments to code.</p> <p>We observed that there were 33 interactive (Dialog(A)) accounts assigned with access to ABAP Debugger in production granted via S_DEVELOP authorisation object in change mode. (Refer to APPENDIX – 1). Further, one (1) out of thirty-five (33) users with access to ABAP Debugger belonged to individuals from Finance and Payroll Team.</p>	<p>Unauthorised access to ABAP debugger granted via S_DEVELOP authorisation object in change mode increases the risk of unauthorised change or deletion of table entries including tables that are typically protected by SCC4, the ability to perform debugging functions by inserting break-point statements into program code and the ability to bypass authority checks and execute transactions user is not authorised to execute through inserting break-point statements into program code and bypassing authority checks.</p>	<p>It is recommended that the management remove ABAP debugger access permanently from production.</p> <p>It is best practise to use Firefighter accounts with an approved business case and set validity period.</p> <p>Management response</p> <p>Debug access has been removed from all active roles with change access other than for the Firefighter role. Access remains for the Support Tech role which is only assigned to our developers Martin Jackson and Hafeez Mohammed. Where possible our developers would investigate any issues across the landscape however some issues require further debug directly in the production client by the above mentioned two ABAP developers.</p>

2. Financial Statements: new issues and risks (cont...)

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Risks	Auditor view
<p>Users with inappropriate access to develop changes in development and create/import transports in production Our audit procedures identified one(1) user account – BASIS01 with ability to develop changes in development and users with ability to create/import transports in production via STMS/STMS_IMPORT connections between development and production. We performed further audit procedures and identified that the user has created transports in development and imported them into production.</p>	<p>The combination of access to develop and implement those changes in the production environment creates a risk that inappropriate or unauthorised changes are made to data and/ or programs.</p>	<p>While management has implemented procedures to ensure that all changes require authorisation prior to being transported into production, it is recommended that privileged access to the production environment should be revoked from users that are involved in development.</p> <p>Management Response All of the transports found were created and moved as part of the major Enhancement Pack 8 upgrade last year, our HCL consultants created and moved the changes across as part of the implementation to help fix issues arisen due to the upgrade itself. You will not find any other transports created and moved through to ERP by the same user as that is not our process. Changes into ERP can only be moved by a member of Basis only after it has been approved in writing and only changes that were not created by themselves. The EHP 8 upgrade was an exceptional circumstance and not very frequent (our first EHP upgrade in over 10 years). Basis01 has been removed from the DEVACCESS table in ERD, ERQ and ERP.</p>

2. Financial Statements: key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Level 3 Investments - £502m

The Pension Fund has investments in pooled investments vehicles (infrastructure, private debt, private equity, property -unit trusts and long term investments) that in total are valued on the net assets statement as at 31 March 2023 at £502m.

Management receive quarterly performance reports which are reviewed and subsequently presented to the Local Pensions Board in order to provide scrutiny of estimates and consider any uncertainty. Key fund managers will periodically attend committee meetings which provides an opportunity for officers and members to challenge any unusual movements or assumptions.

These investments are not traded on an open exchange/market and the valuation of the investment is highly subjective due to a lack of observable inputs. In order to determine the value, management rely on the valuations provided by the custodian (Statestreet) and investment managers for the pooled investment vehicles which the Pension Fund invests in and Brunel.

Management determine the value of pooled investment vehicles by placing reliance on the reports provided by the custodian, and Brunel. As such we reviewed confirmations of year end valuations for all sampled investment managers and also agreed them to both the Custodian and Statestreet reports.

We reviewed the audited accounts and unaudited valuations at the audited accounts date to determine if values estimated are reasonable. Where provided, we further reviewed service organisation reports for the investment managers.

[Light Purple]

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: key judgements and estimates (cont...)

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Level 3 Investments - £502m

The value of the investment has increased by £202m in 2022/23, due to additional investments made during the year.

Sensitivities disclosed in the notes to the accounts are reasonable and in line with the Code.

The estimate is adequately disclosed in the financial statements.

We did identify a £6.3m overstatement in respect of the valuation of Level 3 investments as a result of differences identified between the value of investments disclosed in the financial statements and the capital statements received from investment managers as at 31st March 23.

[Light Purple]

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Level 2 Investments – £3,234m	<p>The Pension Fund has level 2 investments in pooled funds with Brunel that in total are valued on the balance sheet as at 31 March 2023 at £3,234m.</p> <p>Similar to the level 3 assets, Management receive quarterly performance reports which are reviewed and subsequently presented to the Local Pensions Board in order to provide scrutiny of estimates and consider any uncertainty. Key fund managers will periodically attend committee meetings which provides an opportunity for officers and members to challenge any unusual movements or assumptions.</p> <p>The investments are not traded on an open exchange/market and the valuation of the investment is subjective. In order to determine the value, management obtains valuations from the pooled fund manager (Brunel and custodian to ensure that valuations are materially fairly stated.</p>	<p>Our assessment of the estimate comprised:</p> <ul style="list-style-type: none"> reviewing year end valuation reports for the individual fund managers of the pooled investment vehicles triangulating the investment values between the custodian, Brunel and the individual fund managers of the pooled investment vehicles since management place their reliance on the valuations provided by Statestreet and Brunel. agreeing investment unit prices or valuations to reports from the custodian and fund managers and the audited accounts for that asset . testing observable inputs to appropriate and recognised sources where available. for investments where there were no observable inputs, we treated the fund managers as experts 	<p>[Light Purple]</p>

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: key judgements and estimates (cont...)

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Level 2 Investments – £3,234m	The value of the investment has decreased by £346m in 2022/23 largely due to the migration of investments to Level 3 holdings during the year.	<p>We assessed the appropriateness of the underlying information and techniques used to determine the estimate and checked the adequacy of disclosure of the estimate in the financial statements.</p> <p>Our audit work has not identified any material issues in respect of the valuation of Level 2 investments. We have identified a £16.5m overstatement when comparing level 2 investment price valuations to third party prices as at 31st of March.</p>	[Light Purple]

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas. For further detail of the IT audit scope and findings please see separate 'IT Audit Findings' report.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating		
			Security management	Technology acquisition, development and maintenance	Technology infrastructure
SAP	ITGC assessment (design effectiveness only)	●	●	●	●
Altair	ITGC assessment (design effectiveness only)	●	●	●	●
Active Directory	ITGC assessment (design effectiveness only)	●	●	●	●

Assessment

- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for testing

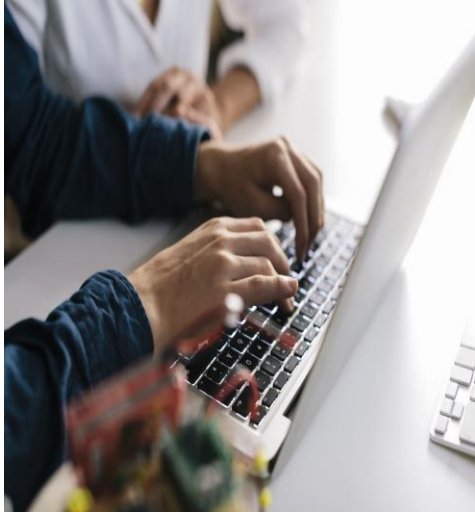
2. Financial Statements: other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

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Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit and Governance Committee . We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Pension Fund, which is included in the Audit and Governance Committee papers.
Audit evidence and explanations	All information and explanations requested from management was provided.

2. Financial Statements: other communication requirements



Issue	Commentary
Confirmation requests from third parties	We requested from management permission to send confirmation requests to your custodian, fund managers and banks. This permission was granted and the requests were sent.
Accounting practices	We have evaluated the appropriateness of the Pension Fund's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.

2. Financial Statements: other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting.

2. Financial Statements: other communication requirements (cont...)



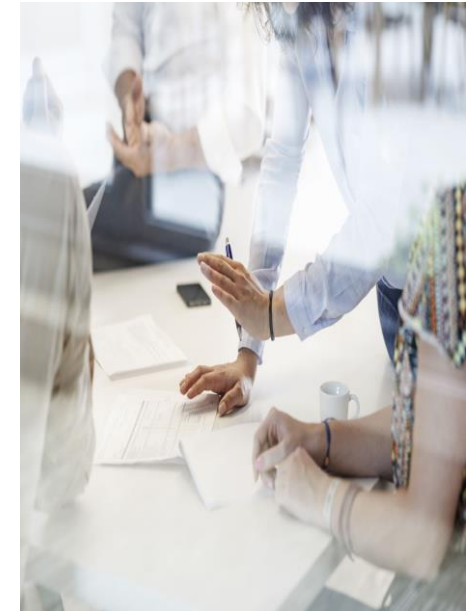
Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Pension Fund meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> • the nature of the Pension Fund and the environment in which it operates • the Pension Fund’s financial reporting framework • the Pension Fund’s system of internal control for identifying events or conditions relevant to going concern • management’s going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> • a material uncertainty related to going concern has not been identified • management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Other information	<p>The Pension Fund is administered by Buckinghamshire Council (the ‘Council’), and the Pension Fund’s accounts form part of the Council’s financial statements. We are required to read any other information published alongside the Council’s financial statements to check that it is consistent with the Pension Fund financial statements on which we give an opinion and is consistent with our knowledge of the Authority. No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements. We propose to issue our ‘consistency’ opinion on the Pension Fund’s Annual Report alongside the opinion of the financial statements.</p> <p>We are required to report if we have applied any of our statutory powers or duties as outlined in the Code. We have nothing to report on these matters.</p>



3. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix E.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Grant Thornton International Transparency report 2023](#).

3. Independence and ethics (cont...)

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Pension Fund. No non-audit services were identified which were charged from the beginning of the financial year to March 2023. Note that fees for IAS 19 letters for employer body auditors were classed as non-audit fees prior to 2022/23. The National Audit Office have confirmed that the provision of IAS 19 assurances should be considered work undertaken under the Code of Audit Practice for 2022/23 onwards.

3. Independence and ethics cont...

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Pension Fund that may reasonably be thought to bear on our integrity, independence and objectivity
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Pension Fund held by individuals
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Pension Fund as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Pension Fund
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Pension Fund's board, senior management or staff that would exceed the threshold set in the Ethical Standard.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person [and network firms] have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments
- G. Management Letter of Representation
- H. Audit opinion

A. Communication of audit matters to those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings Report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

A. Communication of audit matters to those charged with governance (cont...)

Our communication plan	Audit Plan	Audit Findings
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

B. Action Plan – Audit of Financial Statements

We have identified 2 recommendations for the Pension Fund as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2023/24 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue	Risks	Auditor view
High	<p>IT Control deficiencies</p> <p>Users identified with inappropriate access to ABAP debugger in production</p> <p>ABAP debugger is used for performing debugging functions such as inserting a code to correct any errors in the source code. Users are therefore able to execute unauthorised transactions through these amendments to code.</p> <p>We observed that there were 33 interactive (Dialog(A)) accounts assigned with access to ABAP Debugger in production granted via S_DEVELOP authorisation object in change mode. (Refer to APPENDIX – 1). Further, one (1) out of thirty-five (33) users with access to ABAP Debugger belonged to individuals from Finance and Payroll Team.</p>	<p>Unauthorised access to ABAP debugger granted via S_DEVELOP authorisation object in change mode increases the risk of unauthorised change or deletion of table entries including tables that are typically protected by SCC4, the ability to perform debugging functions by inserting break-point statements into program code and the ability to bypass authority checks and execute transactions user is not authorised to execute through inserting break-point statements into program code and bypassing authority checks.</p>	<p>It is recommended that the management remove ABAP debugger access permanently from production.</p> <p>It is best practise to use Firefighter accounts with an approved business case and set validity period.</p> <p>Management response</p> <p>Debug access has been removed from all active roles with change access other than for the Firefighter role. Access remains for the Support Tech role which is only assigned to our developers Martin Jackson and Hafeez Mohammed. Where possible our developers would investigate any issues across the landscape however some issues require further debug directly in the production client by the above mentioned two ABAP developers.</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Action Plan – Audit of Financial Statements (cont...)

Assessment	Issue	Risks	Auditor view
High	<p>Users with inappropriate access to develop changes in development and create/import transports in production</p> <p>Our audit procedures identified one(1) user account – BASIS01 with ability to develop changes in development and users with ability to create/import transports in production via STMS/STMS_IMPORT connections between development and production.</p> <p>We performed further audit procedures and identified that the user has created transports in development and imported them into production.</p>	<p>The combination of access to develop and implement those changes in the production environment creates a risk that inappropriate or unauthorised changes are made to data and/ or programs.</p>	<p>While management has implemented procedures to ensure that all changes require authorisation prior to being transported into production, it is recommended that privileged access to the production environment should be revoked from users that are involved in development.</p> <p>Management Response</p> <p>All of the transports found were created and moved as part of the major Enhancement Pack 8 upgrade last year, our HCL consultants created and moved the changes across as part of the implementation to help fix issues arisen due to the upgrade itself. You will not find any other transports created and moved through to ERP by the same user as that is not our process. Changes into ERP can only be moved by a member of Basis only after it has been approved in writing and only changes that were not created by themselves. The EHP 8 upgrade was an exceptional circumstance and not very frequent (our first EHP upgrade in over 10 years). Basis01 has been removed from the DEVACCESS table in ERD, ERQ and ERP.</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

C. Follow up of prior year recommendations

We identified the following issues in the audit of Buckinghamshire Pension Fund's 2021/22 financial statements, which resulted in 6 recommendations being reported in our 2021/22 Audit Findings Report. We are pleased to report that management have implemented all of our recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>1. Allocation of SAP_ALL and SAP_NEW profiles to service and dialog accounts</p> <ul style="list-style-type: none"> SAP_ALL profile had been allocated to 13 service accounts and 2 dialog accounts. SAP_NEW profile has been allocated to 9 service accounts and one dialog account. 	<p><i>Response: These are Service users that have access to all Company codes as these user ids are used to run background jobs. For SAP_ALL only two dialog users have this access which is granted for the completion of batch jobs only. For SAP_NEW only one dialog user has this access which is granted for the completion of batch jobs only.</i></p>
✓	<p>2. The standard SAP account DDIC has not been locked</p> <ul style="list-style-type: none"> The SAP DDIC account by default has the highest system privileges and is often associated with background processes, our review identified that this account whilst set as a system account, is also being used for 'firefighting purposes' and is not locked. 	<p><i>Response: This user is used for upgrade purposes only and not for firefighting. The account has been locked.</i></p>

Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations (cont...)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>3. Inappropriate user access rights allocated to users and generic accounts</p> <ul style="list-style-type: none"> a. Transaction codes (T-codes) are used to execute particular tasks in SAP. The PFCG T-code is used for maintaining and managing roles and authorisation data; and the SU01 T-code is used for user maintenance. b. 21 users had been assigned the SU01 transaction code. c. 22 users had been assigned the PFCG transaction code. d. The generic user account SAPSUPPORT had also been assigned the SU01 and PFCG transaction codes with an end date of 01/12/2021. e. The generic user account SAPSUPP had also been assigned the SU01 and PCFG transactions codes with an end date of 25/04/2021. 	<p>Response:</p> <ul style="list-style-type: none"> a. No comment required. b. This is to allow Admin Service Desk users to perform user maintenance and user creation. c. This is to allow admin colleagues to assign roles. Roles are assigned to a user's post and not directly to a user. d. This is a firefighter role which is used for SAP Support and is only unlocked for a short period of time as and when required. e. This is a firefighter role which is used for SAP Support and is only unlocked for a short period of time as and when required.

Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>From our testing of management expenses, we identified that expenses which are in other currencies such as EURO and USD were not translated to GBP, hence creating foreign exchange differences which were trivial. The supporting documents which were provided by management did not tie up and resulted in a difference of £452k between the amount in the accounts and the evidence which management provided. A fund manager expense of £76k was not included as part of management expenses.</p> <p>Although the errors resulting from the above issues are immaterial to the 21/22 accounts, if management do not address the issues identified, this could lead to higher errors in the future.</p>	<p>Response:</p> <p><i>The template for calculating investment management expenses was improved to include formulae to translate Euros and US dollars to GBP. Also, an analytical review was undertaken to check the totals were correct.</i></p>

Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations cont...

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>We identified from our testing of employer body changes, that for Action for Children, the Barnet Waddingham report showed it as a newly admitted body in 19/20, however the pension fund did not show it as an admitted body until 21/22 due to delays in receiving a signed admission agreement and the pension fund updating their systems.</p> <p>Chartwells Ltd (Oakgrove School) cessation report shows cessation on 31/07/2020 from the Barnett Waddingham report when the last member left, however the Pension fund did not remove it as an admitted body until 21/22 due to delays in receiving a cessation report and the pension fund updating their systems.</p>	<p>Response:</p> <p><i>The cessation reports and admission agreements were collated as part of the process of drafting the accounts and the start / cessation dates checked. Since the actual cessation payment / receipt could be later than the cessation date in the report a body could still be part of the Fund even though they don't have any active members.</i></p>

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Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations (cont...)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Errors identified from member data controls testing</p> <ul style="list-style-type: none"> We identified 2 starters which were created in error via iConnect as the team was learning how to use the iConnect system when the system initially went live. The starters should not have been included on the Starters list. We identified 15 starters where system records and statutory notices were created or sent out at a later date than the employment date. This was due to late setup in Altair. We also identified 5 samples where statutory notices were not sent out due to system error with the starters not being flagged as needing statutory notice. 	<p>Response:</p> <p>Starters - we have a procedure where these are identified in two ways. Firstly, where no data is submitted for an active record via i-Connect (IC), an automatic reconciliation workflow is created named 'Actives not updated'. This will identify whether this is a leaver or identify that a duplicate record was created. Where it is duplication, the Employer Liaison Team (ELT) merge the records and delete the duplicate. For all new records created, an iSTART workflow is also created which the Pensions Assistants review in order to add any service history data or create aggregation workflow where appropriate. They also check that it is a genuine new starter. If it isn't, the above IC reconciliation workflow may already exist for ELT to address. If not, the Pensions Assistants create a MERGE workflow so it can be dealt with.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations (cont...)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>We were able to confirm that for the samples tested, the issues above did not affect the contributions amount and the correct contribution was still paid by the employers and the employees. It is best practice for management to ensure system records are updated on time as this can lead to an error in the future.</p> <p>The Pension fund also incorrectly classified an undecided leaver as leaver.</p>	<p>Response:</p> <p><i>Leavers – there is no requirement in the LGPS Regulations for a Scheme Employer to provide an Administering Authority with a hard copy Leaver Notification Form. Employers inform BPF of all leavers via IC and this meets the requirement set out in Section 1 of the LGPS Payroll Guide. Each authorised user at the Scheme Employer has an individual log on for IC. When they access IC and submit their monthly data, including leavers, there is an audit trail showing the full submission, date & time of submission and the details of the authorised employee at the Scheme Employer who made the submission.</i></p> <p><i>Statutory Notifications – the issue with Statutory Notifications has been resolved. The content and format of the Statutory Notification and procedures are being reviewed.</i></p>

Assessment

- ✓ Action completed
- X Not yet addressed

D. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

There were no adjusted misstatements which would impact on the key statements and the reported net assets for the year ending 31 March 2023.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure/issue/Omission	Auditor recommendations	Adjusted ?
Update the audit fee disclosure to be inline with the audit plan.	Management response Management have agreed to update the disclosure to reflect the audit plan.	✓

D. Audit Adjustments (cont...)

Impact of unadjusted misstatements

The unadjusted misstatements which would impact on the key statements and the reported net assets for the year ending 31 March 2023 are noted in the table below.

Detail	Pension Fund Account £'000	Net Asset Statement £' 000	Impact on total net assets £'000	Reason for not adjusting
<ul style="list-style-type: none"> Level 3 Investment assets (Profit) and losses on disposal of investments and changes in value of investments <p>Differences identified between the value of investments disclosed in the financial statements and the capital statements as at 31 March 2023 received from third party investment managers.</p>	6,323	-6,323	-6,323	Not material

D. Audit Adjustments (cont...)

Impact of unadjusted misstatements

The unadjusted misstatements which would impact on the key statements and the reported net assets for the year ending 31 March 2023 are noted in the table below.

Detail	Pension Fund Account £'000	Net Asset Statement £' 000	Impact on total net assets £'000	Reason for not adjusting
<ul style="list-style-type: none"> • Level 2 Investment assets • (Profit) and losses on disposal of investments and changes in value of investments <p>Differences identified between the value of investments disclosed in the financial statements and the capital statements as at 31 March 2023 received from third party investment managers.</p> <p>This variance is primarily driven by the valuation of the LGIM Passive world developed equity investment which has been compared to valuations as at 27th March, and 3rd of April, as a separate 31st March valuation was not available – this accounts for £15.6m of the variance.</p>	16,458	-16,458	-16,458	Not material

D. Audit Adjustments (cont...)

Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2021/22 financial statements

Detail	Pension Fund Account £'000	Net Asset Statement £' 000	Impact on total net assets £'000	Reason for not adjusting
<ul style="list-style-type: none"> Investment assets (Profit) and losses on disposal of investments and changes in value of investments <p>Differences identified between the value of investments disclosed in the financial statements and the capital statements as at 31 March 2022 received from third party investment managers.</p>	2,623	-2,623	-2,623	Not material

E. Fees and non-audit services

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Audit fees	Proposed fee
Scale Fee	£23,650
Impact of ISA 540	£3,600
Valuation of Investments	£5,625
Journals testing	£2,000
Impact of ISA 315	£3,000
Triennial valuation	£5,500
Additional work on Level 2 Investments	£3,000
Pension Fund Audit	£46,375
IAS 19 letters for employer body auditors*	9,600
Total audit fees (excluding VAT)	£55,975

The fees reconcile to the financial statements.

None of the above services were provided on a contingent fee basis.

This covers all services provided by us and our network to the group/company, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence. (The FRC Ethical Standard (ES 1.69))

*Note that fees for IAS 19 letters for employer body auditors were classed as non-audit fees prior to 2022/23. The National Audit Office have confirmed that the provision of IAS 19 assurances to auditors of local government and NHS bodies should be considered work undertaken under the Code of Audit Practice for 2022/23 onwards. Provision of IAS 19 assurances to auditors of any other type of entity remains non-Code work.

F. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'

This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'

A summary of the impact of the key changes on various aspects of the audit is included below:

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.

Area of change	Impact of changes
Risk assessment	<p>The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of:</p> <ul style="list-style-type: none"> • the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures • the identification and extent of work effort needed for indirect and direct controls in the system of internal control • the controls for which design and implementation needs to be assess and how that impacts sampling • the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	<p>Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.</p>
Professional scepticism	<p>The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to:</p> <ul style="list-style-type: none"> • increased emphasis on the exercise of professional judgement and professional scepticism • an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence • increased guidance on management and auditor bias • additional focus on the authenticity of information used as audit evidence • a focus on response to inquiries that appear implausible

F. Auditing developments cont...

Area of change	Impact of changes
Definition of engagement team	<p>The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for group audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the group auditor.</p> <ul style="list-style-type: none"> • Consideration is also being given to the potential impacts on confidentiality and independence.
Fraud	<p>The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to:</p> <ul style="list-style-type: none"> • clarification of the requirements relating to understanding fraud risk factors • additional communications with management or those charged with governance
Documentation	<p>The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.</p>





Report to Pension Fund Board

Date: 13 December 2023

Reference number: N/A

Title: McCloud update

Author and/or contact officer: Claire Lewis-Smith, Pensions Administration Manager

Recommendation: The Board is asked to **NOTE** the current position regarding the McCloud remedy.

Executive summary

1.1 When the Local Government Pension Scheme (LGPS) changed from final salary to career average earnings accrual on 1 April 2014, an underpin to protect older scheme members was introduced. In some form, protections applied across all public sector pension schemes. Appeals were submitted in the judges and firefighter's schemes regarding their protections and on 20 December 2018, the Court of Appeal ruled that the protections were unlawful on the grounds of age discrimination. Although the ruling only applied to these two schemes, the government confirmed it would be applied to all public sector pension schemes.

The Department for Levelling Up, Housing and Communities (DLUHC) responded to the 2020 consultation regarding the McCloud remedy on 8 September 2023 and laid The Local Government Pension Scheme (Amendment) (No.3) Regulations 2023, which came into effect on 1 October 2023.

1.2 There are 380 employers/payroll providers who are required to provide hours and service break data for the underpin period. All requests for historical data have been issued. To date, 300 employers have returned their data template (78.95%). Some employers/payroll providers may not be able to provide the data. The Local Government Association (LGA) have issued guidance for steps to be taken where data is not provided and this will be followed when all avenues to obtain the data have been exhausted.

1.3 Data has been uploaded for 292 employers/payroll providers. Phase 1 of data verification is validating the data provided and this has been actioned for 162

employers/payroll providers. Of these, 8 have been returned for further clarification. 44 have been amended by the Employer Liaison Team and await running through the validity checker to ensure all errors have been resolved. Phase 2 of data verification is data comparison. The McCloud team has now been established and 34 employers/payroll providers are in progress with 8 employers completed.

Next steps and review

1.4 The project management software used by Buckinghamshire Council, Service Now PPM, was reviewed. It was decided not to proceed with this at present due to the time involved in setting up the system. This will be reviewed periodically as the project progresses.

1.5 The next update will be provided at the July 2024 Board meeting.



Report to Pension Fund Board

Date:	13 December 2023
Title:	Training Opportunities
Author and/or contact officer:	Claire Lewis-Smith
Recommendations:	The Board is asked to REVIEW their training opportunities and DISCUSS future training needs.

Executive summary

1.3 Buckinghamshire Pension Board members must have the required knowledge and understanding of LGPS rules, documents recording administration policies and pensions law. They should have adequate training to meet the knowledge and understanding requirements.

Content of report

1.2 Pension Board members are required to undertake adequate training to meet the responsibilities placed upon them by the:

- Board's Terms of Reference
- LGPS Regulations and associated legislation
- The Pensions Regulator
- CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills
- Board's Knowledge and Understanding Policy and Framework

Board members are expected to complete The Pensions Regulator's Public Sector Toolkit and visit these periodically. Board members have been offered the following training/knowledge opportunities over the past year.

Training Opportunity	Attendee(s)
LGA Annual Governance Conference – January 2023	Roona Ellis
CIPFA Annual Full Day Event – May 2023	Pete Dearden Anna Rulton
SAB Code of Transparency Workshop – June to September 2023	Roona Ellis
LGA Fundamentals Training Programme (3 days) – October to December 2023	Jo Whiteley (Day 3)
CIPFA/ISIO Autumn Training Event – November 2023	Roona Ellis Tina Pearce Anna Rulton Jo Whiteley

Other options considered

1.3 Not applicable.

Legal and financial implications

1.4 All training costs are met by the Pension Fund.

Consultation and communication

1.5 Not applicable.

Next steps and review

1.6 Training opportunities are reviewed annually.

Pension Fund Board Forward Plan

Updated

13/12/2023		MS Teams	
Jubilee Room	Agenda Item	Author	Cyclical Item?
The Gateway	Apologies/Declarations of interest/Minutes	Chairman	Every meeting
10:00-12:00	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Internal Dispute Resolution Procedure	Sam Price	Annually
	Internal Administration Benchmarking/CIPFA Benchmarking	Sam Price	Annually
	Annual Accounts Audit 2022/23	Julie Edwards	Annually
	McCloud Update	Claire Lewis-Smith	Bi-annually
	Training Opportunities	Claire Lewis-Smith	Annually
	Forward Plan	Claire Lewis-Smith	Every meeting
	Administration Performance Statistics	Sam Price	Every meeting
	Exclusion of Press and Public		
	Administration Performance Statistics - Contributions	Julie Edwards	Every meeting
	Confidential Minutes	Chairman	Every meeting
	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Pension Fund Performance	Julie Edwards	Every meeting
	Date of next meeting/AOB	--	

27/03/2024		MS Teams	
Paralympic Room	Agenda Item	Author	Cyclical Item?
The Gateway	Apologies/Declarations of interest/Minutes	Chairman	Every meeting
10:00-12:00	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Scheme member and employer communications	Madelena da Costa	Annually
	My Pension Online' Update	Sam Price	Annually
	Annual Review of Buckinghamshire Pension Board	Claire Lewis-Smith	Annually
	Administration Policy Updates	Claire Lewis-Smith	Annually/Triennially
	Forward Plan	Claire Lewis-Smith	Every meeting
	Administration performance statistics	Sam Price	Every meeting
	Exclusion of Press and Public		
	Administration Performance Statistics - Contributions	Julie Edwards	Every meeting
	Confidential Minutes	Chairman	Every meeting
	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Pension Fund Performance	Julie Edwards	Every meeting
	Date of next meeting/AOB	--	

July 2024		Venue TBC	
TBC	Agenda Item	Author	Cyclical Item?
The Gateway	Apologies/Declarations of interest/Minutes	Chairman	Every meeting
10:00-12:00	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Review of Buckinghamshire Pension Board Policies	Claire Lewis-Smith	Annually
	Pension Fund Annual Report 2023/24	Julie Edwards	Annually
	McCloud Update	Claire Lewis-Smith	Bi-annually
	Forward Plan	Claire Lewis-Smith	Every meeting
	Annual Benefit Statements - Administration Year End Update	Sam Price	Every meeting
	Administration performance statistics	Sam Price	Every meeting
	Exclusion of Press and Public		
	Administration Performance Statistics - Contributions	Julie Edwards	Every meeting
	Confidential Minutes	Chairman	Every meeting
	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Pension Fund Performance	Julie Edwards	Every meeting
	Date of next meeting/AOB	--	

October 2024		MS Teams	
TBC	Agenda Item	Author	Cyclical Item?
The Gateway	Apologies/Declarations of interest/Minutes	Chairman	Every meeting
10:00-12:00	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Breaches of the Law	Claire Lewis-Smith	Annually
	Forward Plan	Claire Lewis-Smith	Every meeting
	Administration performance statistics	Sam Price	Every meeting
	Annual Benefit Statements - Administration Year End Update	Sam Price	Every meeting
	Annual Accounts Audit 2023/24	Julie Edwards	Annually
	Exclusion of Press and Public		
	Administration Performance Statistics - Contributions	Julie Edwards	Every meeting
	Confidential Minutes	Chairman	Every meeting
	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Risk Register	Julie Edwards	Annually
	Pension Fund Performance	Julie Edwards	Every meeting
	Date of next meeting/AOB	--	

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Report to Pension Fund Board

Date: 13 December 2023

Title: Administration Performance Statistics

Author and/or contact officer: Sam Price, Assistant Pensions Administration Manager

Recommendation: The Board is asked to **NOTE** the content of this report.

Executive summary

- 1.1 The Buckinghamshire Pension Board is required to monitor the performance of the Pensions Administration team. The purpose of this report is to provide the Board with a review of the team's performance since the last Board meeting.

Content of report

- 1.2 The following areas of performance have been covered in this report:

[Incoming Communications](#)

[Workload/Performance Measures](#)

[Employer submissions/data reconciliation](#)

Incoming Communications

We receive a high volume of communications into the Pensions Administration team from scheme members, employers & others. Sub-teams are very proactive in processing these within set timeframes to ensure that requests can be dealt with as quickly and efficiently as possible.

The following table provides an analysis of the incoming communications received between 1 October 2023 & 30 November 2023.

Type of incoming communication	Rec'd Oct – Nov 23	Rec'd July – Sept 23
Post	1,108	1,504
Pensions Inbox	3,807	7,631
Employers Inbox	290	574
Monthly Returns Inbox	50	56
'My Pension Online' registration/query Inbox	1,534	2,405
Document uploads via 'My Pension Online'	340	436
Document uploads via i-Connect	370	733
Telephone calls	1,887	2,980
Total Communications	9,386	16,319
<i>Ave. Daily Communications</i>	<i>213</i>	<i>251</i>

Each sub-team that is responsible for the areas of communication above have a set target for responding or dealing with the communication within which are all on target. A high number of calls are received daily which are answered by a team of 4 Member Liaison Officers. There is a target of 95% calls answered with an average queue time of less than 25 seconds. Over October & November of 2023/24, 98% of all calls received were answered with an average queue time of 17 seconds.

Workload/Performance Levels

Benefit Administration - Priority Areas

The team have a priority target relating to the main areas where scheme members will be waiting payment of a benefit and we prioritise daily to ensure a quick turnaround. These areas include retirements, deaths, AVC's at retirement and refunds. This target is to achieve a minimum of 95% of priority tasks completed within relevant turnaround times and this is reported on quarterly. The tables below show the achieved percentages for each quarter of 23/24 so far along with a breakdown for the last quarter showing volumes of work and individual areas of performance.

<i>Average over 2022/23</i>	<i>97.08%</i>
Quarter 1 2023/24	97.01%
Quarter 2 2023/24	95.00%
Quarter 3 2023/24 to date	98.76%
Quarter 4 2023/24	TBC

	Target	Percentage achieved	Previous percentage achieved	Case Completion Statistics		
				Cases open at the beginning of the period	cases created during the period	completed during the period
Retirements	95%	98%	99%	299	717	751
Deaths	95%	99%	97%	158	189	192
AVC's at Retirement	95%	100%	77%	16	8	8
Refunds	95%	100%	90%	83	1147	981

The tables below provides the Board with statistics relating to all areas of pension administration workloads based on in department turnaround times. This is based on stats 1 October 2023 & 30 November2023.

Benefit Administration

	Target	Percentage achieved	Previous percentage achieved	Case Completion Statistics		
				Cases open at the beginning of the period	Total new cases created during the period	Total cases completed during the period
Opt outs	98%	100%	100%	50	160	164
Additional Contributions	98%	100%	99%	5	102	68
Estimates	95%	94%	100%	3	158	141
General query	95%	98%	98%	109	111	122
Financial Advisor query	98%	100%	98%	4	79	74
My Pension Online' query	98%	100%	100%	2	0	2
Divorce	98%	100%	95%	1	62	58
Transfers	95%	99%	98%	136	278	295
Interfund Transfers	90%	99%	99%	119	882	885
Aggregation	80%	100%	99%	115	1201	1195
Deferred Benefits	90%	100%	96%	196	1079	989
Change	98%	100%	99%	35	116	129
New starter creation	98%	96%	99%	49	220	204
Complaints	90%	100%	93%	2	8	8
Tax	95%	100%	100%	2	37	36

Payroll

	Target	Percentage achieved	Previous percentage achieved	Case Completion Statistics		
				Cases open at the beginning of the period	Total new cases created during the period	Total cases completed during the period
Payroll set-ups	98%	99%	97%	1	647	645
Payroll queries/adjustments	96%	97%	91%	44	575	423

Open and overdue cases

In addition to reporting & reviewing turnaround statistics, we are also now reviewing the total open cases monthly to identify overdue cases and look at how these can be reduced. The table below provides details of the percentage of cases that are overdue for each work area as at the end of November 2023 & also provides a percentage of the overdue cases that are 'external' meaning the team are not in a position to process as they are waiting on information from an employer/scheme member. The table also now shows the same breakdown as at the end of September 2023 for comparison as well as the total number of open cases.

	Total open cases	As at 30/11/2023		As at 30/09/2023	
		Percentage of cases overdue	Overdue cases external	Percentage of cases overdue	Overdue cases external
Retirements	188	27%	90%	27%	90%
Deaths	129	53%	96%	50%	95%
AVC's at Retirement	15	40%	100%	19%	100%
Refunds	121	27%	97%	30%	92%
Opt outs	38	61%	96%	48%	85%
Additional Contributions	42	10%	100%	55%	67%
Estimates	38	0%	N/A	0%	N/A
General query	14	7%	100%	54%	69%
Financial Advisor query	17	0%	N/A	20%	100%
Divorce	5	20%	N/A	0%	N/A
Transfers	54	33%	94%	28%	83%
Interfund Transfers	335	19%	95%	15%	89%
Aggregation	38	3%	100%	6%	10%
Deferred Benefits	233	31%	90%	53%	94%
Change	12	75%	89%	59%	94%
New starter creation	55	56%	87%	53%	88%
Payroll set-ups	97	25%	92%	35%	85%
Annual Allowance	1	0%	N/A	0%	N/A

The team continually review the older overdue cases in order to try and resolve. In terms of length of time these cases have been overdue, as at 4 December 2023 there are 68 cases that were due for completion before 30 September 2023. Of these 68 cases, 55 are waiting for information from a scheme employer/scheme member/next of kin, 7 where information has been received within the last 3 working days and 6 waiting to be checked and complete. The table below provides a breakdown of these 68 cases, further shown at earlier dates.

	Overdue cases	Status of case		
		Being worked on	Reply received	Awaiting info
End of March 2023	11	1	0	10
End of June 2023	23	3	1	19
End of September 2023	68	6	7	55

Of the 11 cases due to be complete before the end of March 2023, they relate as follows

- 1 AVC payment at retirement
- 1 Death case
- 2 ill health retirement cases
- 6 leavers
- 1 New starter

Employer submissions/data reconciliation

Employers are due to submit data via i-Connect by 19th of each month. Monitoring takes place monthly by the Employer Liaison Team to ensure submission. The aim is for 100% submission by the deadline however whilst i-Connect is still relatively new for some employers, the target is 95% with the intention of this increasing to 100%. The data below provides the current submission rates by the deadline.

Period submission received	By deadline
Quarter 1 2023/24	92%
Quarter 2 2023/24	93%
Quarter 3 2023/24 to date	93%
Quarter 4 2023/24	TBC

The table below provides a breakdown of the overdue submissions, by length of days overdue. Overall, this is 58 employer submissions that were after the deadline.

< 5 days	50%
5 to 10 days	22%
11 to 20 days	17%
21 to 30 days	2%
>30 days	9%

Following submission of data, reports are generated to identify any data suppressions or inconsistencies. Each of these are then reviewed and queried with the scheme employer where relevant. This is a newly introduced monthly reconciliation procedure that has been live since May 2022. Over October & November of 2023/24, 1,350 reconciliation reviews took place.

Other options considered

1.3 N/A

Legal and financial implications

1.4 N/A

Consultation and communication

1.5 N/A

Next steps and review

N/A

Background papers

N/A

Your questions and views (for key decisions)

If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk]

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