



## Pension Fund Committee agenda

Date: Thursday 19 November 2020

Time: 2.00 pm

Venue: Virtual meeting via MS Teams

### Membership:

C Adams, D Anthony, A Bacon, R Bagge, Mr M Barber (Thames Valley Police), T Butcher, J Chilver, J Gladwin and Mr N Miles (Milton Keynes Council)

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<b>Agenda Item</b>	<b>Page No</b>
<b>1 Apologies for Absence / Changes in Membership</b>	
<b>2 Declarations of Interest</b>	
<b>3 Minutes of the last meeting</b> To agree the minutes of the Pension Fund Committee, 24 September 2020.	<b>5 - 8</b>
<b>4 Buckinghamshire Pension Board minutes</b> To note the minutes of the Pension Fund Board held 14 October 2020.	<b>To Follow</b>
<b>5 Breaches of the Law</b> To be presented by Claire Lewis-Smith, Pensions Administration Manager, Buckinghamshire Council.	<b>9 - 14</b>
<b>6 Annual Accounts Audit 2019/20</b> To be presented by Rachel Martinig, Pensions & Investment Accountant, Buckinghamshire Council.	<b>15 - 74</b>
<b>7 Forward Plan</b> To be presented by Julie Edwards, Head of Pensions, Buckinghamshire Council.	<b>75 - 78</b>
<b>8 Exclusion of the Press and Public</b> <b>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)</b>	
<b>9 Confidential minutes of the last meeting</b> To agree the confidential minutes of the Pension Fund Committee, 24 September 2020.	<b>79 - 80</b>
<b>10 Confidential minutes of Pension Fund Board</b> To NOTE the confidential minutes of the Pension Fund Board, 14 October 2020.	<b>To Follow</b>
<b>11 Pension Fund Performance</b> To be presented by Julie Edwards, Head of Pensions, Buckinghamshire Council.	<b>81 - 142</b>
<b>12 Date of the next meeting</b> 25 February 2021, 2pm	

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For further information please contact: Anne-Marie Kenward on 01296 382236, email [democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk).

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## Pension Fund Committee minutes

Minutes of the meeting of the Pension Fund Committee held on Thursday 24 September 2020 , commencing at 2.05 pm and concluding at 4.20 pm.

### Members present

C Adams, D Anthony, A Bacon, R Bagge, M Barber, T Butcher, J Chilver and J Gladwin

### Others in attendance

C Dobson, J Edwards, T English, A Kenward, C Lewis-Smith, R Martinig, S Mason, M Passey and M Preston

### Apologies

Mr N Miles

### Agenda Item

#### **1 Apologies for Absence**

Apologies were received from Mr N Miles and Ms B Black.

#### **2 Declarations of Interest**

None

#### **3 Minutes from the last meeting**

**RESOLVED**

**Members of the committee AGREED the minutes of the Pension Fund Committee meeting held 2 July 2020 meeting.**

#### **4 Minute of the Buckinghamshire Pension Fund Board**

**RESOLVED**

**Members of the committee NOTED the minutes of Pension Fund Board meeting held 23 July 2020**

#### **5 Breaches of the Law**

Mrs Lewis-Smith, Pensions Administration Manager, Buckinghamshire Council, referred to the report circulated with the agenda.

Mrs Lewis-Smith highlighted the following points:

- Discrepancies in contributions outstanding had been found late on 23

September 2020; these would be investigated and brought back to the committee in November.

#### **ACTION**

##### **Mrs Lewis-Smith**

- There had been four breaches relating to refunding employee contributions within five years of leaving the scheme. It was a requirement to report such activity as a breach. It was noted that no further action could be taken if ex-employees did not respond to correspondence.
- One employer did not submit their annual return until late August, causing delays with issuing statements in August. They were under investigation for poor performance. Updated information on this would be brought to the November meeting.

The following points were discussed as a result of questions from members of the committee:

- The outstanding contributions of £561,570.13 referred to more than one employer but not a large number.
- The pensions team were already using report monitoring to view ex-employees still due refunds at four year and six months. It was suggested they also run reports to view potential liability for all ex-employees with unclaimed refunds.
- There were proposals to change the legislation that requires breach reporting on five year refunds as it was acknowledged this was largely outside of the administrators control.

#### **RESOLVED**

**Members of the committee NOTED the report bar the section on contributions which would be reviewed and brought to the next meeting.**

#### **6 Consultation on LGPS McCloud Remedy**

Mrs Lewis-Smith, Pensions Administration Manager, Buckinghamshire Council, referred to the report circulated with the agenda including a draft consultation response.

Mrs Lewis-Smith highlighted the following points:

- Changes made to the LGPS as of 1 April 2014, and other public sector pensions schemes as of 1 April 2015, had been found unlawful on the grounds of age discrimination. A consultation had been launched into how to address the issue.
- It was proposed that for the period 1 April 2014 to 31 March 2022 member benefits would be calculated using the original 2008 rules and the revised 2014 rules with the greater of the two figures being applied.
- Applying the change would have a large administrative impact.
  - Historically this scheme had not needed to collect hours and service break data which would now be needed from employers, including those who had since left the scheme.
  - Calculations would need to be carried out now and then again at the

- point of retirement to include any further changes made.
- Calculations would also be made for employees who had since left the scheme or had taken retirement dating back until 1 April 2012.

The following points were discussed as a result of questions from members of the committee:

- The actuaries had assumed a 0.4% cost to administer the changes however the final costs could not be known at this time as the extent of final salary pensions could not be predicted. The impact of final salary pensions was expected to continue for some time as members were retiring later however the number of members on these terms would decrease over time.
- The pensions team had a project team in the early stages of planning for the increased workflow. Officers were working with software suppliers to establish how much work could be carried out as bulk processing.
- A standard procedure would be set nationally for how to proceed when addition data could not be obtained.
- Scheme members already in retirement and death in service cases would be prioritised.

#### **RESOLVED**

**Members of the committee NOTED the report.**

### **7 Pension Fund Annual Report 2019/20**

Mrs Martinig, Pensions & Investment Accountant, Buckinghamshire Council, referred to the report circulated with the agenda.

Mrs Martinig highlighted the following points:

- The accounts audit was ongoing but was expected to be completed the week beginning 28 September 2020. The final sign off would not take place until the audit of all council accounts was complete in November 2020.
- Page 150 of the report pack gave the fund net value which had decreased by £93m as of 31 March 2020. This had been negatively impacted by covid-19 and was expected to improve.

The following points were discussed as a result of questions from members of the committee:

- Members asked for further information about the increase in administration cases outlined on page 85 of the agenda pack. Mrs Lewis-Smith would provide a response via email.

**ACTION**

**Mrs Lewis-Smith**

- It was confirmed that the previous year's contributions had been higher due to a large employer paying two years of contributions in advance.
- The performance review forecast on page 69 of the report pack was incorrect as it failed to take into account the advance contributions. This would be corrected for the published annual report.

**ACTION**

**RESOLVED**

**Members of the committee AGREED the report.**

**8 Pension Fund Committee Responsibilities**

Ms J Edwards, Head of Pensions, Buckinghamshire Council, gave an overview of the report circulated with the agenda.

Ms Edwards highlighted the following points:

- Asset pooling was a government requirement introduced in 2016. Brunel managed this funds pooling arrangement.
- Page 200 of the agenda pack shows the changes in responsibility for the PFC.

The following points were discussed as a result of questions from members of the committee:

- Ms Dobson noted the report only covered Buckinghamshire Council's responsibilities as a client of Brunel, they were also a shareholder. Ms Edwards stated there was a separate shareholder agreement. Details would be added to this report and circulated to members outside of the meeting.
- The Chairman attended the Brunel board along with BC officers including Ms Edwards and Mr Preston. Mr Preston confirmed that he is the official shareholder for Buckinghamshire Council however decisions are made by consultation with the committee.

**RESOLVED**

**Members of the committee NOTED the report.**

**9 Forward Plan**

Ms Edwards, Head of Pensions, Buckinghamshire Council, referred to the report circulated with the agenda.

Ms Edwards highlighted the following points:

- An additional meeting had been called for 29 September 2020 for the committee to discuss the actuarial services contract currently out for tender.
- The 19 November 2020 meeting would include the annual accounts audit and a Brunel update.

**RESOLVED**

**Members of the committee NOTED the report.**

**10 Exclusion of Press and Public**

**16 Date of the next meeting**

29 September 2020, 2pm. Closed meeting to discuss the actuary tender process.  
19 November 2020, 2pm



## Report to Pension Fund Committee

- Date:** Thursday 19 November 2020
- Title:** Breaches of the Law
- Author and/or contact officer:** Claire Lewis-Smith, Pensions Administration Manager
- Recommendations:** **The Committee is asked to NOTE the content of this report and COMMENT on the breaches log.**

### 1. Executive summary

- 1.1 The Procedure for Reporting Breaches of the Law complies with the requirements of the [Pensions Act 2004](#) and the [Pensions Regulator's Code of Practice](#). The procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported), a breach of law relating to the Buckinghamshire Pension Fund.

### 2. Content of report

- 2.1 The Breach Log at Appendix 1 to this report was originally presented to Committee on 29 September 2020. The attached provides an update of the position regarding outstanding contributions due to the Fund.

In addition to the updated position on receipt of contributions, a further 11 refunds were paid in Q2 in respect of payments made more than 5 years after the scheme member left. It was also reported that 78.9% of annual benefit statements were issued by the statutory deadline of 31 August, due to a late return from a large employer. Working with this employer as prescribed in the Fund's Pension Administration Strategy has resulted in 3,376 further statements being issued, increasing the total number of statements issued to 89.4%. Work is continuing with this employer and it is envisaged that all statements where no further queries arise will be issued by 30 November.

### **3. Other options considered**

3.1 Not applicable.

### **4. Legal and financial implications**

4.1 The procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the Buckinghamshire Pension Fund. It aims to ensure individuals responsible can meet their obligations and avoid placing any reliance on others to report. The procedure also assists in providing an early warning of possible malpractice and reduces risk to the Fund.

### **5. Corporate implications**

5.1 Not applicable.

### **6. Consultation and communication**

6.1 Not applicable.

### **7. Next steps and review**

7.1 Outstanding actions will be completed as detailed in Appendix 1. The Breach Log is reviewed annually.

Record of Breaches – 2020/21

Date	Category  (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported / Not reported  (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions
Q1 01/04/2020 - 30/06/2020  *Q2 01/07/2020 - 30/09/2020	Administration	Q1 8 refunds of employee contributions were paid in excess of 5 years since their date of leaving.  Q2 11 refunds of employee contributions were paid in excess of 5 years since their date of leaving	Non-compliance with statutory regulations	None received	Not reported. The LGPS Regulations 2013 stipulate that a refund of contributions must be paid before the expiry of 5 years of the member leaving however, there is little action that can be taken if a member does not	Members are written to after leaving and informed that they have a refund due. They can claim the refund or transfer the value of their fund to another approved pension arrangement. Where an election is not received, a reminder is sent to the member 6 months prior to the 5 year expiry date.	N/A – Green breach

					claim the refund.		
31/08/2020	Administration	100% of annual benefit statements not issued by statutory deadline, 78.90% issued.	Non-compliance with statutory regulations	None received	Reported to the Pensions Regulator on 09/09/2020.	In 2019/20 97.26% of ABS were issued by the deadline. A large Scheme employer submitted an annual return which was found to be of poor quality. The revised return was not received in time to produce ABS for their members. Excluding the employer concerned, 97.42% of were issued.	Amber breach  Work underway to upload the revised annual return and issue outstanding ABS on a week by week basis depending upon the accuracy of data provided by the employer concerned to resolve any queries.
*31/05/2020	Contributions	Employees & employer's contributions not received by the 19 <sup>th</sup> of the month following the month in which they were deducted as follows:				We are more actively chasing late payments in order to ensure we receive contributions in a timely manner.	Amber breach  Going forward we will be reporting monthly to management on the

<b>2019/2020</b>		
<b>Late payments</b>		
1-10 days late	104	
11-30 days late	43	
1-3 months late	23	
4-7 month late	7	
8-11 months late	-	
12+ months late	4	
TOTAL	180	
Value received late = £1,310,338.87		

<b>Outstanding payments</b>		
April	3	
May	3	
June	2	
July	3	
August	5	
September	4	
October	3	
November	2	
December	3	
January	3	
February	3	
March	6	
TOTAL	40	
Value outstanding = £29,971.84		

There is an ongoing exercise to address the contributions not received for the previous years

position of the contributions and highlighting employers paying late in order to be able to charge interest and apply the Pension Administration Strategy if need be.

<b>2020/21</b>	
<b>Late Payments</b>	
1-10 days late	46
11-30 days late	7
1-3 months late	7
4-7 months late	-
8-11 months late	-
12+ months late	4
<b>TOTAL</b>	<b>64</b>
Value received late = £317,774.50	

<b>Outstanding payments</b>	
April	14
May	12
<b>TOTAL</b>	<b>26</b>
Value outstanding = £40,465.31	

<b>Total outstanding payments</b>	
2018/19	£ 42,520.25
2019/20	£ 29,971.84
2020/21	£ 40,465.31
	<b>£112,957.40</b>

\*New breaches since the previous meeting should be highlighted



## Report to Pension Fund Committee

**Date:** November 2020

**Reference number:** N/A

**Title:** Pension Fund Statement of Accounts for the year ended 31 March 2020

**Relevant councillor(s):** N/A

**Author and/or contact officer:** Rachael Martinig, Pensions & Investments Accountant

Telephone (01296) 387883

**Ward(s) affected:** N/A

**Recommendations:** The Committee is asked to review the Pensions Accounts for Buckinghamshire County Council Pension Fund for the year ended 31 March 2020 and the Draft Annual Findings Report from Grant Thornton

**Executive summary** – The Accounts for the Buckinghamshire County Council Pension Fund for the year ended 31 March 2020 is attached below.

The audit of the Pension Fund Accounts commenced on 22<sup>nd</sup> June 2020. The audit is currently ongoing, with the final few queries being resolved. The deadline for the audit to be complete is the 30<sup>th</sup> November 2020, this will be achieved for the Pension Fund. A further report, incorporating the findings of Grant Thornton is attached.

Content of report - (see attached report)

Other options considered - N/A

Legal and financial implications – There are none arising directly from this report

Corporate implications – There are none arising directly from this report

Consultation and communication - 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](mailto:democracy@buckinghamshire.gov.uk).

# **Buckinghamshire County Council Pension Fund**



## **Statement of Accounts**

**For the year ended 31 March 2020**

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## Pension Fund Account for the Year Ended 31 March 2020

The 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 2019 £000	Pension Fund Account	Note	31 March 2020 £000
	<b>Dealings with Members, Employers and Others directly Involved in the Fund</b>		
	<b>Income</b>		
(137,260)	Contributions	3	(116,621)
(11,349)	Transfers in from other pension funds	4	(12,403)
(163)	Other income		(152)
<b>(148,772)</b>			<b>(129,176)</b>
	<b>Benefits</b>	5	
90,860	Pensions		95,975
21,210	Commutation of pensions and lump sums		23,045
	<b>Payments to and on Account of Leavers</b>	6	
804	Refunds of contributions		878
11,736	Transfers out to other pension funds		9,311
<b>124,610</b>			<b>129,209</b>
<b>(24,162)</b>	<b>Net (Additions)/Withdrawals from Dealings with Members</b>		<b>33</b>
<b>16,237</b>	<b>Management expenses</b>	7	<b>16,474</b>
<b>(7,925)</b>	<b>Net (Additions)/Withdrawals including Fund Management Expenses</b>		<b>16,507</b>
	<b>Returns on Investments</b>		
(47,693)	Investment income	8	(40,527)
(129,727)	Profits and losses on disposal of investments and changes in the market value of investments	9	116,993
471	Taxes on income	16	351
<b>(176,949)</b>	<b>Net Returns on Investments</b>		<b>76,817</b>
<b>(184,874)</b>	<b>Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year</b>		<b>93,324</b>

## Net Assets Statement

31 March 2019 £000	Net Assets Statement	Note	31 March 2020 £000
	<b>Investments</b>		
840	Long term investments		840
573,933	Equities - quoted		36,849
428,687	Bonds		421,714
1,690,849	Pooled investment vehicles		2,160,297
214,243	Unit trusts - property		213,484
80,693	Cash deposits		61,856
(34)	Derivative contracts		
10,489	Investment income receivable		7,873
<b>2,999,700</b>	<b>Net Investments</b>	11	<b>2,902,913</b>
<b>21,694</b>	Current assets	15	<b>15,495</b>
<b>(14,370)</b>	Current liabilities	15	<b>(4,708)</b>
<b>3,007,024</b>	<b>Net Assets of the Fund Available to Fund Benefits at 31 March</b>		<b>2,913,700</b>

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.

### 1 Description of the Fund

Buckinghamshire County Council Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS) and is administered by Buckinghamshire County Council. Organisations participating in the Fund include the County Council, Milton Keynes Council, the district and parish Councils of Buckinghamshire, Thames Valley Police, Buckinghamshire Fire and Rescue Service, 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 Pension Fund. On the 1<sup>st</sup> April 2020 the administering authority Buckinghamshire County Council ceased to exist due to the County Council and all four District Councils becoming one Unitary Authority, Buckinghamshire Council. Therefore, going forward the administering authority is Buckinghamshire Council.

The purpose of the Pension 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 1/49<sup>th</sup>. 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.

<https://www.buckscc.gov.uk/services/council-and-democracy/local-government-pension-scheme/scheme-members>

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 Pensions Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- 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 in order 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 2020 the collective assets transitioned to Brunel portfolios were circa £12 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 by the end of 2021 the majority of the assets will have transitioned, although illiquid alternative assets such as private equity may need a longer transition timetable. More information and updates can be found on the Brunel Pension Partnership website at: [www.brunelpensionpartnership.org](http://www.brunelpensionpartnership.org)

The following summarises the membership of the Fund:

<b>31 March 2019</b>	<b>Membership of the Fund</b>	<b>31 March 2020</b>
24,141	Contributors	24,489
19,411	Pensioners	20,290
28,991	Deferred pensioners	29,936
<b>72,543</b>	<b>Total Membership of the Fund</b>	<b>74,715</b>

### 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 Investment Strategy Statement can be viewed on the Council's website.

[https://www.buckscc.gov.uk/media/4515323/2020\\_04\\_01-investment-strategy-statement-final.pdf](https://www.buckscc.gov.uk/media/4515323/2020_04_01-investment-strategy-statement-final.pdf)

### Further Information

The County Council publishes a separate Annual Report on the Pension Fund, which gives more detailed information, a copy can be viewed on the Council's pension website. <https://www.buckscc.gov.uk/services/council-and-democracy/local-government-pension-scheme/investment/pension-fund-annual-reports/>

### Basis of Preparation

The accounts summarise the Fund's transactions for the 2019/20 financial year and its position at year end as at 31 March 2020. 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 Pension Fund is administered by Buckinghamshire County Council, but the Fund balances are not included in Buckinghamshire County Council's Balance Sheet. Buckinghamshire Council replaced Buckinghamshire County Council as administering authority of the Fund on 1 April 2020.

## 2. Accounting Policies and Critical Judgements in Applying Accounting Policies

### Accounting Policies

### **Accruals of Income and Expenditure**

The financial statements are prepared on an accrual's 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's 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's basis. Administrative expenses are accounted for on an accruals basis, staff costs are paid by Buckinghamshire County Council then recharged to the Pension 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.

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**

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. 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.

### **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's 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.

In addition, the Fund has negotiated with the following managers that an element of their fee be performance related:

- Investec Asset Management (now called Ninety One) – global equities
- Royal London Asset Management – bonds
- Aberdeen Standard – UK equities

### **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 instruments have been classified as Loans and Receivables when they have fixed or determinable payments and are not quoted in an active market. Loans and receivables are initially recognised at Fair Value and carried at historic cost as they are all short term.

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 and hedge fund of 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.

### **Derivatives**

The Fund uses derivative financial instruments to manage its exposure to certain risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes. Currently the Fund only holds forward currency contracts. The future value of the forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year end with an equal and opposite contract.

### **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 Pension 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.

## Critical Judgements in Applying Accounting Policies

### Pension Fund Liability

The Fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The last such valuation took place as at 31 March 2019, the funding level of the Fund as a whole increased from 87% to 94% between 31 March 2016 and 31 March 2019. All employers are projected to be fully funded by no later than 31 March 2035. The next valuation will take place as at 31 March 2022.

### 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 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 2020 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
<b>Actuarial present value of promised retirement benefits (Note 18)</b>	Estimation of the net liability to pay pensions depends on a number of 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.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance: a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £95m a 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £7m a one-year increase in assumed life expectancy would increase the liability by approximately £185m.
<b>Private equity fund of funds (Note 12)</b>	Private equity investments are valued at fair value in accordance with <i>International Private Equity and Venture Capital Valuation Guidelines (2012)</i> . These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Private equity investments are valued at £143m in the financial statements. There is a risk that this investment may be under or overstated in the accounts by £38m.

### Events after the Reporting Date

Since 31 March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, organisations are being forced to cease or limit operations for long or indefinite periods of time.

Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of Non-essentials services have triggered significant disruptions to organisations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

There is potential for a reduction in the Council's income, in all forms (Business Rates, Council Tax, Service Income from fees, charges and investment returns of all types) and an increase in expenditure in the form of additional costs in response to the pandemic, growth in demand, increases in the price from suppliers, as well as less tangible items such as delays to proposed savings plans as a result of staff being diverted to responding to immediate needs. The Council has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and performance of operations as of and for the year ended 31 March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and performance of the Council for future periods.

### 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, IFRIC 22 foreign currency transactions and advance considerations and amendments to IFRS9 financial instruments: prepayment features with negative compensation.

### 3. Contributions

Contributions relating to wages and salaries paid up to 31 March 2020 have been included in these accounts, there were no augmented employers' contributions received during 2018/19 or 2019/20.

2018/19 £000	Contributions by Category	2019/20 £000
	<b>Employers' Contributions</b>	
(87,302)	Normal Contributions	(64,063)
(19,829)	Deficit Recovery Contributions	(20,524)
<u>(107,131)</u>	<b>Total Employers' Contributions</b>	<u>(84,587)</u>
<u>(30,129)</u>	<b>Members' Contributions</b>	<u>(32,034)</u>
<u>(137,260)</u>	<b>Total Contributions</b>	<u>(116,621)</u>

2018/19 £000	Contributions by Authority	2019/20 £000
(40,308)	Administering authority	(42,780)
(92,413)	Scheduled bodies	(69,752)
(4,539)	Admitted bodies	(4,089)
<u>(137,260)</u>	<b>Total Contributions</b>	<u>(116,621)</u>

### 4. Transfer Values

2018/19	Transfers in from other pension funds	2019/20
---------	---------------------------------------	---------

<b>£000</b>		<b>£000</b>
(2,159)	Group transfers	(2,059)
(9,190)	Individual transfers	(10,344)
<b>(11,349)</b>	<b>Total Transfers in from other pension funds</b>	<b>(12,403)</b>

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 2020 there were 7 outstanding transfer values receivable greater than £50k, for which £1,211k had not been received. (On 31 March 2019 there were two outstanding transfer values receivable greater than £50k, for which £196k had not been received.)

On 31 March 2020 there were 3 group transfer to the Fund being negotiated with other Funds (one on the 31 March 2019), the value of the transfers to the Fund is £2,059k and has been accrued.

## 5. Benefits

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

<b>2018/19</b>	<b>Benefits Payable by Category</b>	<b>2019/20</b>
<b>£000</b>		<b>£000</b>
90,860	Pensions	95,975
19,321	Commutations of pensions and lump sum retirement benefits	20,532
1,889	Lump sum death benefits	2,513
<b>112,070</b>	<b>Total Benefits</b>	<b>119,020</b>

<b>2018/19</b>	<b>Benefits Payable by Authority</b>	<b>2019/20</b>
<b>£000</b>		<b>£000</b>
40,227	Administering authority	41,916
63,044	Scheduled bodies	67,587
8,799	Admitted bodies	9,517
<b>112,070</b>	<b>Total Benefits</b>	<b>119,020</b>

## 6. Payments to and on Account of Leavers

<b>2018/19</b>	<b>Payments to and on Account of Leavers</b>	<b>2019/20</b>
<b>£000</b>		<b>£000</b>
761	Refunds to members leaving service	903

43	Payments for members joining the state scheme	(24)
0	Group transfers to other pension funds	0
11,736	Individual transfers to other pension funds	9,311
<b>12,540</b>	<b>Total Payments to and on Account of Leavers</b>	<b>10,190</b>

The individual transfer values relate to transfers, which have been paid during the financial year i.e. included on a cash basis. On 31 March 2020 there were 0 outstanding individual transfer values payable greater than £50k. On 31 March 2019 there were four outstanding individual transfer values payable greater than £50k, for which £528k had not been paid.

On 31 March 2020 there was 1 group transfer from the Fund being negotiated with other Funds (one on the 31 March 2019); the value of the transfers from the Fund is being negotiated between the Funds' actuaries. The expenditure in respect of the transfer has not been accrued since negotiations are at too early a stage for an estimate of the value to be available.

## 7. Management Expenses

2018/19	Management Expenses	2019/20
£000		£000
2,177	Administrative costs	2,203
13,501	Investment management expenses	13,538
559	Oversight and governance costs	733
<b>16,237</b>	<b>Total Management Expenses</b>	<b>16,474</b>

The analysis of the cost of managing the Pension 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. Included in the oversight and governance costs are the external audit fees, £29k in 2019/20 (£19k in 2018/19).

Management fees for pooled funds and transaction costs have been included in the investment management expenses. The investment management expenses include £0.89m (£3.03m in the 2018/19 financial year) in respect of performance related fees payable to the fund's investment managers. It also includes £4.030m in respect of transaction costs (£2.621m in the 2018/19 financial year).

## 8. Investment Income

2018/19	Investment Income	2019/20
£000		£000
(23,026)	Dividends from equities	(15,072)
(14,315)	Income from bonds	(16,137)
(162)	Income from pooled investments	(541)
(7,420)	Income from property unit trusts	(7,262)
(903)	Interest on cash deposits	(770)
(1,867)	Other	(745)
<b>(47,693)</b>	<b>Total Investment Income</b>	<b>(40,527)</b>

## 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 2019/20 realised profit of £87,619m and unrealised loss of £204,613m combined to report a decrease in the market value of investments of £116.993m.

Investments (All values are shown £000)	Value at 31 March 2019 £000	Reclassification of Assets £000	Purchases at Cost £000	Sales Proceeds £000	Realised Profit / (Loss) £000	Unrealised Profit / (Loss) £000	Value at 31 March 2020 £000
Long term investments	840	-	-	-	-	-	840
Equities - quoted	573,933	-	347,507	(870,319)	22,920	(37,191)	36,850
Bonds	428,687	-	110,978	(110,343)	4,595	(12,204)	421,713
Pooled investment vehicles	1,690,849	-	737,308	(170,102)	58,630	(156,387)	2,160,298
Unit Trusts - property funds	214,243	-	11,057	(6,381)	1,424	(6,859)	213,484
Derivative contracts	(34)	-	326	(376)	50	34	
Cash deposits	80,693	-	-	(26,833)	-	7,995	61,855
	<b>2,989,211</b>	<b>-</b>	<b>1,207,176</b>	<b>(1,184,354)</b>	<b>87,619</b>	<b>(204,613)</b>	<b>2,895,040</b>
Investment income due	10,489						7,873
	<b>2,999,700</b>						<b>2,902,913</b>

During 2018/19 realised profit of £324m and unrealised loss of £195m are combined to report an increase in the market value of investments of £129m.

Investments (All values are shown £000)	Value at 31 March 2018 £000	Reclassification of Assets £000	Purchases at Cost £000	Sales Proceeds £000	Realised Profit / (Loss) £000	Unrealised Profit / (Loss) £000	Value at 31 March 2019 £000
Long term investments	840	-	-	-	-	-	840
Equities - quoted	883,946	-	458,840	(822,441)	79,231	(25,643)	573,933
Bonds	352,726	-	194,371	(123,385)	2,349	2,626	428,687
Pooled investment vehicles	1,239,939	-	1,308,442	(922,451)	238,483	(173,564)	1,690,849
Unit trusts - property funds	204,534	-	26,351	(18,923)	4,227	(1,946)	214,243
Derivative contracts	102	-	485	(463)	(22)	(136)	(34)
Cash deposits	121,408	-	-	(44,837)	-	4,122	80,693
	<b>2,803,495</b>	<b>-</b>	<b>1,988,489</b>	<b>(1,932,500)</b>	<b>324,268</b>	<b>(194,541)</b>	<b>2,989,211</b>
Investment income due	9,504						10,489
	<b>2,812,999</b>						<b>2,999,700</b>

Pooled investment vehicles are funds where the Pension 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 securities
- Hedge fund of funds
- Diversified growth funds
- 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.

Assets which exceed 5% of the total value of the net assets of the Fund are shown in the table below:

Fund Manager / Mandate	Proportion of Fund				
	31 March 2019		31 March 2020		
	£000	%	£000	%	
<b>Investments managed by Brunel Pension Partnership Ltd</b>					
World Developed Equities	767,145	26	725,922	25	
Global Equities			401,912	14	
<b>Investments managed by the Fund</b>					
LaSalle	Property	221,066	7	222,898	8
Legal & General Investment Management	Passive index-tracker	444,420	15	362,721	12
Royal London Asset Management	Core plus bonds	464,444	15	469,468	16

IFRS accounting requires that the Fund discloses information on fair value hedges, cash flow hedges and hedges of net investments in foreign operations. The Fund has exposure to hedges through its investments in a hedge fund of funds pooled investment vehicle, and so the hedge disclosure is not applicable to this type of investment.

## 10. Investment Management Arrangements

Fund manager fees have been calculated according to the specific mandate and the associated contract agreement as shown in the following table:

Fund Manager / Mandate	Proportion of Fund				
	31 March 2019		31 March 2020		
	£000	%	£000	%	
<b>Investments managed by Brunel Pension Partnership Ltd</b>					
Low Volatility Equities			110,593	4	
Passive Developed Equities	767,145	26	725,922	25	
Emerging Markets Equities			123,402	4	
Global Equities			401,912	14	
Infrastructure	5,883	0	11,451	0	
Private Equity	1,565	0	14,105	1	
<b>Investments managed by the Fund</b>					
LaSalle	Property	221,066	7	222,898	8
BlackRock	Cash / inflation plus	139,122	5	135,425	5
Blackstone Alternative Asset Management	Hedge fund of funds	156,310	5	146,881	5
Investec Asset Management (now known as Ninety One)	Less constrained global equities	258,633	9	1,122	0
Legal & General Investment Management	Passive index-tracker	444,420	15	362,721	12
Mirabaud Investment Management Limited	UK equities	218	0	217	0
Pantheon Private Equity	Private equity	119,040	4	106,965	4
Partners Group	Private equity	24,867	1	21,042	1
Royal London Asset Management	Core plus bonds	464,444	15	469,468	16
Schroders	Less constrained global equities	219,222	7	3,180	0
Aberdeen Standard Investments	Less constrained UK equities	121,985	4	964	0
GTP		884		908	0
Fidelity		588		600	0
<b>Total</b>		<b>2,945,392</b>	<b>98</b>	<b>2,859,776</b>	<b>100</b>

## 11. Analysis of the Value of Investments

31 March 2019 £000	Analysis of the Value of Investments	31 March 2020 £000
840	<b>Long Term Investments</b>	840
	<b>Bonds</b>	
	<b>Fixed Interest Securities</b>	
0	Overseas public sector	0
279,600	UK other	286,003
86,759	Overseas other	73,474
<b>366,359</b>	<b>Total Fixed Interest Securities</b>	<b>359,477</b>
	<b>Index-Linked Securities</b>	
51,742	UK Index-linked securities public sector	51,806
10,586	UK Index-linked securities other	10,431
<b>62,328</b>	<b>Total Index-Linked Securities</b>	<b>62,237</b>
<b>428,687</b>	<b>Total Bonds</b>	<b>421,714</b>
	<b>Equities</b>	
144,069	UK quoted	129
429,864	Overseas quoted	36,720
<b>573,933</b>	<b>Total Equities</b>	<b>36,849</b>
	<b>Pooled Investment Vehicles</b>	
0	UK Equities	0
379,310	UK Bonds	362,721
864,319	Overseas Equities	1,361,829
139,122	Overseas Diversified Growth Fund	135,421
156,310	Overseas Hedge Fund of Funds	146,881
5,883	Overseas Infrastructure	22,828
145,909	Overseas Private Equities	130,617
<b>1,690,849</b>	<b>Total Pooled Investment vehicles</b>	<b>2,160,297</b>
	<b>Other</b>	
214,243	Unit Trusts - property funds	213,484
(34)	Derivatives	0
80,693	Cash deposits – sterling and foreign cash	61,856
10,489	Investment Income receivable	7,873
<b>305,391</b>	<b>Total Other</b>	<b>283,213</b>
<b>2,999,700</b>	<b>Total Value of Investments</b>	<b>2,902,913</b>

## 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 2019			31 March 2020		
Fair value through profit and loss £000	Loans And Receivables £000	Financial Liabilities At amortised cost £000	Fair value through profit and loss £000	Loans And Receivables £000	Financial Liabilities At amortised cost £000
<b>Financial Assets</b>					
840	-	-	840	-	-
366,359	-	-	359,477	-	-
573,931	-	-	36,849	-	-
62,329	-	-	62,237	-	-
214,243	-	-	213,484	-	-
-	-	-	135,421	-	-
-	-	-	362,721	-	-
-	-	-	1,361,829	-	-
1,690,849	-	-	-	-	-
-	-	-	22,828	-	-
-	-	-	146,881	-	-
-	-	-	130,618	-	-
10,489	-	-	7,873	-	-
-	80,693	-	-	61,856	-
-	11,585	-	-	5,182	-
<b>2,919,041</b>	<b>92,278</b>	<b>-</b>	<b>2,841,057</b>	<b>67,038</b>	<b>-</b>
<b>Financial Liabilities</b>					
(34)	-	-	-	-	-
-	-	(13,367)	-	-	(3,721)
-	-	<b>(13,367)</b>	-	-	<b>(3,721)</b>
<b>2,919,007</b>	<b>92,278</b>	<b>(13,367)</b>	<b>2,841,057</b>	<b>67,038</b>	<b>(3,721)</b>
		<u><b>2,997,918</b></u>			<u><b>2,904,373</b></u>

Reconciliation to Net Investments in the Net Assets Statement		31 March 2020 £000
<b>31 March 2019</b>		
<b>£000</b>		
3,007,024	Net Investments	2,913,700
(10,109)	Less contributions due current assets	(10,313)
1,003	Add HMRC current liabilities	986
2,997,918	Valuation of Financial Instruments carried at fair value	2,904,373

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

31 March 2019		31 March 2020
£000		£000
	<b>Financial Assets</b>	
175,424	Fair value through profit and loss	(116,993)
2,227	Loans and receivables	-
	<b>Financial Liabilities</b>	
(9,177)	Loans and receivables	-
<b>168,474</b>	<b>Total</b>	<b>(116,993)</b>

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.

**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 and hedge fund of funds, 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 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.

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 2020	Quoted	Using	With	Total
	Market	Observable	Significant	
	Price	Inputs	Unobservable	
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Long term investments	-	-	840	840
Equities	129	36,720	-	36,849
Bonds	-	421,714	-	421,714
Diversified Growth Fun	-	135,421	-	135,421
Hedge Fund	-	146,881	-	146,881
Infrastructure	-	-	22,828	22,828
Pooled Bonds	-	362,721	-	362,721
Pooled Equities	-	1,361,829	-	1,361,829
Private Equities	-	-	130,618	130,618
Property – unit trusts	-	213,484	-	213,484
<b>Total</b>	<b>129</b>	<b>2,678,770</b>	<b>154,286</b>	<b>2,833,182</b>

Cash is not included in the analysis of assets held at fair value since it is held at amortised cost, not fair value.

Reconciliation to Net Investments in the 31 March 2020 Net Assets Statement	£000
Net Investments	2,902,913
Less Cash deposits	(61,856)
Less investment income receivable	(7,873)
Valuation of Financial Instruments carried at fair value	2,833,182

Value at 31 March 2019	Quoted	Using	With	Total
	Market	Observable	Significant	
	Price	Inputs	Unobservable	
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Long term investments	-	-	840	840
Equities - quoted	573,933	-	-	573,933
Bonds	-	428,687	-	428,687
Pooled investment vehicles	-	1,539,057	151,792	1,690,849
Property – unit trusts	-	214,243	-	214,243
Derivatives	-	(34)	-	(34)
<b>Total</b>	<b>573,933</b>	<b>2,181,953</b>	<b>152,632</b>	<b>2,908,518</b>

Reconciliation to Net Investments in the 31 March 2019 Net Assets Statement	£000
Net Investments	2,999,700
Less Cash deposits	(80,693)
Less investment income receivable	(10,489)
Valuation of Financial Instruments carried at fair value	2,908,518

### Sensitivity Analysis of Assets Valued at Level 3

Having analysed historical data 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 at 31 March 2020 and 31 March 2019.

	Assessed valuation range (+/-)	Value at 31 March 2020 £000	Value on increase £000	Value on decrease £000
Pooled investment vehicles - infrastructure	16.4%	22,828	26,572	19,084
Pooled investment vehicles – private equity	26.4%	130,617	165,100	96,134
<b>Total</b>		<b>153,445</b>	<b>191,672</b>	<b>115,218</b>

  

	Assessed valuation range (+/-)	Value at 31 March 2019 £000	Value on increase £000	Value on decrease £000
Pooled investment vehicles - infrastructure	15%	5,883	6,765	5,001
Pooled investment vehicles – private equity	15%	145,909	167,795	124,023
<b>Total</b>		<b>151,792</b>	<b>174,560</b>	<b>129,024</b>

### Reconciliation of Fair Value Measurements Within Level 3

	Value at 31 March 2019 £000	Purchases £000	Sales £000	Realised profit/(loss) £000	Unrealised profit/loss £000	Value at 31 March 2020 £000
Pooled investment vehicles – private equity	135,939	15,974	(35,441)	28,443	(14,297)	130,617
Pooled investment vehicles – infrastructure	15,853	8,861	(2,974)	1,116	(27)	22,828
<b>Total</b>	<b>151,792</b>	<b>24,834</b>	<b>(38,415)</b>	<b>29,559</b>	<b>(14,324)</b>	<b>153,445</b>

Restated	Value at 31 March 2018 £000	Purchases £000	Sales £000	Realised profit/(loss) £000	Unrealised profit/loss £000	Value at 31 March 2019 £000
Pooled investment vehicles – private equity	154,809	8,853	(36,719)	30,912	(21,916)	135,939
Pooled investment vehicles – infrastructure	10,775	6,154	(833)	833	(1,077)	15,853
<b>Total</b>	<b>165,584</b>	<b>15,007</b>	<b>(37,552)</b>	<b>31,745</b>	<b>(22,992)</b>	<b>151,792</b>

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

### **Blackstone – Fund of Hedge Funds**

Blackstone's direct securities and derivative investments made through Blackstone's fund of hedge fund vehicles, such as Securities, Options, Futures are valued using prices quoted on the relevant exchanges. Forward currency contracts are valued at the current forward market prices obtained from brokers. Total return swaps are valued using the last reported public closing price of the underlying index.

### **Partners Group – Private Equity**

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.

### **LGIM – 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 "Mid Value").

### **Brunel – Global Equity, High Alpha Equity, Emerging Markets Equity, Low Volatility Equity ACS Funds**

Weekly prices 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 "Mid Value").

### **Brunel – Private Equity**

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 Principals (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by 3<sup>rd</sup> parties for appropriateness.

### **Brunel – Infrastructure**

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 Principals (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by 3<sup>rd</sup> parties for appropriateness.

### **LaSalle – Property Fund**

LaSalle rely on the NAV provided by each fund manager, computed in accordance with appropriate local standards, incorporating independent valuations conducted from suitably qualified external providers. These external NAVs are subject to review by LaSalle's Real Estate Multi Manager (REMM) team.

### **Pantheon – Private Equity**

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 based on assumptions that investors pay for market share, and the profitability of the business 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.

### **BlackRock Institutional Jersey Dynamic Diversified Growth Fund**

The above Fund is a sub-fund of the BlackRock Institutional Jersey Funds umbrella which reports under UK SORP and is not exchange-traded. The price is determined daily by the Funds Administrator and will be representative of the Fund's net asset value ("NAV") at each dealing point subject to any spreads applied, where appropriate. The Fund is not subject to any redemption notice periods and can be redeemed at each dealing point, currently on a daily basis.

## **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 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 Pension Fund Committee. The Pension Fund Risk Assessment analyses the risks faced by the Council's pensions operations, it is reviewed regularly by the 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 as 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 as a result 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 are reasonably possible for 2020/21. Assuming that all other variables, in particular foreign exchange rates and interest rates, remain constant. If the market price of the Fund's investments does increase/decrease in line with the table below, the change in the market price of net assets available to pay benefits would be as follows.

<b>Asset Type</b>	<b>31 March 2020 £000</b>	<b>Percentage Change %</b>	<b>Value on increase £000</b>	<b>Value on decrease £000</b>
Long term investments	840	20.6	1,013	667
Equities – quoted	36,849	20.6	44,440	29,258
Bonds	421,714	4.84	442,117	401,311
Pooled investment vehicles	2,160,297	16.93	2,526,137	1,794,457
Property - unit trusts	213,484	15.6	246,788	180,180
Derivative contracts	0	12.2	0	0
Cash deposits	61,856	1.0	62,475	61,237
Investment income receivable	7,873	20.6	9,495	6,251
<b>Total</b>	<b>2,902,913</b>		<b>3,332,465</b>	<b>2,473,361</b>

In consultation with Mercer, the Fund's investment consultant, the Fund determined that the following movements in market price risk were reasonably possible for 2019/20. Assuming that all other variables, in particular foreign exchange rates and interest rates, remain constant. If the market price of the Fund's investments did increase/decrease in line with the table below, the change in the market price of net assets available to pay benefits would be as follows.

<b>Asset Type</b>	<b>31 March 2019 £000</b>	<b>Percentage Change %</b>	<b>Value on increase £000</b>	<b>Value on decrease £000</b>
Long term investments	840	20.0	1,008	672
Equities – quoted	573,933	20.0	688,720	459,146
Bonds	428,687	4.2	446,621	410,753
Pooled investment vehicles	1,690,849	17.0	1,940,104	1,441,594
Property - unit trusts	214,243	14.8	245,951	182,535
Derivative contracts	(34)	12.2	(30)	(38)
Cash deposits	80,693	1.0	81,500	79,886
Investment income receivable	10,489	20.0	12,587	8,391
<b>Total</b>	<b>2,999,700</b>		<b>3,416,461</b>	<b>2,582,939</b>

**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 Pension 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.

**31 March 2020**

	<b>Asset Value</b>	<b>Impact of 1% increase</b>	<b>Impact of 1% decrease</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Exposure to interest rate risk</b>			
Cash and cash equivalents	64,862	64,862	64,862
Fixed interest bonds	359,477	363,072	355,882
Variable rate bonds	62,237	62,237	62,237
<b>Total</b>	<b>486,576</b>	<b>490,171</b>	<b>482,981</b>

**31 March 2019**

	<b>Asset Value</b>	<b>Impact of 1% increase</b>	<b>Impact of 1% decrease</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Exposure to interest rate risk</b>			
Cash and cash equivalents	90,575	90,575	90,575
Fixed interest bonds	366,359	370,023	362,695
Variable rate bonds	62,328	62,328	62,328
<b>Total</b>	<b>519,262</b>	<b>522,926</b>	<b>515,598</b>

**2019/20**

	<b>Interest receivable</b>	<b>Impact of 1% increase</b>	<b>Impact of 1% decrease</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Exposure to interest rate risk</b>			
Cash and cash equivalents	770	778	762
Fixed interest bonds	9,830	9,928	9,732
Variable rate bonds	6,307	6,370	6,244
<b>Total</b>	<b>16,907</b>	<b>17,076</b>	<b>16,738</b>

**2018/19**

	<b>Interest receivable</b>	<b>Impact of 1% increase</b>	<b>Impact of 1% decrease</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Exposure to interest rate risk</b>			
Cash and cash equivalents	903	912	894
Fixed interest bonds	8,721	8,721	8,721
Variable rate bonds	5,595	5,651	5,539
<b>Total</b>	<b>15,219</b>	<b>15,284</b>	<b>15,154</b>

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 a 7.64% movement in exchange rates in either direction for 31 March 2020. This analysis assumes that all variables, in particular interest rates, remain constant. Based on the composition of the Fund's currency exposure a 7.64% fluctuation in the currency is considered reasonable. A 7.64% weakening or strengthening of Sterling against the various currencies at 31 March 2020 would have increased or decreased the net assets by the amount shown below.

Currency Exposure by Asset Type	31 March 2020	Value on increase	Value on decrease
	£000	£000 +7.64%	£000 -7.64%
Equities – quoted	1,276,253	1,373,759	1,178,747
Infrastructure	19,227	20,696	17,758
Private Equities	130,617	140,596	120,638
Property - unit trusts	29	31	27
Cash deposits	43,923	47,279	40,567
<b>Total</b>	<b>1,470,049</b>	<b>1,582,361</b>	<b>1,357,737</b>

The sensitivity of the Fund's investments to changes in foreign currency rates have been analysed using a 9.36% movement in exchange rates in either direction for 31 March 2019. This analysis assumes that all variables, in particular interest rates, remain constant. Based on the composition of the Fund's currency exposure a 9.36% fluctuation in the currency is considered reasonable. A 9.36% weakening or strengthening of Sterling against the various currencies at 31 March 2019 would have increased or decreased the net assets by the amount shown below.

Currency Exposure by Asset Type	31 March 2019	Value on increase	Value on decrease
	£000	£000 +9.36%	£000 -9.36%
Equities – quoted	439,638	480,788	398,488
Pooled investment vehicles	151,787	165,994	137,580
Property - unit trusts	163	178	148
Cash deposits	40,181	43,942	36,420
<b>Total</b>	<b>631,769</b>	<b>690,902</b>	<b>572,636</b>

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 US Dollars and EUROS, using data on currency risk of 7.73% for the US Dollar and 6.72% for the EURO. Weakening or strengthening of Sterling against US Dollars and EUROS at 31 March 2020 would have increased or decreased the net assets by the amounts shown in the following table.

<b>Asset Type</b>	<b>31 March 2020 £000</b>	<b>Percentage Change %</b>	<b>Value on increase £000</b>	<b>Value on decrease £000</b>
US Dollars	869,526	7.73	936,740	802,312
EUROS	196,309	6.72	209,501	183,117
<b>Total</b>	<b>1,065,835</b>		<b>1,146,241</b>	<b>985,429</b>

Weakening or strengthening of Sterling against US Dollars and EUROS at 31 March 2019 would have increased or decreased the net assets by the amounts shown in the following table.

<b>Asset Type</b>	<b>31 March 2019 £000</b>	<b>Percentage Change %</b>	<b>Value on increase £000</b>	<b>Value on decrease £000</b>
US Dollars	388,278	9.40	424,776	351,780
EUROS	113,438	7.99	122,502	104,374
<b>Total</b>	<b>501,716</b>		<b>547,278</b>	<b>456,154</b>

### 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 Pension Fund's bank account is held at Lloyds, 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 at 31 March 2020 was £1.109m in an instant access Lloyds account and £2.000m invested in Federated's money market fund. (On 31 March 2019 £0.691m was invested in an instant access Lloyds account.) Cash held by investment managers is 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.

<b>31 March 2019</b>		<b>31 March 2020</b>
<b>£000</b>		<b>£000</b>
156,310	Blackstone	146,881
5,883	Brunel Infrastructure	11,451
1,565	Brunel Private Equity	14,105
221,066	LaSalle	222,898
119,040	Pantheon Private Equity	106,965
24,867	Partners Group	21,042
588	Hg Capital	600
<b>529,319</b>		<b>523,942</b>

#### 14. Related Parties

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

The County Council was reimbursed £2.35m (£2.2m in the 2018/19 year) for oversight & governance costs and administration costs incurred by the County Council on behalf of the Pension Fund. The County Council is also the single largest employer of members of the Pension Fund and contributed £47.2m to the Fund in 2019/20 (£45.1m in the 2018/19 year).

The Pension Fund's surplus cash held for day to day cash flow purposes is invested on the money markets by Buckinghamshire County Council's treasury management team, through a service level agreement. During the year to 31 March 2020, the Fund had an average investment balance of £8.1m (£7.7m in the 2018/19 year), earning interest of £53k (£55k in the 2018/19 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 is one member of the Pension Fund Committee who is a deferred member of the Fund. There are no members of the Pension Fund Committee who were pensioner members of the Fund on 31 March 2020 (on 31 March 2019 no pensioner members and one deferred member). The Service Director – Corporate 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 County 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 County Council accounts.

The Pension 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 County Council own 10% of Brunel. During the year to 31 March 2020 Brunel provided services costing £1,144k (£835k in the year to 31 March 2019).

## 15. Current Assets and Liabilities

31 March 2019 £000	Current Assets and Liabilities	31 March 2020 £000
	<b>Current Assets</b>	
10,109	Contributions due from employer's 31 March	10,313
9,882	Cash balances (not forming part of the investment assets)	3,006
1,703	Other current assets	2,176
<b>21,694</b>	<b>Total Current Assets</b>	<b>15,495</b>
	<b>Current Liabilities</b>	
(1,170)	Management charges	(727)
(1,003)	HM Revenue and Customs	(986)
(692)	Unpaid benefits	(673)
(11,505)	Other current liabilities	(2,322)
<b>(14,370)</b>	<b>Total Current Liabilities</b>	<b>(4,708)</b>
<b>7,324</b>	<b>Net Current Assets</b>	<b>10,787</b>

## 16. Taxes on Income

2018/19 £000	Taxes on Income	2019/20 £000
-	Withholding tax - fixed interest securities	-
471	Withholding tax - equities	351
<b>471</b>	<b>Total Taxes on Income</b>	<b>351</b>

The Fund retains the following taxation status:

- VAT input tax is recoverable on all fund activities by virtue of Buckinghamshire County 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.

## 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 2019. The next valuation will take place as at 31 March 2022.

On 31 March 2019, the market value of the assets held were £3,007.020m, sufficient to cover 94% of the accrued liabilities assessed on an ongoing basis. All employers are projected to be fully funded by no later than 31 March 2035. The primary rate of contribution is the employers' share of the cost of benefits accruing in each of the three years beginning 1 April 2020 and is 18.2% of payroll. In addition, each employer pays a secondary contribution rate based on their particular circumstances, the secondary contribution rate across the whole Fund averages 3.9% in 2020/21, 4.0% in 2021/22 and 4.1% in 2021/22.

The results of the valuation are that the past service funding level of the Fund as a whole has increased from 87% to 94% between 31 March 2016 and 31 March 2019. The improvement of the funding position since the previous valuation is mainly due to good investment returns and employer contributions. 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	2.35%
▪ Pension increases	1.85%
▪ CPI inflation	1.85%
▪ Salary increases	2.85%

### Demographic assumptions

	Male / Female
▪ Post retirement mortality	
Member base tables	S3PA
Member mortality multiplier	110% / 95%
Dependant base tables	S3DA
Dependant mortality multiplier	95% / 80%
Projection model	CMI 2018
Long-term rate of improvement	1.25% per annum
Smoothing parameter	7.5
In addition to improvements	0.5% per annum
▪ Retirement assumption	Weighted average of each tranche retirement
▪ Pre-retirement decrements	GAD 2016 scheme valuation with no salary scale, 50% ill-health decrement, 105% pre-retirement
▪ 50:50 assumption	Member data
▪ Commutation	50% of maximum
% members with qualifying dependant	75% / 70%
▪ Age difference	Males are 3 years older

## 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 2019. On an IAS 19 basis the Actuary estimates that the net liability as at 31 March 2020 is £1,647m (31 March 2019 £1,792m), 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 actually held will be different from borrowing costs, and so different amounts are required. This manifest itself in different discount rates being used in each type of valuation, and so different values are placed on the same liabilities.

<b>31 March 2019</b>		<b>31 March 2020</b>
<b>£000</b>		<b>£000</b>
4,791,251	Present value of funded obligation	4,549,742
(2,998,856)	Fair value of scheme assets	(2,902,913)
<b>1,792,395</b>	<b>Net Liability</b>	<b>1,646,829</b>

The Present Value of Funded Obligation consists of £4,446m (£4,628m at 31 March 2019) in respect of Vested Obligation and £104m (£163m at 31 March 2019) 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:

<b>31 March 2019</b>		<b>31 March 2020</b>
3.4%	RPI increases	2.65%
2.4%	CPI increases	1.85%
3.9%	Salary increases	2.85%
2.4%	Pension increases	1.85%
2.4%	Discount rate	2.35%

These assumptions are set with reference to market conditions at 31 March. The Actuary's estimate of the duration of the Fund's past service liabilities is 22 years. An estimate of the Fund's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

Similarly, to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30-year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting date. As future pension increases are expected to be based on CPI rather than RPI, the Actuary has made a further assumption about CPI which is that it will be 0.8% below RPI i.e. 1.85%.

Salaries are assumed to increase at 1.0% above CPI. This differs from the salary increase assumption at the previous accounting date and has been updated in line with the most recent funding valuation. The liabilities include an allowance for the Court of Appeal judgement in relation to the McCloud & Sergeant cases which related to age discrimination within the Judicial & Fire Pension schemes respectively.

### 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 2019. 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 2018 Model, allowing for a long-term rate of improvement of 1.25% p.a, smoothing parameter of 7.5 and an initial addition to improvements of 0.5% pa. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)	31 March 2019	31 March 2020
<b>Retiring today</b>		
Males	22.9	21.8
Females	24.8	25.1
<b>Retiring in 20 years</b>		
Males	24.6	23.2
Females	26.6	26.5

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.

## 19. Contingent Liabilities and Contractual Commitments

Outstanding contractual commitments at 31 March 2020 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 2019	31 March 2020
	£000	£000
Brunel Infrastructure Cycle 2	0	250,000
Brunel Private Debt Cycle 2	0	130,000
Brunel Private Equity Cycle 2	0	120,000
Brunel Infrastructure Cycle 1	68,846	61,095
Brunel Private Equity Cycle 1	73,570	64,240
Pantheon Asia Fund V LP	715	1,587
Pantheon Asia Fund VI LP	6,369	18,506
Pantheon USA Fund VII Limited	1,244	1,168
Pantheon USA Fund VIII Feeder LP	5,803	4,517
Pantheon Global Secondary Fund IV Feeder LP	3,465	4,063
Partners Group Global Resources 2009, LP	3,271	3,435
Pantheon Europe Fund V “A” LP	982	854
Pantheon Europe Fund VI LP	3,578	3,061
Partners Group Global Real Estate 2008 SICAR	1,722	1,781
Partners Group Global Infrastructure 2009 SICAR	2,715	2,806
	<b>172,280</b>	<b>667,113</b>

On 31 March 2020 there were 3 group transfers to the Fund being negotiated with other Funds (one on the 31 March 2019), the value of the transfers to the Fund is £2,059k and has been accrued. On 31 March 2020 there was one group transfer from the Fund being negotiated with other Funds (one on the 31 March 2019), the value of the transfers from the Fund is being negotiated between the Funds’ actuaries. The expenditure in respect of the transfers has not been accrued since negotiations are at too early a stage for an estimate of the value to be available.

## 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.

<b>2018/19</b>	<b>Prudential</b>	<b>2019/20</b>
<b>£000</b>		<b>£000</b>
3,869	Value of AVC fund at beginning of year	4,740
860	Correction opening value	0
543	Employees' contributions and transfers in	622
79	Investment income and change in market value	160
(611)	Benefits paid and transfers out	(795)
<b>4,740</b>	<b>Value of AVC fund at year end</b>	<b>4,727</b>
<b>2018/19</b>	<b>Scottish Widows</b>	<b>2019/20</b>
<b>£000</b>		<b>£000</b>
3,321	Value of AVC fund at beginning of year	2,838
(437)	Correction opening value	0
119	Employees' contributions	44
(46)	Investment income and change in market value	(2,066)
(119)	Benefits paid and transfers out	(69)
<b>2,838</b>	<b>Value of AVC fund at year end</b>	<b>747</b>

## 21. List of Scheduled and Admitted Bodies

### Scheduled Bodies

Buckinghamshire County Council  
 Buckinghamshire Fire and Rescue Service  
 Thames Valley Police  
 Aylesbury Vale District Council  
 Chiltern District Council  
 Milton Keynes Council  
 South Bucks District Council  
 Wycombe District Council

Amersham Town Council  
 Aston Clinton Parish Council

Aylesbury Town Council  
 Beaconsfield Town Council  
 Bletchley & Fenny Stratford Town Council  
 Bradwell Parish Council  
 Broughton & Milton Keynes Parish Council  
 Buckingham Town Council  
 Burnham Parish Council  
 Campbell Park Parish Council  
 Chalfont St Giles Parish Council  
 Chalfont St Peter Parish Council  
 Chepping Wycombe Parish Council

Chesham Bois Parish Council	Aspire Schools
Chesham Town Council	Aylesbury College
Chiltern Crematorium	Aylesbury Grammar School
Chilterns Conservation Board	Aylesbury High School
Coldharbour Parish Council	Aylesbury Vale Academy
Coleshill Parish Council	Beaconsfield High School
Gerrards Cross Parish Council	Bearbrook Combined & Pre-school
Great Missenden Parish Council	Bedgrove Infant School
Hambleden Parish Council	Bedgrove Junior School
Hazlemere Parish Council	Beechview Academy
Iver Parish Council	Bourne End Academy
Ivinghoe Parish Council	Bourton Meadow Academy
Kents Hill & Monkston Parish Council	Bridge Academy
Lacey Green Parish Council	Brill CofE Combined School
Lane End Parish Council	Brookmead School
Little Marlow Parish Council	Brooksward School
Longwick-cum-Ilmer Parish Council	Brushwood Junior School
Marlow Town Council	Buckinghamshire New University
Mentmore Parish Council	Buckinghamshire University Technical College
New Bradwell Parish Council	Burnham Grammar School
Newport Pagnell Town Council	Bushfield School
Newton Longville Parish Council	Castlefield School
Olney Town Council	Chalfonts Community College
PCC for Thames Valley	Chalfont St Peter CE Academy
Penn Parish Council	Chalfont Valley E-Act Academy
Piddington & Wheeler End Parish Council	Charles Warren Academy
Princes Risborough Town Council	Chepping View Primary Academy
Shenley Brook End and Tattenhoe Parish Council	Chesham Bois CofE Combined School
Shenley Church End Parish Council	Chesham Grammar School
Stantonbury Parish Council	Chestnuts Academy
Stony Stratford Town Council	Chiltern Hills Academy
Taplow Parish Council	Chiltern Way Academy
Waddesdon Parish Council	Christ the Sower Ecumenical Primary School
Wendover Parish Council	Cottesloe School
West Bletchley Town Council	Danesfield School
West Wycombe Parish Council	Denbigh School
Weston Turville Parish Council	Denham Green E-Act Academy
Winslow Town Council	Dorney School
Woburn Sands Town Council	Dr Challoner's Grammar School
Wolverton & Greenleys Town Council	Dr Challoner's High School
Wooburn & Bourne End Parish Council	E-Act Burnham Park Academy
Woughton Community Council	Elmhurst School (Academy)
	EMLC Academy Trust
Abbey View Primary School	Fairfields Primary School
Alfriston School	George Grenville Academy
Amersham School	Germander Park School
Ashbrook School	Gerrards Cross CoE School

Glastonbury Thorn First School	Oxley Park Academy
Great Horwood CofE Combined School	Padbury CofE School
Great Kimble CoE School	Portfields Combined School
Great Kingshill CoE Combined School	Princes Risborough Primary School
Great Marlow School	Princes Risborough School
Great Missenden CoE Combined School	Rickley Park Primary School
Green Park School	Royal Grammar School
Green Ridge Academy	Royal Latin School
Hamilton Academy	St John's CofE Combined School
Heronsgate School	St Mary Magdelene Catholic Primary
Heronshaw School	St Nicolas' CE Combined School Taplow
Holmer Green Senior School	St Paul's RC School
Holmwood School	Seer Green CofE School
Ickford School	Shenley Brook End School
Inspiring Futures Through Learning	Shepherdswell School
Ivingswood Academy	Sir Henry Floyd Grammar School
John Colet School	Sir Herbert Leon Academy
John Hampden Grammar School	Sir Thomas Fremantle Academy
Jubilee Wood Primary School	Sir William Borlase's Grammar School
Kents Hill Park School	Sir William Ramsay School
Kents Hill School	Southwood Middle School
Khalsa Secondary Academy	Stanton School
Kingsbridge Education Trust (MAT)	Stantonbury Campus
Knowles Primary School	Stephenson Academy
Lace Hill Academy	The Beaconsfield School
Lent Rise Combined School	The Bridge Academy
Longwick CofE Combined School	The Hazeley Academy
Lord Grey Academy	The Highcrest Academy
Loudwater Combined School	The Misbourne School
Loughton School	The Premier Academy
Middleton Primary School	The Radcliffe School
Milton Keynes Academy	Thomas Harding Junior School
Milton Keynes College	Two Mile Ash School
Milton Keynes Development Partnership	Waddesdon CoE School
Milton Keynes Education Trust	Walton High
Monkston Primary Academy	Water Hall Primary School
Moorland Primary School	Waterside Combined School
New Bradwell School	Whitehouse Primary School
New Chapter Primary School	Wooburn Green Primary Academy
Oakgrove School	Woodside Junior School
Olney Infant School	Wycombe High School
Olney Middle Academy	Wyvern School
Orchard Academy	
Ousedale School	<b>Election Fees:</b>
Overstone Combined School	Aylesbury Vale Local
Oxford Diocesan Bucks School Trust (MAT)	South Bucks Local

**Admitted Bodies**

Acorn Childcare  
 Action for Children  
 Action for Children (Children's Centres)  
 Adventure Learning Foundation (BCC)  
 Ambassador Theatre Group  
 Ashridge Security Management  
 Aspens Services Ltd  
 Avalon Cleaning Services (Langland School)  
 Buckinghamshire Music Trust  
 Bucks Association of Local Councils  
 Bucks County Museum Trust  
 Busy Bee Cleaning Services Ltd (WDC)  
 C-SALT (Woughton Leisure Centre)  
 Capita (WDC)  
 Caterlink Ltd (Buckingham Primary)  
 Caterlink Ltd (Chiltern Hills Academy)  
 Chartwells Ltd (Oakgrove School)  
 Chiltern Rangers CIC  
 Cleantec Services Limited (MK Academy)  
 Cleantec Services Limited (Oakgrove School)  
 Connexions Buckinghamshire  
 Cucina Restaurants Ltd (Denbigh School)  
 Cucina Restaurants Ltd (Walton High)  
 Derwent Facilities Management Ltd  
 Excelcare  
 Fujitsu Services Limited  
 Hayward Services Ltd (Downley School)  
 Hayward Services Ltd (John Colet)  
 Heritage Care  
 Hightown Housing Association Ltd  
 Innovate Ltd  
 Kids Play Ltd  
 Manpower Direct Ltd  
 Mears Group plc  
 Mercury Infrastructure Limited  
 NSL Services Group  
 Nurture Landscapes (MKC)  
 Oxfordshire Health NHS Foundation Trust  
 Paradigm Housing Association  
 Places for People Leisure (Newport Pagnell TC)  
 Places for People Leisure (WDC)  
 Police Superintendents Association Limited  
 Red Kite Community Housing Ltd  
 Ridge Crest Cleaning Ltd (Shenley Brook End)  
 Ridge Crest Cleaning Ltd (Walton High)  
 Ringway Infrastructure Services  
 Ringway Jacobs  
 Serco (MKC)  
 Serco (MKC Recreation & Maintenance)  
 Sports Leisure Management  
 Spurgeons  
 The Fremantle Trust  
 Vale of Aylesbury Housing Trust  
 Wolverton & Watling Way Pools Trust  
 Wycombe Heritage and Arts Trust





This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report. This draft has been created on 9 Nov 2020

# The Audit Findings for Buckinghamshire Pension Fund

Year ended 31 March 2020

November 2020

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Your key Grant Thornton team members are:

**Iain Murray**  
Director

T: 020 7728 3328

E: iain.g.murray@uk.gt.com

**Sheena Phillips**  
Engagement Manager

T: 020 7728 2625

E: Sheena.S.Phillips@uk.gt.com

**Cherise Douglas**  
Assistant Manager

T: 020 7865 2488

E: cherise.a.douglas@uk.gt.com

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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. 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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# 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 2020 for those charged with governance.

<p><b>Covid-19</b></p>	<p>The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operation of the Buckinghamshire Pension Fund.</p> <p>This includes the pension staff working remotely and redeployment of staff to critical front line duties where necessary.</p> <p>There is also volatility of financial and property markets will increase the uncertainty of assumptions applied to asset valuation.</p> <p>Authorities are still required to prepare financial statements in accordance with the relevant accounting standards and the Code of Audit Practice, albeit to an extended deadline for the preparation of the financial statements up to 31 August 2020 and the date for audited financials statements to 30 November 2020</p>	<p>We updated our audit risk assessment to consider the impact of the pandemic on our audit and issued an audit plan in June 2020. In that audit plan, we reported a financial statement risk in respect of Covid -19. Further detail is set out on page 5.</p> <p>Restrictions for non-essential travel have meant both the pension fund and audit teams have had to make arrangements to ensure that the audit could be carried out remotely in a manner that is efficient and does not compromise the quality of audit work performed. These include remote accessing financial systems, video calling, and completeness accuracy of information produced by the entity. The audit team received the financial statements in early July 2020 and is nearing completion. The audit has progressed at a slower pace than planned as both parties adjusted to the challenges of remote working.</p>
<p><b>Financial Statements</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>• give a true and fair view of the financial position of the Pension Fund and its income and expenditure for the year; and</li> <li>• 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.</li> </ul>	<p>Our audit was completed remotely during July-November . Our findings are summarised on pages 5 to 9. We have currently identified no adjustments to the financial statements that have resulted in an adjustment to the Pension Fund's reported financial position. Audit adjustments are detailed in Appendix C. We have also raised recommendations for management as a result of our audit work in Appendix A. Our follow up of recommendations from the prior year's audit are detailed in Appendix B.</p> <p>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;</p> <ul style="list-style-type: none"> <li>• receipt of the management representation letter;</li> <li>• receipt and review of evidence to support management's going concern assessment.</li> <li>• evaluating the existence of any subsequent events up to the date of our opinion;</li> <li>• review of the Pension Fund Annual Report; and</li> <li>• review of the final set of financial statements.</li> </ul> <p>Our anticipated audit report opinion will be unqualified including an Emphasis of Matter paragraph, highlighting asset valuation material uncertainties in relation to property investments.</p>
<p><b>Acknowledgements</b></p>		
<p>We would like to take this opportunity to record our appreciation for the assistance and timely collaboration provided by the finance team and other staff during these unprecedented times.</p>		

# Audit approach

## 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 have been discussed with the management.

As auditor 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;
- Controls testing of the Pension Fund's member data systems; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter or change our audit plan, as communicated to you in June 2020

## Audit approach (continued)

Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter or change our audit plan, as communicated to you in June 2020.

## 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 following the Audit and Governance Committee meeting in November 2020. These outstanding items are outlined on page 3

## 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 calculations since those communicated in our Audit Plan have been updated to reflect the decrease in value of the net assets of the Pension Fund since 31 March 2019 and the updated materiality amounts are stated below..

	Pension Fund (£m)
Materiality for the financial statements	29.14
Performance materiality	21.85
Trivial matters	1.46

# Significant audit risks

## Risks identified in our Audit Plan

### Impact of Covid-19

The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to;

- Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation
  - Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation, and the reliability of evidence we can obtain to corroborate management estimates
  - For instruments classified as fair value through profit and loss there may be a need to review the Level 1-3 classification of the instruments if trading may have reduced to such an extent that quoted prices are not readily and regularly available and therefore do not represent actual and regularly occurring market transactions.
- Whilst the nature of the Fund and its funding position (i.e. not in a winding up position or no cessation event) means the going concern basis of preparation remains appropriate management may need to consider whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and
- Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.

We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement

## Auditor commentary

We have:

- worked with management to understand the implications the response to the Covid-19 pandemic had on the pension fund's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. No changes were made to materiality levels previously reported. The draft financial statements were provided in early July 2020;
- evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic;
- evaluated whether sufficient audit evidence could be obtained through remote technology;
- evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as the asset valuations ;
- evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment;
- discussed with management the implications for our audit report where we have been unable to obtain sufficient audit evidence.

As part of our work on investments, we noted that LaSalle and Brunel reported material valuation uncertainties as at 31 March 2020 due to the impact of Covid-19 in respect of Unit Trust properties, valued at £213,484k, and Infrastructure assets, valued at £3,601k.

Given the value of property investments within the fund our judgement is that the disclosure of this material uncertainty is sufficiently important that it is fundamental to users' understanding of the financial statements. We intend to include an emphasis of matter in the auditor's report on the financial statements in respect of the effects of Covid-19 on the valuation of property investments.

The emphasis of matter paragraph does not qualify the opinion but will highlight the disclosure of the material uncertainty in the final version of the financial statements.

The draft financial statement do not include sufficient disclosure which reflects the material valuation uncertainty in relation property investments. We have made a recommendation to management to include this disclosure in the final version of the financial statements, this is included at Appendix C.

# Significant audit risks

## Risks identified in our Audit Plan

### The revenue cycle includes fraudulent transactions (rebutted)

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition

## Auditor commentary

As communicated in our Audit Plan, we have rebutted this risk. We have made no changes to this assessment.

### Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Fund faces external scrutiny of its spending and stewardship of funds, and this could potentially place management under undue pressure in terms of how they report performance.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk.

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 made by management and consider their reasonableness with regard to corroborative evidence
- 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.

# Significant audit risks

## Risks identified in our Audit Plan

### The valuation of Level 3 investment

You revalue your investments on an annual basis with the aim of ensuring that the carrying value of these investments is not materially different from their fair value at the balance sheet date.

By their nature level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved (£154 million as at 31 March 2020) and the sensitivity of this estimate to changes in key assumptions.

Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.

Management utilise the services of investment managers and custodians as valuation experts to estimate the fair value as at 31 March 2020.

We therefore identified valuation of Level 3 investments as a significant risk.

## Auditor commentary

We have:

- evaluated management's processes for valuing Level 3 investments
- reviewed the nature and basis of estimated values and considered 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
- 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 agreed these to the fund manager reports at that date. We reconciled those values to the values at 31 March 2020 with reference to known movements in the intervening period.

Brunel declared a material valuation uncertainty in their Infrastructure assets with a value of £3,601k as at 31 March 2020 due to the impact of Covid 19. As mentioned on page 5, we will include an emphasis of matter in the auditor's report on the financial statements of Buckinghamshire Pension Fund in respect of the effects of Covid-19 on the valuation of property investments.

Our audit work has not identified any issues in respect of the valuation of Level 3 investments other than the above.

# Significant findings – going concern

## 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).

## Going concern commentary

### Management's assessment process

### Auditor commentary

Management have concluded that the use of the going concern basis is appropriate for the Pension Fund and that they have not identified events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern

## Work performed

We have considered the appropriateness of management's use of the going concern basis in preparing the financial statements

- We have assessed whether there were any events or conditions present that may cast significant doubt on the Pension Fund's ability to continue as a going concern
- We evaluated the adequacy of disclosures in the financial statements relating to going concern.

Our work in this area is ongoing. We have challenged management for evidence to support their assessment.

## Concluding comments

Subject to the satisfactory completion of outstanding procedures, we have not identified any reasons to modify our audit opinion as a result of our procedures over going concern.

# Significant findings – key estimates and judgements

Accounting area	Summary of management's policy	Auditor commentary	Assessment
<b>Level 3 investments</b>	<p>The Pension Fund has investments in private equity and infrastructure that in total are valued in the net assets statement as at 31 March 2020 at £154.3m. 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.</p> <p>In order to determine the value, management use fund managers to determine valuations using recognised techniques for the particular investment type (private equity and infrastructure). The value of the investment has increased by £1.6m in 2019/20, which is not a significant variance.</p>	<p>Our assessment of the estimate comprised:</p> <ul style="list-style-type: none"> <li>• Evaluating the audit opinion relating to the funds within which the investments are held</li> <li>• Evaluating impact of any material uncertainty disclosed by the fund managers in the pension fund accounts</li> <li>• Testing the key assumptions used to determine the estimate</li> <li>• The appropriateness of the underlying information and techniques used to determine the estimate</li> <li>• Adequacy of disclosure of the estimate in the financial statements</li> </ul>	 <b>Green</b>
<b>Level 2 investments</b>	<p>The Pension Fund have investments in a range of bonds, pooled investment vehicles and property unit trusts that in total are valued in the net assets statement as at 31 March 2020 at £2,678.8m.</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 use fund managers to determine valuations using recognised pricing techniques (such as for the equities and bonds held within pooled investment vehicles) and where appropriate use qualified external providers (for property unit trusts).</p> <p>The value of the investment has increased by £496.8m in 2019/20, mainly due to the disposal of quoted equities (level 1 investments) and purchase of level 2 investments where the assets are predominantly held as pooled investment vehicles.</p>	<p>Our assessment of the estimate comprised:</p> <ul style="list-style-type: none"> <li>• The controls employed by the fund managers engaged by management to determine the valuation of these investments</li> <li>• Agreeing investment unit prices or valuations to reports from the custodian and fund managers</li> <li>• The appropriateness of the underlying information and techniques used to determine the estimate</li> <li>• Adequacy of disclosure of the estimate in the financial statements</li> </ul>	 <b>Green</b>

## Assessment

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

## Other matters for communication

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.

Issue	Auditor commentary
<b>Matters in relation to fraud</b>	We have previously discussed the risk of fraud with the Audit and Governance Audit 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.
<b>Matters in relation to related parties</b>	We are not aware of any related parties or related party transactions which have not been disclosed.
<b>Matters in relation to laws and regulations</b>	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.
<b>Written representations</b>	A letter of representation has been requested from the Pension Fund, which is included in the Audit and Governance Committee papers.
<b>Confirmation requests from third parties</b>	We requested from management permission to send confirmation requests to the Pension Fund's custodian, fund managers and bank. This permission was granted and the requests were sent. All of these requests were returned with positive confirmation.
<b>Disclosures</b>	Our review found no material omissions in the financial statements.
<b>Audit evidence and explanations/significant difficulties</b>	All information and explanations requested from management was provided
<b>Matters on which we report by exception</b>	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 are currently reviewing the Annual Report and will issue our 'consistency' opinion on the Pension Fund Annual Report on completing this work. As such, we have not given this separate opinion at this time and are unable to certify completion of the audit of the Pension Fund administering authority until this work has been completed

# 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. 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 D

# Independence and ethics

## 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. The following audit services were identified, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

	Fees £	Threats identified	Safeguards
<b>Audit related</b>			
Provision of IAS 19 Assurances to Scheme Employer auditors	7,000	Self interest	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £7,000 in comparison to the total fee for the audit of £29,275 and in particular relative to Grant Thornton UK LLP's turnover overall. This mitigates the perceived self-interest threat to an acceptable level.

These services are consistent with the Pension Fund's policy on the allotment of non-audit work to your auditors. All services have been approved by the Regulatory and Audit Committee. None of the services provided are subject to contingent fees.

# Action plan

We have identified the following 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 2020/21 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 and risk	Recommendations
<p> <b>Medium</b></p>	<p><b>Investment Valuation</b></p> <p>As part of our testing of investments we reconciled the year end valuations as per the custodian reports with the fund manager statements. In doing so, we discovered that a variance amounting to £10,059k was attributable to the fact that State Street (the Custodian) had used the 31st December valuation data (latest available at the time) to value the 31st of March positions. The client also used the custodian figures in preparation of their accounts.</p>	<p>The use of custodian figures for accounts preparation was inappropriate as the valuation was dated as at 31 December 2019 whereas the fund manager statements include the more up-to-date figures.</p> <p><b>Management response</b></p> <p>TBC</p>
<p> <b>Medium</b></p>	<p><b>Scheme Contributions</b></p> <p>The reconciliation of monthly returns for scheme contributions from scheduled and admitted bodies had a total difference of £3,808k</p> <p>We could not obtain a clean reconciliation between the accounts and employer contribution records; the total difference was £3,808k. Auditor sought an explanation for this variance; however this could not be provided by the client at a macro level. Auditor thus performed an employer-by-employer reconciliation to determine why this difference occurred and reconciled this down to a trivial difference of £11k.</p> <p>There were also several insignificant differences noted in relation to several other employers. Whilst the accuracy and completeness of the reconciliation has been improved since this issue was first identified, we consider that there remains a need to improve further these aspects of the reconciliation</p>	<p>Whilst the accuracy and completeness of the reconciliation has been improved since this issue was first identified, we consider that there remains a need to improve further these aspects of the reconciliation</p> <p><b>Management response</b></p> <p>TBC</p>

## Controls

-  High – Significant effect on control system
-  Medium – Effect on control system
-  Low – Best practice

# Action plan - Continued

Assessment	Issue and risk	Recommendations
<p> <b>Medium</b></p>	<p><b>Investments - Challenge to assumptions</b></p> <p>We made inquiries regarding the assumptions that are used by the fund managers for valuations of level 2 and level 3 investments and concluded that client does not challenge them. Furthermore, management failed to demonstrate any challenge to the classification methodology for the different hierarchy of investments..</p>	<p>The responsibility for proper valuation and classification of investments is managements and hence they should challenge the assumptions made by the fund managers and custodians. Management should be able to demonstrate how they challenged the valuation and classification assumptions provided by its experts.</p> <p><b>Management response</b></p> <p>TBC</p>
<p> <b>Medium</b></p>	<p><b>Management challenge of actuary</b></p> <p>During our review of the actuarial PV of Promised Retirement Benefits, as required, we sought to obtain management's review and challenge of the actuary's estimate.</p> <p>There was no evidence of management's formal challenge to the actuary's estimate.</p> <p>Management are responsible for the judgements within the financial statements. They are required to retain evidence of their challenge and correspondences with the experts while making their judgments and decisions regarding accounting estimates.</p>	<p>Management should evidence that they have considered alternative assumptions or outcomes, and why they have rejected them</p> <p>Management should evidence of how management otherwise addressed estimation uncertainty in making the accounting estimate.</p> <p><b>Management response</b></p> <p>TBC</p>
<p> <b>Low</b></p>	<p><b>IAS 19: Digital filing System</b></p> <p>As part of our IAS 19 testing, we noted several instances of version control issues. Multiple email exchanges between the Pension Fund and the employers for confirmation of data to be sent to the actuary, were initially sent as final evidence to our audit team.</p> <p>It proved extremely cumbersome to obtain the final source data from employers which agreed to that sent to the actuary. An appropriate system of version control regarding source data is needed.</p> <p>This will ensure that the audit is more efficient, and less time is spent going through several emails which are not supporting the source data sent to the actuary.</p>	<p>An appropriate filing system should be in place so the final communication containing source data from employer is easily identifiable. This will ensure that the audit is more efficient, and less time is spent going through several emails which are not supporting the source data sent to the actuary which should be audited.</p> <p><b>Management response</b></p> <p>TBC</p>

## Controls

-  High – Significant effect on control system
-  Medium – Effect on control system
-  Low – Best practice

## Action plan - Continued

Assessment	Issue and risk	Recommendations
<p> <b>Low</b></p>	<p><b>IAS 19: Milton Keynes Council</b></p> <p>As part of our IAS 19 testing, we noted that Milton Keynes Council, did not respond to efforts by the Pension Fund to obtain their data to be sent to the actuary.</p> <p>Similarly, it was also noted that up to August 2020, the March 2020 employer return was not submitted despite several attempts to obtain this information.</p> <p>Consideration should be given by management to identify ways in which data can be obtained from Milton Keynes Council ahead of year end closedown and audit.</p>	<p>Management should consider identifying ways in which data can be obtained from Milton Keynes Council ahead of the audit to assist with the efficiency and the delivery of the audit in a timely manner.</p> <p><b>Management response</b></p> <p>TBC</p>

### Controls

-  High – Significant effect on control system
-  Medium – Effect on control system
-  Low – Best practice

## Follow up of prior year recommendations

We identified the following issues in the audit of Buckinghamshire Pension Fund's 2018/19 financial statements, which resulted in 3 recommendations being reported in our 2018/19 Audit Findings report. We have followed up on the implementation of our recommendations and we are awaiting management's response

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
	<p>Our journals testing identified a number of journals that did not contain any evidence of authorisation before posting. It is our understanding of the Pension Fund's policy that journals of those types should be subject to separate authorisation but that as a result of the lower volume of transactions and fewer members of staff who can post journal entries as compared to the County Council, this policy is not always followed in practice.</p> <p>Journals for the Pension Fund should be authorised in accordance with the relevant internal policy or that policy amended for the purposes of the Pension Fund.</p>	TBC
	<p>As part of our testing of investments we considered management's quarterly reconciliation of investment valuations and noted that a number of differences had been identified that were not followed up with the custodian until year end. It would be more efficient for these differences to be followed up at the time they arise so that any corrections can be made promptly.</p> <p>Any differences identified from the custodian's quarterly reconciliation should be followed up in a more timely way.</p>	TBC
	<p>Management's reconciliation of the pension fund bank account contains uncleared miscellaneous items totalling approximately £354k. This balances comprises 105 transactions of which 77 relate to March 2019 and the remainder are spread across 9 months within the period March 2018 to February 2019. Whilst the uncleared transactions are individually and in aggregate not numerically significant, there are a number of aged transactions that it would be preferable to resolve as quickly as possible.</p> <p>Uncleared miscellaneous items in the bank account reconciliation should be resolved more promptly.</p>	TBC

### Assessment

- ✓ Action completed
- X Not yet addressed

# Audit adjustments

## 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 omission	Detail	Auditor recommendations	Adjusted?
Note 12 - Net Assets of the Fund	Net Assets of the Fund disclosed in the Net Assets Statement into category (Pooled Investments - Fair value through profit and loss - PY) does not match with prior year accounts.	The value of Net Assets of the Fund disclosed in the Net Assets Statement into category (Pooled Investments - Fair value through profit and loss – PY) should be updated to match the prior year accounts. <b>Management response</b> Agreed to changes. Reflected in updated draft accounts.	✓
Note 12 - Breakdown of asset types	Note 12 - Breakdown of asset types not casted correctly.	The total figure of breakdown of assets in note 12 should be updated so it casts correctly. <b>Management response</b> Agreed to changes. Reflected in updated draft accounts.	✓
Note 9 - realized and unrealized gain/loss	Note 9 (realized and unrealized gain/loss figures misstated). Note: £106.118m and pension fund account: £116,993m.	Client should revise note 9 figure to £116.993m. <b>Management response</b> Agreed to changes. Reflected in updated draft accounts.	✓
Note 12 - net gains and losses on financial instruments	The net gains and losses on financial instruments as shown in the table do not agree with the figures appearing in the Pension Fund Accounts.	The net gains and losses on financial instruments as shown in the table must be amended to agree with the figures appearing in the Pension Fund Accounts <b>Management response</b> Agreed to changes. Reflected in updated draft accounts.	✓
Note 18 - Actuarial Present Value of Promised Retirement Benefits	Financial assumptions to be changed. Demographic/Statistical assumptions S2PA should be S3PA	Demographic/Statistical assumptions S2PA should be S3PA <b>Management response</b> Agreed to changes. Reflected in updated draft accounts.	✓
Note 3 and Note 14	Inconsistent figures between notes 3 and 14	The figures stated in note 14 should be updated. <b>Management response</b> Agreed to changes. Reflected in updated draft accounts.	✓

# Audit adjustments

## 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 omission	Detail	Auditor recommendations	Adjusted?
Material Valuation Uncertainty in relation Property Investments	<p>As part of our investment work, we noted that LaSalle and Brunel declared material valuation uncertainty with respect to Unit Trust properties (£213,484k as at 31 March 2020) and Infrastructure assets (£3,601k as at 31 March 2020) respectively due to the impact of Covid 19.</p> <p>We intend to include an emphasis of matter in the auditor's report on the financial statements in respect of the effects of Covid-19 on the valuation of property investment.</p> <p>The draft financial statement does not include sufficient disclosure which reflects the material valuation uncertainty in relation property investments.</p>	<p>We recommend that management includes a disclosure which reflects the material valuation uncertainty in relation property investments as at 31 March 2020 in the financial statements.</p> <p><b>Management response</b> Agreed. Will be adjusted in next version of draft accounts.</p>	✓

# Audit adjustments

## Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2019/20 audit which have not been made within the final set of financial statements. The Audit and Governance Committee is required to approve management's proposed treatment of all items recorded within the table below:

Detail	Pension Fund Account £'000	Net Asset Statement £'000	Impact on total net assets £'000	Reason for not adjusting
As part of our testing of investments we reconciled the year end valuations as per the custodian reports with the fund manager statements. In doing so, we discovered that a variance amounting to £10,059k was attributable to the fact that the fund managers (Partners Group and Pantheon) data was lagged so the Custodian (State Street) had used the 31 December valuation data (latest available at the time) to value the 31 March positions. Management used the Custodian's figures in preparation of the financial statements. The use of Custodian figures for accounts preparation introduces the potential overstatement of the investments in question as they are valued as at 31 December 2019 whereas the fund manager statements include the more up-to-date figures.	10,059	(10,059)	(10,059)	The overstatement of investment is below materiality and hence it has not been adjusted in the accounts.
<b>Overall impact</b>	<b>£10,059</b>	<b>(£10,059)</b>	<b>(£10,059)</b>	

## Fees

We confirm below our final fees charged for the audit and fees for the provision of non-audit services.

<b>Audit fees</b>	<b>Proposed fee</b>	<b>Final fee</b>
Pension Fund	£29,275	TBC
<b>Total audit fees (excluding VAT)</b>	<b>£29,275</b>	<b>TBC</b>

The fees reconcile to the financial statements. Where they do not, we have provided a reconciliation

• fees per financial statements:	<b>£19.3k</b>	
• Raising the bar	£3.5k	The Financial Reporting Council (FRC) has highlighted that the quality of work by all audit firms needs to improve across local audit. This will require additional supervision and leadership, as well as additional challenge and scepticism in areas such as journals, estimates, financial resilience and information provided by the entity.
• Valuation of level 3 investments	£4.5k	The Financial Reporting Council (FRC) has highlighted that the quality of work by all audit firms in respect of valuations of hard to value investments needs to improve across the sector. Accordingly, we plan to enhance the scope and coverage of our work to ensure an adequate level of audit scrutiny and challenge over the assumptions and evidence that underpin the valuations of level 3 investments this year to reflect the expectations of the FRC and ensure we issue a safe audit opinion.
• Triennial Revaluation	£2.0k	We will need to carry out additional work this year in respect of the triennial revaluation carried out by the actuary.
• total fees per above	<b>£29.3k</b>	

<b>Audit fees for other services</b>	<b>Proposed fee</b>	<b>Final fee</b>
Provision of IAS 19 Assurances to Scheme Employer auditors	£7,000	£12,000
<b>Total non- audit fees (excluding VAT)</b>	<b>£7,000</b>	<b>£12,000</b>



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## Pension Fund Committee Forward Plan

19 November 2020

Agenda Item	Author	Cyclical Item?
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason	Every 3 months
Breaches of the Law	Claire Lewis-Smith	Annually
Annual Accounts Audit 2019/20	Rachael Martinig /Grant Thornton	Annually
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	Every 3 months
Pension Fund Performance	Julie Edwards	Quarterly
Date of next meeting / AOB	--	

25 February 2021

Agenda Item	Author	Cyclical Item?
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason	Every 3 months
Governance Compliance Statement	Claire Lewis-Smith	Annually
Treasury Management Service Level Agreement	Rachael Martinig	Annual
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	Every 3 months
Pension Fund Risk Register	Julie Edwards	6 monthly
Pension Fund Performance	Julie Edwards	Quarterly
Brunel Pension Partnership Update		Ad hoc
Date of next meeting / AOB	--	

## Pension Fund Committee Forward Plan

May 2021

Agenda Item	Author	Cyclical Item?
Election of Chairman / Appointment of Vice-Chairman		
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason	Every 3 months
External Audit Plan	Grant Thornton	Annual
Annual Accounts	Rachael Martinig	Annual
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	Every 3 months
Pension Fund Performance	Julie Edwards	Quarterly
Brunel Pension Partnership Update		Ad hoc
Date of next meeting / AOB	--	

July 2021

Agenda Item	Author	Cyclical Item?
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Annual Accounts Audit 2020/21	Rachael Martinig /Grant Thornton	Annually
Pension Fund Annual Report 2020/21	Rachael Martinig	Annually
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Brunel Pension Partnership Update		Ad hoc
Date of next meeting / AOB	--	

## Pension Fund Committee Forward Plan

September 2021

Agenda Item	Author	Cyclical Item?
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason	Every 3 months
Breaches of the Law	Claire Lewis-Smith	Annually
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	Every 3 months
Pension Fund Risk Register	Julie Edwards	6 monthly
Pension Fund Performance	Julie Edwards	Quarterly
Date of next meeting / AOB	--	

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