

Isle of Wight Council Pension Fund - Issues Log
Updated 19 June 2017

Issue no	Pension issue	Description / Impact	Progress	Responsible Officer	Target completion date	Status	Status May 17	Status November
1c	(Valuation 2016) comPASS modelling	Once assumptions have been agreed, contribution rate strategy modelling to be carried out for IWC. To be discussed with officers following committee meeting on 18 November 2016	UPDATE 08/11: Modelling scenarios received from Hymans 19 October, discussed with s151 officer 20 October and confirmed with Hymans on 21 October 2016. UPDATE 05/06/2017: modelling complete and assumptions agreed with Director of Finance Oct 16	Hymans	18-Nov-16	CLOSED	GREEN	GREEN
1d	(Valuation 2016) whole fund results	expected that initial draft whole fund results will be ready for presentation at 18 November committee meeting. Hymans to present on: * assumptions * initial whole fund results * draft funding strategy statement * progress on comPASS modelling * next steps for employers	UPDATE 05/06/2017: whole fund results presented to committee Nov16. subsequently all employer contribution rates agreed and valuation signed off by 31 March 2017	Hymans	18-Nov-16	CLOSED	GREEN	GREEN
2	Data from schools payroll suppliers	Data is inadequate for valuation purposes - missing leavers, etc. Need to determine process for getting correct data, and maintaining it in Altair	UPDATE 08/11: missing data from all academies has been identified. Focussing on 7 other schools (4 who use Strictly Education and 3 who use Capita) to analyse their missing data and the requirements for correction. Data to be sent to schools/academies before Christmas 2016; meetings to be scheduled in January/February 2017; data to be amended and corrected on Altair system before the start of the summer holidays 2017 UPDATE 20/3/17: MC had met with CEC and had now received the required data. Generally good progress being made and MC attending the Business Managers meeting shortly. UPDATE 05/06/2017: improvements have been noted from both school payroll providers. change status to Green as watching brief.	Matt Collier	on-going	GREEN	AMBER	RED
3	Not all ABS issued by 31 August 2016	Primarily schools/academies with external payroll providers	UPDATE 08/11: See progress on item 2 above. Data to be corrected such that all ABS can be issued in line with statutory deadline 2017 UPDATE 05/06/2017: all 2016 ABSs for active and deferred members were issued by the deadline. Change status to green, in preparedness for 2017 exercise.	Matt Collier	31-Aug-17	GREEN	AMBER	RED
3a	Not all ABS issued by 31 August 2016	Declaration of non-compliance to be filed with the Pensions Regulator	UPDATE 05/06/2017: closed as per item 3	Jo Thistlewood	30-Nov-16	CLOSED	RED	RED
4	Reimbursement of expenses for non-elected members of committee/board	INTERNAL AUDIT FINDING: For elected members, policies on training, facility time and the reimbursement of expenses are covered as part of the Council's constitution. However, we noted that there are no such policies in place which cover other representatives, who may sit on the Pension Fund Committee, LGPS Pension Board and the Fire Fighters Pension Board.	UPDATE 08/11: To be considered as part of the overall review of governance arrangements UPDATE 05/06/2017: policies are being drafted specific to the pension fund committee and board.	Jo Thistlewood	31-Jul-17	AMBER	RED	RED

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5	Training needs analysis - Committee	INTERNAL AUDIT FINDING: Pension Fund Committee training needs analysis had not been formally updated since July 2013. It is recognised that the membership of the committee has been relatively stable since this date, so the underlying level of understanding of members should remain relatively unchanged.	training sessions are held before each meeting on relevant agenda issues and hot topics. Formal plan not yet in place, but will need to be developed, particularly in light of the forthcoming local elections in May 2017 UPDATE 05/06/2017: first committee meeting of new term 16/6/17 will be general introduction training for new members. TNA will be circulated, and training plan developed over summer 2017	Jo Thistlewood	30-Sep-17	AMBER	AMBER	AMBER
6	Training needs analysis - Board	INTERNAL AUDIT FINDING: A training needs analysis has not yet been undertaken for the LGPS Pension Board. Following conversations with key personnel, we noted that members of this board may lack detailed pension expertise, therefore it is important that skills gaps are ascertained and addressed on an individual level, with training tailored to particular requirements	Draft work plan for the board contains proposed training items. All members have been signposted to the Pensions Regulator on-line training package, with report back on progress at each board meeting. Completion of on-line package will highlight items for further training. UPDATE 05/06/2017: will be followed up at next meeting of board 11 July	Jo Thistlewood	11-Jul-17	AMBER	RED	RED
7	LGPS Pensions website not up to date	INTERNAL AUDIT FINDING: The pension's service section of the Council's website will be updated to explain how stakeholders can express an interest in participating in pensions governance arrangements. Furthermore, a clear link will be made to the Pension Fund Committee section of the Council's website. The 'Fund Reports' page of the pension services section of the Council's website will be updated to show the most recent version of pension strategies and policies	UPDATE 10/10: requested support information from Hymans. UPDATE 08/11: information received from Hymans on "templated" website solutions. To be discussed with ICT. UPDATE 20/3/17: Confirmed agreement that the council utilise the templated website solution. CS to follow up with Gavin Muncaster as to the ICT requirements to make this happen.	Claire Shand Gavin Muncaster	31-Jul-17	RED	RED	RED
8	Committee and Board membership on democratic web pages only includes elected members	INTERNAL AUDIT FINDING: Membership is not accurate or transparent to stakeholders viewing the Council's website.	Board membership on committee pages is complete, including elected and non-elected members. Committee membership to be updated UPDATE 05/06/2017: complete for membership before election.	Marie Bartlett		CLOSED	AMBER	AMBER
9	Governance policy and related compliance statement is not up to date and does not reflect current legislative and regulatory requirements	Governance compliance now goes beyond the running of the Pension Fund Committee and has to include the terms, structure and operational procedures relating to the local pension board. This is covered in both the Public Service Pensions Act 2013 (PSPA13) and the Pension Regulators Code of Practice 14 (COP14). Council needs to put in place a Governance Policy covering the requirements of PSPA13 and COP14. This could be produced as a stand-alone document or, if preferred, could be incorporated into existing (to be updated) Governance Policy/Compliance Statement.	Board has approved use of Hymans template to update policy and compliance statement. Quotation has been received (template and review of suggested changes. Fee £1,250 + VAT.) UPDATE 10/10: Template has been received and circulated to chairmen of pension fund committee and board for comment. UPDATE 08/11: Training session to be delivered by Hymans Robertson prior to 18 November committee meeting to inform amendments to policies and processes. UPDATE 05/06/2017: November training session delivered. No board meeting since that date so no update. To be updated before finalisation of annual report.	Jo Thistlewood	11-Jul-17	RED	AMBER	AMBER

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10	Governance compliance check	Need to update governance policies, as well as have the evidence in place to demonstrate compliance to the Pensions Regulator	<p>Board has approved use of Hymans Interactive compliance checker, enabling measurement against the various requirements of the LGPS and the Pension Regulator's Code of Practice 14. Fee for the interactive compliance checker is £1,700 plus VAT</p> <p>UPDATE 10/10: Chased Hymans for checker, with a view to first run through before 18 November committee.</p> <p>UPDATE 08/11: Pensions Regulator has issued free basic toolkit which has been circulated for completion by Technical Finance Manager, Chairmen of committee and board and pension administration team. Results will be collated to inform starting point for action plan to be discussed at 18 November training.</p> <p>UPDATE 20/3/17: Considered to have been ordered but CS to follow up.</p> <p>UPDATE 05/06/2017: policies are being reviewed and updated by Corporate and Technical Finance staff. Programme for approval to be developed.</p>	Jo Thistlewood	31-Jul-17	AMBER	AMBER	AMBER
11	Employer engagement	Communication with employers is not very good, both for triennial valuation results and in general. Communications policy needs updating. Discussion with employer representatives on both Committee and board to determine how best to develop this.	<p>UPDATE 08/11: in development. Will be covered as part of governance processes review, linked into information flowing from valuation, and development of website (item 7)</p> <p>UPDATE 05/06/2017: results of valuation communicated. Communications policy in process of being updated. Website see item 7 above.</p>	Jo Thistlewood	31-Jul-17	AMBER	RED	RED
12	Pooling project	ACCESS pool to become operational by 1 April 2018 - big project, resource issues: monthly elected member meetings (Ivor/Bob as named deputy?) monthly two day officer meetings project work stream calls	<p>UPDATE 20/3/17: In progress, Full Council report completed.</p> <p>UPDATE 05/06/2017: previous Chairman of PFC (Ivor Warlow) engagement very good. New chairman to be briefed.</p> <p>Inter Authority Agreement approved by Full Council, delegated to DoF and Monitoring Officer to finalise. To be sealed by Council before end June 2017.</p>	Jo Thistlewood Chris Ward Adrian Axford	on-going	GREEN	GREEN	AMBER
13	ACCESS pool governance arrangements	Terms of reference for Joint Governance Committee may require constitutional changes	<p>Draft ToR to be obtained from Hymans, and circulated to Monitoring Officer and s151 officer for comments and consideration of implications.</p> <p>UPDATE 08/11: monitoring officers from all 11 funds have been involved in conference call. Eversheds have been engaged by ACCESS to draft initial Inter Authority Agreement. IOW Monitoring Officer is fully engaged. Intent for IAA to be recommended by February Pension committee for approval at Full Council 15 March 2017.</p> <p>UPDATE 05/06/2017: Inter Authority Agreement approved by Full Council, delegated to DoF and Monitoring Officer to finalise. To be sealed by Council before end June 2017.</p>	Hymans Jo Thistlewood Helen Miles Chris Ward	30-Jun-17	GREEN	GREEN	AMBER

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14	ACCESS pool decisions	Certain decisions will require full council approval - need to get onto forward plan as soon as possible. Impact of pre-election period March - May 2017?	see item 13 above UPDATE 05/06/2017: Inter Authority Agreement approved by Full Council, delegated to DoF and Monitoring Officer to finalise. To be sealed by Council before end June 2017.	Hymans Jo Thistlewood Helen Miles Chris Ward		CLOSED	GREEN	AMBER
15	Re-tender of Actuarial Services contract	Current contract expires 31 March 2017 timing given valuation new framework only just released	Consideration to be given to extending current contract by a further 12 months, better timing for us and potential suppliers. Waiver report to be written. UPDATE 10/10: Waiver report agreed by Chris Ward, emailed Procurement team for advice on next steps. Instructed Theresa Ellis to join framework soon. UPDATE 05/06/2017: new contract entered into for 1 year ending 31 March 2018. National LGPS framework joined. Looking to carry out mini-competition through framework in late summer/early autumn 2017, for new contract to start 1/4/18	Jo Thistlewood	30-Sep-17	AMBER	AMBER	AMBER
16	Re-tender of investment consultancy services contract	Current contract expires 31 March 2017 timing given valuation, new framework being re-let added complication of change in requirement following pooling in April 2018	Consideration to be given to extending current contract by a further 12 months, better timing for us and potential suppliers. Waiver report to be written. UPDATE 10/10: waiver report agreed by Chris Ward, emailed Procurement team for advice on next steps. UPDATE 05/06/2017: new contract entered into for 1 year ending 31 March 2018. Framework not available until October 2017 at earliest so carrying out competition under previously used service specification in late summer/early autumn 2017, for new contract to start 1/4/18	Jo Thistlewood	30-Sep-17	AMBER	AMBER	AMBER
17	Administration team capacity	Team has recently been increased in size - development of new members to cover existing work, and training to ensure sufficient knowledge of all areas of work.	UPDATE 08/11: Administration team now has full complement of staff to cover LGPS and Fire work, Teachers Pensions work requirements are still being assessed. Training and development programme in place - looking at workloads and streamlining processes, to develop a "new business as usual". Knowledge is being shared between Operational HR, Pensions and Payroll teams. Increased engagement with software supplier to meet council needs and to develop understanding of software. UPDATE 20/3/17: LB confirmed that the two apprentices were making good progress with their training programme, one further ahead than the other but overall, appears to be working well. UPDATE 05/06/2017: one apprentice has left, but replacement will be starting in July 2017. Knowledge transfer continues.	Matt Collier Louise Brading	on-going	GREEN	GREEN	GREEN

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18	Terms of reference for committee to be updated to include administration responsibilities as well as investment.	Committee ToR currently cover a lot of investment work and a little above funding strategy and valuation. Need to be updated for administration and liabilities monitoring. Check other committee ToR (within ACCESS?) to ensure ours is fit for purpose	UPDATE 08/11: To be covered as part of overall governance review UPDATE 05/06/2017: conversations ongoing with Monitoring Officer about changes to terms of reference of committee.	Jo Thistlewood Helen Miles	30-Sep-17	AMBER	AMBER	AMBER
19	pension fund risk register has not been updated	EXTERNAL AUDIT FINDING 2015-16: the Pension Fund risk register had not been updated during the course of 2015/16 and there were delays in returning some evidence requested as part of the audit. This, at least in part, was caused by a reduction in the number and capacity of officers working on the Pension Fund. New members of staff have been recruited during 2015/16 which should help to alleviate these pressures in the future.	to an extent, risk register superseded by this issues log. Log to be maintained and reports to pension fund committee and board at each meeting. UPDATE 05/06/2017: log is being monitored at monthly governance meetings. JCAD risk register is being reviewed and updated by Corporate and Technical Finance colleagues	Jo Thistlewood Becky Horn	31-Jul-17	AMBER	AMBER	AMBER
20	Key man risk - technical finance manager	Current workload does not allow sufficient time to support full range of LGPS pensions issues, in addition to increasing requirements of fire pensions, as well as head of internal audit	UPDATE 20/3/17: Workload under review. Internal Audit to transfer to Portsmouth wef 1.4.17 UPDATE 05/06/2017: maintain watching brief	Chris Ward	ongoing	GREEN	AMBER	RED
22	Employer issues	Admission agreements for Top Mops and Ryde Arena cessation for Weston confirmation of deficit funding from Planet Ice Housing groups cessation planning	UPDATE 08/11: Admission agreement for Top Mops has been distributed for signature (01/11/16). Not required for Ryde Arena as employer has ceased. Cessation date for Weston Academy submitted to Hymans Robertson (31/10/16) Planet Ice cessation deficit chased (01/11/16) UPDATE 20/3/17: Agreement for Top Mops ready for sealing today. Funding agreement for Housing groups still outstanding for resolution. UPDATE 05/06/2017: separate this issue into individual employers below:	Jo Thistlewood Adrian Taylor (Weston)	31-Mar-16	CLOSED	AMBER	AMBER
22a	Employer issues - 1	Cessation calculation for Weston	Weston Academy closed Dec 15. Academy cessation deficit to be calculated. Cessation data for Weston Academy submitted to Hymans Robertson (31/10/16) UPDATE 05/06/2017: queries received from Hymans 30/5 - to be resolved	Matt Collier	30-Jun-17	GREEN	AMBER	AMBER
22b	Employer issues - 2	Planet Ice cessation deficit	Planet Ice ceased to be employer within fund in April 2015. Cessation deficit calculated by Hymans Robertson. Last chased with Planet Ice Nov16.	Jo Thistlewood	30-Jun-17	AMBER	AMBER	AMBER
22c	Employer issues - 3	Housing Groups exit planning	been in discussion since November 2014. in principle agreement, but now looking to obtain security for deficits. Currently with Chris Ward for resolution - update needed on latest position	Chris Ward Jo Thistlewood	30-Jun-17	AMBER	AMBER	AMBER
22d	Employer issues - 4	Caterlink outsourcing from Cowes Enterprise College	informed in December 2016 that CEC outsourced catering to Caterlink from 1 August 2016. Admission agreement drafted and sent to CEC for signing in March 2017. Document is with Ormiston for signature, before being sent to Caterlink then to IWPF for sealing. chased weekly since then, last chased 19/6. Caterlink not sending data of contributions until agreement signed	Jo Thistlewood	30-Jun-17	RED	n/a	n/a

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22e	Employer issues - 5	Yarmouth Harbour exit planning	telecon with YHC and Hymans on 15/6 options for managing their deficit on exit from fund. Hymans to provide information and data, IWPF to confirm risk attitude to deficit	Hymans Jo Thistlewood	31-Dec-17	AMBER	n/a	n/a
23	New investment regulations and investment strategy statement	New investment regulations have been issued, and require an Investment Strategy Statement to be published by 1 April 2018.	UPDATE 08/11: Technical Finance Manager attending development session 2 December 2016 facilitated by Mercer to formulate process UPDATE 05/06/2017: ISS approved by PFC in March 2017, and published.	Jo Thistlewood	31-Mar-17	CLOSED	RED	RED
25	GMP Reconciliation exercise	April 2018 – State pension provision moving from two tiers to single tier. All schemes will need to do a GMP reconciliation – not a legal requirement (no secondary legislation issued yet) but an 'expectation' from Pensions Regulator and HMRC.	Being led by pensions admin team, link to LGPS project. Access to HMRC system has been obtained. Working with Heywood to get necessary version of Altair to facilitate reconciliation. Timing and capacity issue for future. UPDATE 09/01/2017: limited progress on FPS. UPDATE 20/3/17: ITM had been chosen as the supplier to assist with the completion of this exercise. Phase 1 will be the completion of data matching, Phase 2 is for ITM to review the data and identify and fix any errors and Phase 3 would be the return of the file for upload back into the system. UPDATE 05/06/2017: phase 1 work completed for both Fire and LGPS. Extent of issue now known - no worse off than other pension admin authorities! remainder of work to be contracted, quotes have been obtained from 3 providers; meeting to consider next steps 22 June 2017	Matt Collier	in line with government timescales	AMBER	AMBER	AMBER
26	Increased awareness for members of AVC process	Additional Voluntary Contributions process has not been looked at for a number of years, and is not actively promoted to pension fund members. Prudential (AVC provider) have offered to deliver sessions for members	Administration team are co-ordinating information sessions in the new year. UPDATE 20/3/17: Sessions with Prudential booked for May, provisionally 17/18 May. UPDATE 05/06/2017: a number of sessions presented, very well received. Will repeat every two years going forward.	Matt Collier	31-Jan-17	CLOSED	GREEN	GREEN
27	Accuracy of information received into Altair system	Develop use of i-connect software (purchased 3 years ago but never implemented) to extract information from employer payroll systems, verify changes, and input into Altair admin system to ensure integrity of data input. Once input, use Hymans data validation portal to confirm cleanliness of data for valuation and reporting purposes	4 stage project to be undertaken in roll out of i-connect: 1) IW Council; 2) Academies and schools with external payroll providers; 3) larger employers; 4) other employers UPDATE 20/3/17: No progress. CS to follow up with Dean Finlayson. 12.5.17 - DF confirms that to be able to produce this information required some additional tables to be created and extracted from the core SAP tables. This is not something that can be done in house and so requires the engagement of Absoft to do the work. A rough estimate of the cost to do the work would be £2/3 thousand. Bearing in mind the pending decision on the future of SAP Absoft have not yet been instructed to do the work and also requires confirmation of available funding to proceed.	Matt Collier Kevin Gilbert (ICT)	31-Mar-17	RED	RED	GREEN

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28								
29								
30								

Isle of Wight Council Pension Fund - Issues Log CLOSED

Updated 19 June 2017

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24	Publication of annual report	Needs to be published by end December	Audit opinions received, to be updated into annual report, pdf'd then uploaded onto document library and linked to pensions website.	Jo Cooke Becky Horn	28-Sep-16	CLOSED	Sep-16
1a	(Valuation 2016) data reconciliation at employer level	Following "data fix" for the 1,057 members with missing salary data, specific queries received on Free School, IWSB, and Spurgeons. Cannot progress to assumption setting etc. without this information	UPDATE 10/10: Data reworked for these specific employers. Confirmation from Hymans that all issues now resolved.	Matt Collier	10-Oct-16	CLOSED	Oct-16
1b	(Valuation 2016) Assumption setting papers	Hymans commissioned to write two papers about the assumptions for Asset Outperformance and Salary Increases. Papers to be presented to IOW for review and decision.	UPDATE 08/11: Papers received 11 October, discussed with s151 officer 20 October and confirmed with Hymans on 21 October 2016.	Hymans	21-Oct-16	CLOSED	Nov-16
21	Declaration of compliance	TPR declaration of compliance with auto enrolment at 1 May 2016 to be submitted by 30 Sept but struggling to get information from Capita for their schools.	detailed information requested and being chased by admin team. Concern that Capita may not have auto enrolled on 1 May, confusion at their end over staging date. UPDATE 10/10: confirmed that Capita did NOT auto-enrol. Notified TPR by telephone 29/9/16. conversation Pensions Advisory Service 29/9 - ensure that payroll provider complies ASAP UPDATE 08/11: revised deadline for compliance notice to TPR of 21 November - awaiting data from Capita to confirm numbers UPDATE 20/3/17: Complete	Matt Collier	21-Nov-16	CLOSED	Mar-17
21a	Auto enrolment: Capita	Capita must auto-re-enrol all eligible staff	UPDATE 08/11: Capita (and impacted schools) have confirmed that staff have now been auto-enrolled, with one month's contributions taken in October payroll. Awaiting confirmation of numbers enrolled to complete declaration of compliance UPDATE 20/3/17: Complete	Capita	14-Nov-16	CLOSED	Mar-17
21b	auto enrolment: Capita	Declaration of non-compliance to be filed with the Pensions Regulator	UPDATE 20/3/17: Complete	Jo Thistlewood	30-Nov-16	CLOSED	Mar-17
1	Triennial valuation 2016	Data quality issues meant significant delay in getting data to actuaries. Expectation of initial results by November Committee meeting. Valuation to be completed by end February 2017.	Timetable for completion expected from Hymans Robertson by 23 September. Further actions will fall out of this. UPDATE 20/3/17: Actions completed	Hymans Jo Thistlewood	28-Feb-17	CLOSED	May-17