

Tayside Pension Fund

2019/20 Annual Audit Report



 AUDIT SCOTLAND

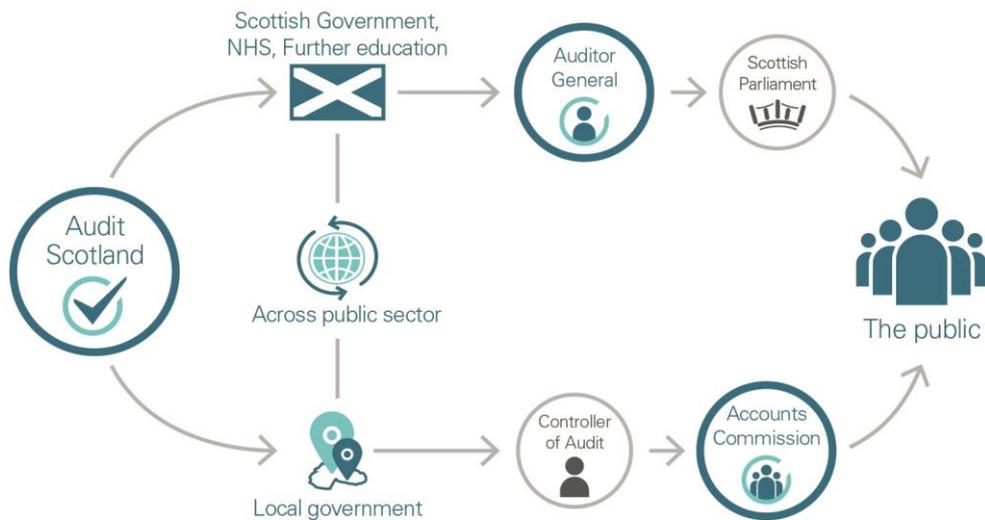
Prepared for the Members of the Pension Sub-Committee and the Controller of Audit

22 September 2020

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
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About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2019/20 annual accounts

- 1 Tayside Pension Fund's financial statements give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2020 and of the amount and disposition at that date of its assets and liabilities.
- 2 The management commentary, annual governance statement and governance compliance statement were all consistent with the financial statements and properly prepared, in accordance with accounting regulations.

Financial management

- 3 The Fund has effective financial management arrangements in place. This includes comprehensive reporting of investment performance.
- 4 The annual performance of the Fund was significantly impacted by Covid-19. In February the value of the Fund's net assets exceeded £4.4 billion but by the end of March the value fell to £3.672 billion. Despite the poor annual performance of the Fund, due to Covid-19, the estimated funding level remained at 107 per cent.
- 5 Management has advised that recent stimulus measures introduced by global governments have had a positive impact, with the Fund recovering to a value of over £4.2 billion at the beginning of June.

Financial sustainability

- 6 There have been negative cash flows from member activity in recent years and the ratio of active fund members to pensioners has been falling. This trend is expected to continue. However, the Fund is content that there is no immediate need to consider changes in its investment strategy.
- 7 The longer-term impact of Covid-19 on UK and global markets presents a risk to the future value of the Fund's investments.
- 8 The Fund's three year funding and investment strategy will be reviewed following the next full triennial valuation, due to be completed by 31 March 2021. This will determine the level of employer and employee contribution rates from 2021/22 onwards.

Governance and transparency

- 9 The Fund has adequate arrangements in place to support good governance and accountability. Revised arrangements were introduced in March to enable the Fund to operate in the Covid-19 environment.
- 10 Internal audit reporting arrangements were improved during 2019/20.
- 11 The Fund conducts its business in an open and transparent manner and has appropriate arrangements in place to prevent and detect fraud and corruption.
- 12 The Fund self-referred itself to the Pension Regulator due to its failure to issue 1,788 deferred benefit entitlement and options notifications to members within the two-month statutory timescale. Management has now strengthened the arrangements in place for monitoring processing levels to help prioritise those cases that are nearing statutory deadlines.

Value for money

- 13** 2019/20 was very difficult for Scottish Local Government Pension Schemes with all eleven funds reporting negative returns due to the impact of Covid-19 on the final quarter of the year. The funds reported investment returns of between -1.7 and -10.2 per cent for 2019/20. Tayside Pension Fund's rate of return of -4.86 per cent places them in the middle of this range. Longer-term investment performance shows above benchmark returns for the Fund over the last three, five and ten years.
- 14** Performance of individual investment managers was better than targeted during 2019/20 with six out of nine investment mandates performing above benchmark.
- 15** Improvements are being made to administration performance reports to ensure they provide members of the Sub-Committee with a clear picture of how the pension administration team is coping with its increased workload.

Introduction

1. This report summarises the findings from our 2019/20 audit of Tayside Pension Fund (the Fund).
2. We aim to add value to the Fund through the audit by:
 - identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements that have been accepted by management
 - reporting our findings and conclusions in public
 - sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides, and
 - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Scope of our audit

3. The scope of our audit was set out in our [Annual Audit Plan](#) and this report comprises the findings from:
 - a review of the Fund's main financial systems
 - an audit of the Fund's 2019/20 annual accounts, including the issue of an independent auditor's report setting out our opinions
 - our consideration of the wider audit dimensions of public sector audit, in [exhibit 1](#), as set out in the [Code of Audit Practice 2016](#).

Exhibit 1 Audit dimensions



Impact of Covid-19

4. Subsequent to the publication of our 2019/20 Annual Audit Plan, in common with all public bodies, the Fund have had to respond to the Covid-19 pandemic. Our planned audit work has been adapted for the new emerging risks that relate to the audit of the financial statements and the wider dimensions of audit. The audit of the financial statements was conducted remotely.

Ethical considerations

5. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and the 2019/20 audit fee of £25,670 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

Responsibilities and reporting

6. Dundee City Council is the administering authority for the Tayside Pension Fund. The council delegates this responsibility to the Pension Sub-Committee. The Sub-Committee is responsible for establishing effective governance arrangements and ensuring that financial management is effective. The Sub-Committee is also required to review the effectiveness of internal control arrangements and approve the annual accounts.

7. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

8. As public sector auditors we give independent opinions on the annual accounts. We also review and provide conclusions on the effectiveness of the Fund's performance management arrangements, suitability and effectiveness of corporate governance arrangements, and financial position and arrangements for securing financial sustainability.

9. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

10. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

11. An agreed action plan is included at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation.

12. This report is addressed to both the members of the Pension Sub-Committee and the Controller of Audit and will be published on Audit Scotland's website: www.audit-scotland.gov.uk

Acknowledgement

13. We would like to thank all management and staff for their cooperation and assistance during the audit.

Part 1

Audit of 2019/20 annual accounts



Main judgements

Tayside Pension Fund's financial statements give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2020 and of the amount and disposition at that date of its assets and liabilities.

The management commentary, annual governance statement and governance compliance statement were all consistent with the financial statements and properly prepared, in accordance with accounting regulations.

Our audit opinions on the annual report and accounts are unmodified

14. The annual report and accounts for the year ended 31 March 2020 were approved by the Pension Sub-Committee on 21 September 2020. We reported, within the independent auditor's report that:

- the financial statements give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2020 and of the amount and disposition at that date of its assets and liabilities;
- the management commentary, annual governance statement and governance compliance statement were all consistent with the financial statements and properly prepared in accordance with the guidance.

15. We have nothing to report in respect of misstatements in the information accompanying the financial statements, the adequacy of accounting records, or the information and explanations we received during the audit.

Despite the impact of Covid-19, the annual report and accounts were produced and audited in line with the original timetable

16. We received the unaudited annual report and accounts on 30 June 2020 in line with the original timetable. The unaudited annual accounts provided for audit were complete and finance staff provided good support to the audit team which helped ensure the final accounts process ran smoothly, despite the impact of Covid-19.

There were no objections raised to the annual report and accounts

17. The [Local Authority Accounts \(Scotland\) Regulations 2014](#) require local government bodies to publish a public notice on their website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The notice for Tayside Pension Fund was published on the website of the administering authority (Dundee City Council) and complies with the regulations. No objections were received to the Tayside Pension Fund annual report and accounts.

Our audit testing reflected the calculated materiality levels

18. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the perceptions and decisions of users of the financial statements. The assessment of

The annual accounts is the principal means by which the pension fund demonstrates effective stewardship and use of resources to its external stakeholders.

what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law). In forming our opinion on the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

19. Our initial assessment of materiality for the financial statements was undertaken during the planning phase of the audit and was based on the financial results reported in the 2018/19 audited annual report and accounts. These levels were reported in our [Annual Audit Plan](#).

20. On receipt of the unaudited 2019/20 annual report and accounts we recalculated our materiality levels based on the actual financial results for the year ended 31 March 2020. Our audit approach and testing were adapted to reflect the revised materiality levels. Our final materiality levels are summarised in [Exhibit 2](#).

Exhibit 2 Materiality values

Materiality levels	Amount
Overall materiality levels	
Asset planning materiality – This is the calculated figure we use in assessing the overall impact of audit adjustments on the investment assets within the financial statements. It has been set at 1% of net assets.	£36.665 million
Asset performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated asset performance materiality at 50% of asset planning materiality.	£18.333 million
Reporting threshold on assets – We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been calculated at 1% of planning materiality (capped at £250,000).	£250,000
Specific account area materiality levels	
Transaction planning materiality – This is the calculated figure we use in assessing the overall impact of audit adjustments on the figures for dealings with members and employers within the financial statements. It has been set at 1% of contributions and transfers in from other pension funds.	£1.042 million
Transaction performance materiality – Using our professional judgement, we have calculated transaction performance materiality at 50% of transaction planning materiality.	£0.521 million
Reporting threshold on transactions – This has been calculated at 5% of transaction planning materiality.	£52,000

Source: Audit Scotland

Our audit identified and addressed the risks of material misstatement

21. [Appendix 2](#) provides our assessment of risks of material misstatement in the annual report and accounts and any wider audit dimension risks. These risks influenced our overall audit strategy, the allocation of staff resources to the audit and indicate how the efforts of the team were directed. The appendix identifies the work we undertook to address these risks and our conclusions from this work.

We reported the significant findings from the audit to those charged with governance

22. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices, including accounting policies, accounting estimates and financial statements disclosures.

23. The significant findings are summarised in [Exhibit 3](#). Our audit also identified some minor presentational and disclosure issues which were discussed with management. These were all adjusted and reflected in the audited accounts and none were significant enough to require to be separately reported under ISA 260.

Exhibit 3 Significant findings from the audit of financial statements

Issue	Resolution
<p>1. Investment assets values</p> <p>As part of our audit we verified the year end investment assets values in the Net Assets Statement to the underlying fund manager reports. This identified differences totalling £2.701 million (i.e. overstated in accounts) between the investment assets values.</p>	<p>Management has advised that these differences relate to the exact timing of when the fund manager reports were run on the 31 March 2020 and there is no easy way of determining which is the most accurate year-end valuation. However, the overall difference is insignificant in terms of the overall investment assets value of £3.702 billion at 31 March 2020 and there are always minor differences each year due to timing of the reports.</p> <p>We have accepted management's explanation and are content that the investment assets value in the audited accounts is not materially misstated. However, as the value of the difference exceeds our minimum reporting threshold it has been reported for members information.</p>
<p>2. Goodwin case</p> <p>The Goodwin tribunal relates to a recent employment tribunal that changes the pension entitlement of male survivors in opposite sex marriages to take into account the female member's service from 6 April 1978. Previously, the male spouse survivor's entitlement was based on service accrued from 6 April 1988. The change is backdated to 5 December 2005. The change therefore affects the pension of male spouse survivors where their entitlement arose (i.e. where the female member died) on or after 5 December 2005. This ruling will impact upon the future promised retirement benefits of members of the Fund but the level of this impact can not yet be quantified with any certainty.</p>	<p>Management has included an unquantified contingent liability disclosure in respect of the Goodwin case at <i>Note 26. Contingent Liabilities</i> in the audited accounts.</p>

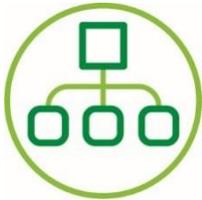
Source: Audit Scotland

We have no misstatements above our reporting threshold to report

24. It is our responsibility to request that all misstatements above the reporting threshold are corrected. We have no misstatements above our reporting threshold to report from the 2019/20 audit.

Part 2

Financial management



Main judgements

The Fund has effective financial management arrangements in place. This includes comprehensive reporting of investment performance.

The annual performance of the Fund was significantly impacted by Covid-19. In February the value of the Fund's net assets exceeded £4.4 billion but by the end of March the value fell to £3.672 billion, as a result of Covid-19. Despite the poor annual performance of the Fund, the estimated funding level remained at 107 per cent.

Management has advised that recent stimulus measures introduced by global government have since had positive impact, with the Fund recovering to over £4.2 billion at the beginning of June.

The Fund has effective financial management arrangements in place. This includes comprehensive reporting of investment performance.

25. The Executive Director of Corporate Services for Dundee City Council is the Proper Officer responsible for Tayside Pension Fund. The financial regulations of Dundee City Council, as administering authority, apply to the pension fund. We consider these to be comprehensive, and current, and promote good financial management.

26. Investment performance reports are submitted to the Pension Sub-Committee on a quarterly basis. Reports are comprehensive detailing the performance of fund managers and comparing their performance against specific benchmarks. The reports also include commentaries from each fund manager.

27. Overall, we have concluded that the Fund has effective financial management arrangements in place.

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Financial systems of internal control operated effectively during 2019/20

28. As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that Tayside Pension Fund has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

29. Our work in 2019/20 covered the key controls over the systems used for pension administration activity and the pension fund's investments. The Fund also uses the financial systems of the administering authority, Dundee City Council. The main council systems used by the Fund are the general ledger system and the payroll system. Our review of the controls in operation within these systems was conducted as part of our audit of Dundee City Council.

50. Our review of the systems used by the Fund and the administering authority did not identify any significant control weaknesses which could affect the Fund's ability to report financial and other relevant data in the financial statements, and we concluded that systems of internal control for the Fund were operating effectively.

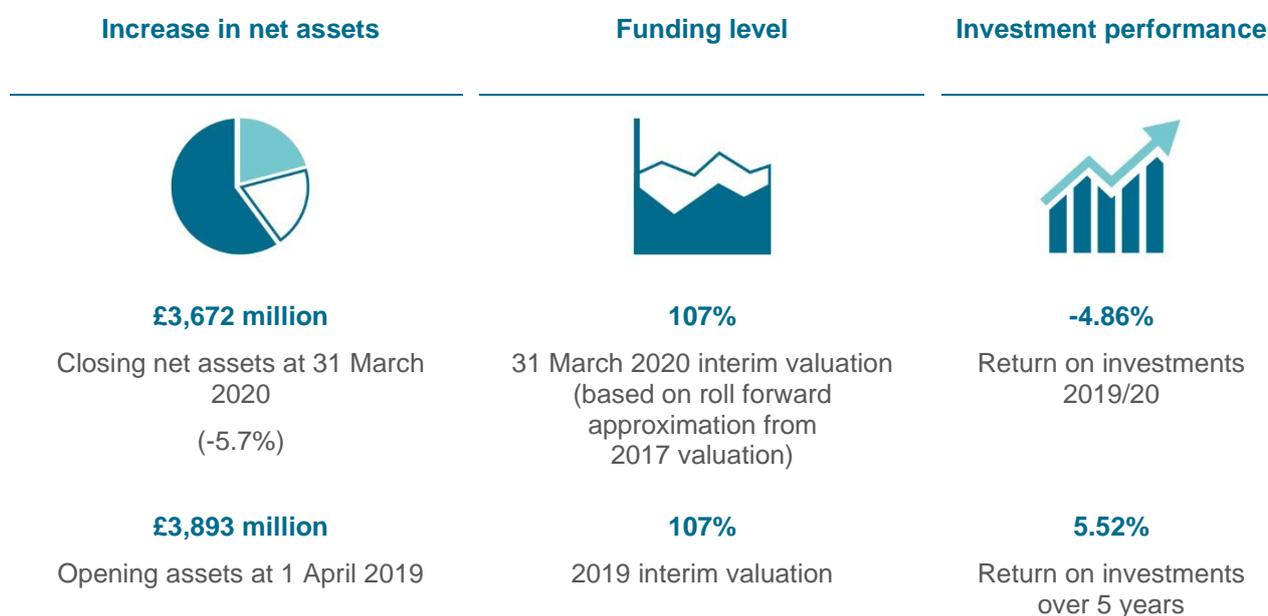
The annual performance of the Fund was significantly impacted by Covid-19

30. The Fund's financial performance in 2019/20 is summarised in [Exhibit 4](#). This shows that the net assets of the Fund decreased from £3.893 billion at 31 March 2019 to £3.672 billion at 31 March 2020. This £221 million decrease in the value of the fund during the year reflects the annual fund investment performance of -4.86 per cent which was slightly above the benchmark of -5.15 per cent.

31. When considering the investment performance of the Fund during 2019/20 it is important to recognise the impact of Covid-19. Up until mid-February the Fund had been performing well with the value net assets exceeding £4.4 billion. However, the pervasive impact of the Covid-19 outbreak on the Fund's investments caused the value to fall sharply towards the end of the financial year resulting in the closing value of £3.672 billion.

32. Management has advised that recent stimulus measures introduced by global government have since had positive impact, with the Fund recovering to over £4.2 billion at the beginning of June. However, they highlighted that significant market volatility remains, and the longer-term outlook is uncertain.

Exhibit 4 Assets, funding level and investment performance



Source: Tayside Pension Fund 2019/20 Annual Report and Accounts

The Fund reported a deficit from dealings with members of £19.5 million for 2019/20

33. During 2019/20 the Fund reported a deficit from dealings with members of £19.5 million in 2019/20. This means that pension payments exceeded member contributions and investment income was used to ensure pensions were paid. This was partly attributable to lump sum payments made to members accessing their pension early due to retiring under voluntary early release schemes offered by employer bodies.

Despite the poor annual performance of the Fund, the estimated funding level remained at 107 per cent

34. Pension fund finances are independently assessed every three years by an actuary. This assessment determines the employer contribution rates and deficit funding payments for the upcoming three-year period and takes account of the strength of employer covenants and the fund's investment strategy.

35. At the March 2017 triennial funding valuation, the Fund was assessed by the actuary, Barnett Waddingham, to be 107 per cent funded, including a volatility reserve of 10 per cent which is in place to protect the Fund from future volatility of investment returns. The funding level means that, overall, the investment assets were higher than the liabilities. This enabled the Fund to maintain the employer's contribution rate at 17 per cent (for all employers other than Xplore Dundee) for the period 2018-2021.

36. The promised retirement benefits at 31 March 2020 have been projected by the actuary using a roll forward approximation from the latest formal funding valuation as at 31 March 2017. These have been estimated at £4.309 billion (£4.515 billion in 2018/19), showing a £206 million (4.5 per cent) decrease. It should be noted that this estimate uses assumptions in line with Internal Accounting Standards (IAS) 19 requirements, for the purposes of the Fund's financial statements. Therefore, it is not directly comparable to the liability measures on a funding basis.

37. The actuary reported that the potential reduction in the value of the liabilities will be offset by lower expected future investment returns but estimated that at 31 March 2020 there is sufficient volatility reserve to maintain the funding level at the previous valuation level of 107 per cent using assumptions consistent with those adopted at the 2017 valuation. The actuary also highlighted the future investment returns that will be achieved by the Fund in the short term are more uncertain than usual.

Part 3

Financial sustainability



Main judgement

There have been negative cash flows from member activity in recent years and the ratio of active fund members to pensioners has been falling. This trend is expected to continue. However, the Fund is content that there is no immediate need to consider investment changes.

The longer-term impact of the Covid-19 crisis on UK and global markets presents a risk to the future value of the Fund's investments.

The Fund's three year funding and investment strategy will be reviewed following the next full triennial valuation, due to be completed by 31 March 2021. This will determine the level of employer and employee contribution rates from 2021/22 onwards.

Overall membership levels have increased over the last five years but the ratio of active members to pensioners has steadily reduced over the same period

38. The pension fund is a multi-employer fund with 46 employers. The current membership profile is shown at [Exhibit 5](#).

39. The Fund gives its members a guarantee that in exchange for contributions during their employment, the Fund will pay a pension until the end of each member's life. It is important that the fund maintains the capacity to meet the current and future needs of its members.

40. Overall membership of the fund increased by 2,069 (4.2 per cent) to 48,935 members during 2019/20, and has increased by 6,726 (15.2 per cent) since 2015/16. However, although the number of active members continues to exceed the number of pensioners, the ratio of active members to pensioners has steadily reduced in recent years from 1.24:1 in 2015/16 to 1.15:1 in 2019/20. This, combined with increasing life expectancy over this period, continues to place additional pressure on the Fund.

Financial sustainability looks forward to the medium and longer term to consider whether the Fund maintains the capacity to meet the current and future needs of its members.

Exhibit 5 Tayside Pension Fund membership



Source: Tayside Pension Fund 2019/20 Annual Report and Accounts

There have been negative cash flows from member activity in recent years and this trend is expected to continue. However, the Fund is content that there is no immediate need to consider investment changes.

41. Following the latest triennial valuation in 2017, the actuary agreed employer contribution rates with individual employers for 2018/19 onwards with the funding surplus being used to subsidise and stabilise contribution rates. The approximate split of all contributions received in year is set out at [Exhibit 6](#).

Exhibit 6 Contributions in 2019/20

	Administering authority £m	Other scheduled bodies £m	Admitted bodies £m	Total £m
Employer contributions	21.329	38.136	12.568	72.033
Employee contributions	7.638	13.631	4.621	25.890
Strain Contributions	0.212	0.918	0.573	1.703
Total	29.179	52.685	17.762	99.626

Source: Tayside Pension Fund 2019/20 Annual Report and Accounts

42. As detailed at paragraph 33, the Fund reported a deficit from dealings with members of £19.5 million in 2019/20. This reflects the trend of negative cash flows from member activity over recent years. The Fund actively monitors its cash-flow position and indications are that negative cash flows will be an ongoing trend in future years. Auto-enrolment has had a positive impact on the cash flow position, but this may be offset by the change in pension regulations to allow Fund members to retire without employers' consent at the age of 55. Based on the actuarial maturity profile, the Fund is content that there is no immediate need to consider investment changes due to the cash flow position. The longer term impact will be reflected in the fund's next investment and funding strategy review.

During 2019/20 the Fund approved employer bodies being able to prepay member contributions from April 2020

43. In March 2020 the Pension Sub-Committee approved a proposal that provides employers the opportunity to prepay pension contributions in order to receive a reduction in the total payment amount. The proposal was based on the fact that receiving contributions early would allow the Fund to invest and earn additional investment returns on contributions paid, resulting in a lower contribution requirement over the three years.

44. The new arrangements are effective from April 2020 and are set out in the Funding Strategy Statement in the 2019/20 annual report and accounts. The option to prepay is open to all employer bodies and, where an employer body chooses to make prepayments, the advance payment is due by 30 April each year with reductions applied in line with the financial assumptions set by the Fund Actuary.

45. The prepaid contributions can attract reductions but the notional amounts payable to cover contributions due to the Fund are then subject to annual reviews and a balancing payment will be required from employers in any case of underpayment compared to the amount due in accordance with the Actuary's Rates and Adjustments Certificate, based on actual pensionable payroll during the year. Prepayments are notional amounts, based on the estimated pensionable payroll for future years, as confirmed by the employer to the Fund.

46. As this is a new payment arrangement, management should ensure that there is a clear audit trail maintained of any prepaid contributions, and balancing payments to / from employers, so we can easily verify these as part of the annual financial statements audit.



[Recommendation 1 \(Appendix 1 - Action Plan\)](#)

The longer-term impact of the Covid-19 crisis on UK and global markets presents a risk to the future value of the Fund's investments

47. There is significant uncertainty surrounding how UK and global markets will recover from the current Covid-19 crisis and this inevitably presents a risk to the value of the Fund's investments going forward. Alongside this, the impact of the UK's withdrawal from the European Union (EU) also continues to present a risk to the value of UK investments but as the Fund's UK exposure is only around 20 per cent this is considered much less significant.

The Fund will require to view its funding strategy and investment strategy following the completion of the next triennial valuation

48. As discussed at paragraphs [34-37](#), the March 2017 triennial valuation reported that the fund assets were sufficient to meet 107 per cent of its liabilities. The interim valuation by the Fund's actuary as at 31 March 2020, estimated that the funding level had remained at 107 per cent.

49. The funding strategy statement is a summary of the Fund's approach to funding liabilities and sets out the level of employer and employee contribution rates required to ensure sufficient resources are available to provide for members' pensions and lump sum benefits. Following each triennial valuation, the Fund reviews and revises the funding strategy statement. The next full review is due to be completed by 31 March 2021.

50. The investment strategy is set for the long-term but is monitored continually and reviewed every three years using asset-liability modelling to ensure that it remains appropriate to the profile of the Fund's liabilities.

51. The current funding strategy statement and investment strategy are included within the Fund's 2019/10 annual report and accounts and both will be reviewed following the completion of the triennial valuation. The outcome of the review of the funding strategy will determine the level of employer and employee contribution rates from 2021/22 onwards.

Part 4

Governance and transparency



Main judgements

The Fund has adequate arrangements in place to support good governance and accountability. Revised arrangements were introduced in March to enable the Fund to operate in the Covid-19 environment.

Internal audit reporting arrangements were improved during 2019/20.

The Fund conducts its business in an open and transparent manner and has appropriate arrangements in place to prevent and detect fraud and corruption.

The Fund self-referred itself to the Pension Regulator due to its failure to issue 1,788 deferred benefit entitlement and options notifications to members within the two-month statutory timescale. Management has now strengthened the arrangements in place for monitoring processing levels to help prioritise those cases that are nearing statutory deadlines.

The Fund has adequate arrangements in place to support good governance and accountability

52. Dundee City Council is the administering authority for Tayside Pension Fund. The Council has delegated responsibility for governance to the Pension Sub-Committee of the Policy and Resources Committee. This Sub-Committee, supported by the Pension Board, is responsible for establishing arrangements that ensure the proper conduct of the affairs of Tayside Pension Fund. It is also responsible for ensuring that decisions are made within the terms of the Local Government Pension Scheme.

53. The responsibilities of the Proper Officer, the Pension Sub-Committee and the Pension Board are set out in the Statement of Investment Principles.

54. The main functions of the fund are management of investments and administration of scheme benefits. These functions are carried out in accordance with the Local Government Pension Scheme (Scotland) regulations which are statutory instruments made under the Superannuation Act 1972 and Public Service Pensions Act 2013.

55. Overall, we have concluded that adequate arrangements are in place to support good governance and accountability. These have been strengthened during 2019/20 by improving the internal audit reporting arrangements as detailed at paragraphs [59-61](#).

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making, and transparent reporting of financial and performance information.

Good Practice – Member training programme

A comprehensive members training programme for 2020/21 was presented to the sub-committee in March 2020. This was designed to ensure members have the requisite knowledge and understanding to fulfil their fiduciary duty to the members and employer bodies in the Fund. This included a wide range of training covering areas such as the role of a trustee and pensions law, and sessions on the valuation process and key administration processes

The Covid-19 pandemic has impacted on the governance arrangements of the Fund since March 2020. We have concluded that the revised arrangements put in place were appropriate in the circumstances.

56. The Covid-19 pandemic has impacted on the governance arrangements of Dundee City Council, and the Fund, since March 2020. Changes to the decision making arrangements and the conduct of meetings were introduced following a meeting with Senior Elected Members on 19 March whereby alternative procedures were implemented for all Council committee business, including Tayside Pension Fund. The following procedures were implemented with immediate effect:

- All non-essential committee business has been deferred to ensure that all elected members and officers can concentrate the maximum possible time and effort on supporting the City through the Coronavirus period.
- The Council's existing Scheme of Delegation of Powers to Officers Standing Orders have been applied to ensure that services act in accordance with the powers already delegated.
- All essential committee business which is not covered by the existing delegated powers will be dealt with as urgent matters arising between meetings.

57. As a result of the changes introduced the March and June Pension Sub-Committee meetings were cancelled and the committee papers were circulated to members electronically for consideration and approval. From September 2020 the Pension Sub-Committee meetings will be held virtually until further notice.

58. The impact of the Covid-19 pandemic on the governance arrangements from March 2020 onwards has been clearly set out in the Annual Governance Statement in the Fund's annual report and accounts. We have concluded that the arrangements put in place were appropriate in the circumstances.

Internal audit reporting arrangements were improved during 2019/20

59. Internal audit should provide the Fund with independent assurance on the Fund's overall risk management, internal control and corporate governance processes.

60. As reported last year, during 2018/19 the Fund's internal audit function was carried out by Dundee City Council's internal audit service. An Annual Internal Audit Report was issued providing an opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control of the administering authority for the year ended 31 March 2019. However, no separate Annual Internal Audit Report for the Fund was prepared. We recommended that such a report should be produced for the Pension Sub-Committee to provide independent assurance on the overall risk management, internal control and corporate governance processes relating specifically to the Fund.

61. PricewaterhouseCoopers (PwC) were appointed to provide the internal audit service to the Fund for 2019/20 and 2020/21. Following completion of the 2019/20 annual audit plan PwC issued an Annual Assurance Report providing an opinion of the adequacy and effectiveness of the Fund's governance, risk management and controls. This stated that no major weaknesses in internal control systems had been identified and that business critical areas were generally satisfactory, but that there are some areas of weakness that could potentially put achievement of objectives at risk. Management has agreed actions to address the weakness highlighted by PwC and these are included within the areas for improvement in the Annual Governance Statement in the Fund's annual report and accounts.

The Fund conducts its business in an open and transparent manner

62. Openness and transparency means that the public, in particular, members of the pension fund have access to understandable, relevant and timely information about how the fund is taking decisions and how it is using resources.

63. Public sector governance guidance indicates that an organisation that is transparent shows the basis for its decisions and shares information about performance and outcomes, including when targets have and have not been achieved as well as how it is using its resources such as money, people and assets.

64. There is evidence from several sources which demonstrate the Fund's commitment to transparency. For example, the Pension Sub-Committee and Pensions Board meetings are held in public and the minutes of all meetings are available on the administering authority's website. The Fund's annual accounts are also available on the administering authority's website, along with investment and administration performance information, and key governance documents.

65. Overall, we concluded that the Fund demonstrates a commitment to openness and transparency and conducts its business in an open and transparent manner.

The Fund has appropriate arrangements in place to prevent and detect fraud and corruption

66. The Fund is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.

67. We assessed the Fund's arrangements for the prevention and detection of fraud. The Fund relies on the administering body's (Dundee City Council) arrangements for the prevention and detection of fraud and corruption. These include Code of Conduct for members and officers, whistleblowing policy and an anti-fraud strategy.

68. We concluded that the Fund has appropriate arrangements in place to prevent and detect fraud and corruption. We are not aware of any specific issues during 2019/20 that we require to bring to your attention.

The current NFI exercise has identified pension related overpayments of £23,910 to date and action is being taken to recover these funds

69. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise co-ordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity.

70. Tayside Pension Fund participate in the NFI with the investigation of matches identified being carried out by the administering authority on the Fund's behalf and

reported to the Council's scrutiny committee. Each NFI exercise runs over two financial years and the biennial exercise that commenced in January 2019 (i.e. running over 2019/20 and 2020/21) has identified pension related overpayments of £23,910 to date. Action is being taken to recover these funds.

The Fund self-referred itself to the Pension Regulator due to its failure to issue 1,788 deferred benefit entitlement and options notifications to members within the two-month statutory timescale

71. The Pension Fund Manager and Senior Financial Services Manager monitor any potential breaches of the Pensions Regulator Public Service Code regulations. If any such incidents occur, they are discussed with the Head of Corporate Finance to establish if they are material breaches that require to be reported to the regulator.

72. Towards the end of 2019 the Fund self-referred itself to the Pension Regulator due to its failure to issue 1,788 deferred benefit entitlement and options notifications to members within the two-month statutory timescale. This breach was only reported to the Pension Sub-Committee through the quarterly administration performance reporting after the breach had occurred which highlighted weaknesses in the existing administration performance monitoring and reporting arrangements.

73. The Fund undertook an operational review and put an improvement plan in place to ensure sufficient resources were allocated to deal with the significant processing backlog. This ensured the issue was fully resolved by 31 January 2020, the date indicated to the Pensions Regulator. The Fund has since received confirmation from the Pensions Regulator that they are satisfied the issue is now resolved and that no further action will be taken.

74. To address the performance reporting weaknesses, and prevent further breaches in the future, management has now strengthened the arrangements in place for monitoring processing levels to help prioritise those cases that are nearing statutory deadlines. This included working with IT to develop exception reports that provide live information of cases due for processing for all statutory deadlines. Alongside this, administration performance reporting to the Pension Sub-Committee is being developed to ensure key performance indicators include compliance with statutory deadlines.

75. As part of our 2020/21 audit, we will monitor compliance with statutory processing deadlines and report on any further breaches.

The SSAB consultation on the future structure of the Local Government Pension Scheme in Scotland found the majority of respondents were in favour of retaining the existing structure

76. In June 2018 the Scottish Scheme Advisory Board (SSAB) commenced a consultation on the future structure of the Local Government Pension Scheme in Scotland and identified four potential options:

- Option 1: retain the current structure of eleven funds
- Option 2: promote cooperation in investment and administration between the eleven funds
- Option 3: pool investments between the eleven funds, or
- Option 4: merge the eleven funds into one or more funds.

77. The SSAB commissioned the Pensions Institute to consult with a range of stakeholders, including employers and employee representative groups but not investment managers, between June and December 2019. The consultation asked stakeholders to consider the advantages and disadvantages of the current scheme

structure against the other three options presented. Tayside Pension Fund's response to the consultation stated that the Fund's preference was option 2.

78. In November 2019 the outcome of the consultation was published. This showed that the majority of respondents (36 out of 53) were in favour of either option 1 or option 2, with 9 of the 11 administering authorities preferring to retain the existing structure and promote cooperation in investment and administration between the funds.

79. Following the publication of the report, the Scheme Advisory Board wrote to the Cabinet Secretary stating that it intended to commission further work on the merger model. The Cabinet Secretary has encouraged the continuing work to look at the structure of the Local Government Pension Scheme in Scotland and monitor the impact of pooling in England and Wales. The SSAB is in the process of undertaking scoping work to expedite this.

80. We will continue to monitor developments in this area and report on any potential implication for the future organisation or operation of the Fund.

Part 5

Value for money



Main judgements

2019/20 was very difficult for Scottish Local Government Pension Schemes with all eleven funds reporting negative returns due to the impact of Covid-19 on the final quarter of the year. The funds reported investment returns of between -1.7 and -10.2 per cent for 2019/20. Tayside Pension Fund's rate of return of -4.86 per cent places them in the middle of this range. Longer-term investment performance shows above benchmark returns for the Fund over the last three, five and ten years.

Performance of individual investment managers was better than targeted during 2019/20 with six out of nine investment mandates performing above benchmark.

Improvements are being made to administration performance reports to ensure they provide members of the Sub-Committee with a clear picture of how the pension administration team is coping with its increased workload.

At 31 March 2020, 81 per cent of the value of the Fund's assets were held in equities and pooled investments

81. The investment strategy of the Fund is included in the Statement of Investment Principles which was updated in March 2019. The Fund has adopted a risk/return asset framework as the basis for modelling and agreeing the investment strategy. The Fund is largely equity based with £1.580 billion (43 per cent) of the Fund's asset value at 31 March 2020 held in equities. Hence the Fund's investment performance is heavily reliant on the investment returns of equity managers. A further £0.947 billion (26 per cent) of the Fund's assets at the year end were held in pooled investments.

82. The Fund also continues to invest in long term enhanced yield assets, such as UK property. At 31 March 2020, the Fund held direct property assets with a value of £0.450 billion, 12 per cent of the Fund's assets at 31 March 2020. The objective of holding such investments is to provide a long-term income stream and a degree of inflation protection. Maintaining long term investment income is important to ensuring the Fund has available funding to meet any deficit resulting from dealings with members.

Government Pension Schemes across Scotland reported investment returns of between -1.7 and -10.2 per cent for 2019/20. Tayside Pension Fund's annual rate of return of -4.86 per cent places them in the middle of this range.

83. 2019/20 was very difficult for Scottish Local Government Pension Schemes due to the impact of Covid-19 on returns for the final quarter of the year. As a result, all eleven funds reported negative returns for the year to 31 March 2020 with investment performance ranging from -1.7 per cent to -10.2 per cent. Tayside Pension Fund's annual rate of return of -4.86 per cent places them in the middle of this range which is a similar ranking to 2019/20.

Value for money is concerned with using resources effectively and continually improving services.

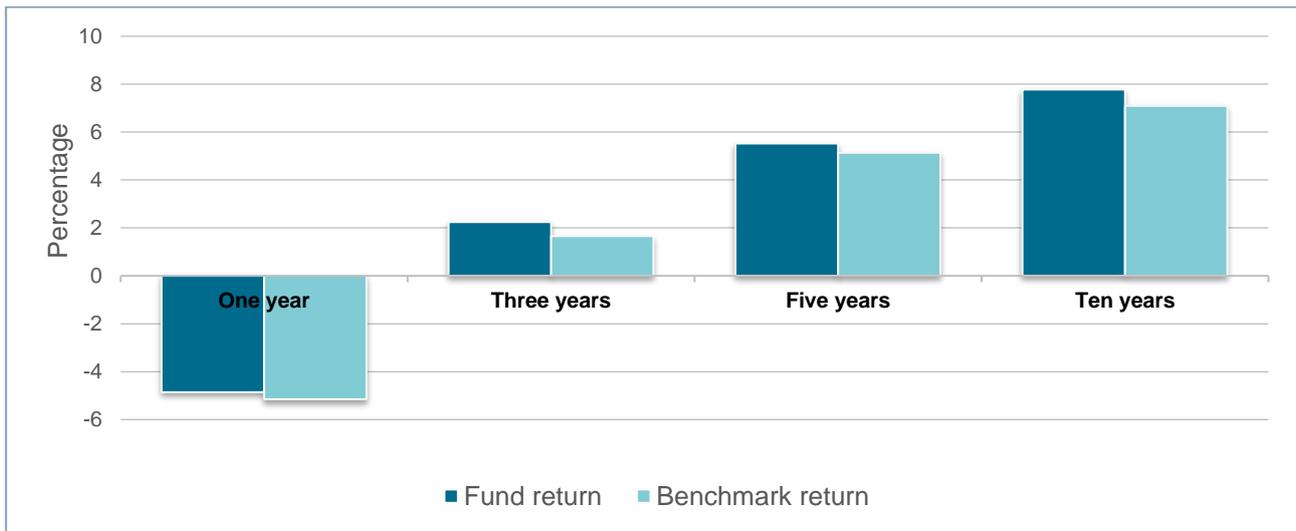
Longer-term investment performance shows above benchmark returns for the Fund over the last three, five and ten years

84. The Pension Sub-Committee meets on a quarterly basis. A review of fund managers’ performance is a standing item on the Sub-Committee’s agenda. At each meeting, Sub-Committee members receive a report outlining overall fund performance including an analysis of risks and returns.

85. [Exhibit 7](#) shows that over the year, the Fund performed slightly above the benchmark in 2019/20, generating a rate of return of -4.86 per cent against the benchmark of -5.15 per cent. The medium-term performance is stronger with the Fund performing above benchmark, 2.2 per cent against the benchmark of 1.7 per cent over the last three years. Long-term performance shows even more healthy returns of 7.8 per cent against the benchmark of 7.1 per cent over the last ten years.

86. Under the career average pension scheme (CARE), accrued benefits are indexed at Consumer Price Index (CPI). Benefits earned under the previous final salary schemes will continue to increase in line with earnings. Investment returns have outperformed inflation over the past ten years, going some way to meeting increases in the historic liabilities.

**Exhibit 7
Longer-term Fund investment performance**



Source: Tayside Pension Fund 2019/20 Annual Report and Accounts

Performance of individual investment managers was better than targeted during 2019/20 with six out of nine investment mandates performing above benchmark

87. The Fund used seven external investment managers (managing ten distinct mandates) during the course of 2019/20. Alliance Bernstein’s portfolio transferred to Legal and General Investment Management in July 2019 due to its poor investment performance over a number of years. The mandate managed by M&G Investment Management also fully matured in February 2020. As a result, the Fund ended the year with nine distinct mandates being managed by five external investment managers.

88. Investment manager performance for each mandate is reported on a quarterly basis to the Pension Sub-Committee. The Fund’s external investment advisor attends the meetings in an advisory capacity, when required. The external investment advisor also provides an annual report to the Pension Sub-Committee

each March covering the performance of each mandate, and the full fund, for the previous calendar year.

89. The performance summaries presented to each meeting of the Sub-Committee include details of performance of individual mandates against benchmark for each quarter of the current year, and over the last three and five years. This allows members of the Sub-Committee to scrutinise investment performance and to question officers on the reasons for any under-performance.

90. During 2019/20 the overall performance of investment managers was better than targeted with six out of nine investment mandates performing above benchmark. This included Fidelity Equity (FE) whose performance we had highlighted in our 2018/19 Annual Audit Report due to it being significantly below benchmark for the year and also showing below benchmark performance over the three year period to 2018/19. FE's above benchmark performance for 2019/20 resulted in performance over the last three year period also exceeding the benchmark with performance of 2.67 per cent against a benchmark of 2.12 per cent. This supports the view expressed by management in 2018/19 that the performance of the mandate would show improvement over the 3-year period to 2020/21

Management expenses increased from last year due to an increase in investment management fees linked to investment manager performance

91. There are three main categories of management expense, with the largest being investment management costs. Other expenses are the cost of the administration services provided by the Council and the governance fees for actuarial and audit services.

92. External investment manager fees are agreed in the respective mandates governing their appointments. These are usually based on the market value of the investments under their management and therefore increase or reduce as the value of these investments' changes.

93. Investment management expenses have increased from £9.028 million in 2018/19 to £9.605 million in 2019/20. This was attributable to the additional management fees incurred when transferring the investment mandate from Alliance Bernstein to Legal and General Investment Management in July 2019, paragraph [87](#), and an increase in investment management fees linked to investment manager performance, reflecting above benchmark performance during the year.

Improvements are being made to administration performance reports to ensure they provide members of the Sub-Committee with a clear picture of how the pension administration team is coping with its increased workload

94. The workload of the pension administration section continues to grow, primarily due to the introduction of the career average pension scheme (CARE) from 1 April 2015. Other factors impacting on the administration workload include auto enrolment, freedom of choice, work arising from the Guaranteed Minimum Payment Reconciliation and increased queries from pension members moving to the PensionsWEB online pension system.

95. We noted in our 2017/18 Annual Audit Report that administration performance is reported quarterly to the Pension Sub-Committee but that this focussed on the volume of key tasks undertaken and did not provide details of performance against targeted performance levels. During 2018/19 some alterations were made to show performance against targets, however, the majority of the reporting remained unchanged.

96. During 2019/20 further improvements have been agreed to administration performance reporting, including changes linked to the failure to issue 1,788 deferred benefit entitlement and options notifications to members within the two-month statutory timescale, paragraphs [71-74](#). These should provide a clearer picture of how the pension administration team are coping with the increased demand, including any impact on processing times. This will assist members of the Sub-Committee in identifying any existing or emerging pressures and the action being taken to address these.

97. As part of our 2020/21 audit, we will review the new pension administration performance reports to ensure they are providing members with sufficient information to adequately scrutinise administration performance, including compliance with statutory processing deadlines. The Fund should also canvass the views of Sub-Committee members to ensure they are satisfied that are being provided with all the performance information they require.



[Recommendation 2 \(Appendix 1 - Action Plan\)](#)

The new monitoring arrangements introduced by the Fund during 2019/20 proved effective in ensuring employer bodies submitted the year end contribution returns by the end of May deadline

98. Employers are required to submit year end contribution returns by May for the preceding 31 March year end. This is an important control over the accuracy of pension contributions received and recorded in the pensions systems and is of increased importance following the introduction of CARE as the member benefit statement requires actual salary data from all employers.

99. In our 2018/19 Annual Audit Report we highlighted that a significant number of employer year end contribution returns were received after the 31 May deadline. We recommended that the Fund remind employer bodies of the importance of providing complete and accurate data by the deadline and put appropriate mechanisms in place to escalate any late provision of information in future years.

100. During 2019/20 the Fund developed a formal year end timetable in relation to year end contribution returns and communicated this to employers. The submission of employer year end contribution returns was actively monitored by the Fund to ensure that any instances of employers failing to submit by the 31 May 2020 were managed and escalated appropriately. This included reminder e-mails being sent out during May to any employer bodies who had not yet submitted the year-end return.

101. The new arrangements introduced by the Fund during 2019/20 proved effective with only four employer bodies failing to submit the year end contributions returns by the end of May deadline, and all of these were submitted by the end of the first week in June.

National performance audit reports

102. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2019/20, we published reports which may be of interest to the Fund. These are listed in [Appendix 3](#).

103. The Pension Sub-Committee considers Audit Scotland reports that are relevant to its remit to identify any issues that might be of interest and relevance.

Appendix 1

Action plan 2019/20



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Prepaid contributions</p> <p>During 2019/20 the Fund approved employer bodies being able to prepay member contributions from April 2020. The prepaid contributions can attract reductions but the notional amounts payable to cover contributions due to the Fund are then subject to annual reviews and a balancing payment will be required from employers in any case of underpayment.</p>	<p>As this is a new payment arrangement, management should ensure that there is a clear audit trail maintained of any prepaid contributions, and balancing payments to / from employers, so we can easily verify these as part of the annual financial statements audit.</p> <p>Paragraphs 43-46</p>	<p>The Fund will maintain accurate records of employer prepayments and balancing calculations in conjunction with the Fund actuary.</p> <p>Responsible officer: Senior Banking & Investment Officer</p> <p>Agreed date: 30 April 2021</p>
2	<p>Administration performance reporting</p> <p>Improvements have been made to administration performance reporting that are intended to provide members with a clearer picture of how the pension administration team are coping with the increased demand, including any impact on processing times.</p>	<p>The Fund should canvass the views of Sub-Committee members to ensure they are satisfied that are being provided with all the performance information they require.</p> <p>Paragraphs 94-97</p>	<p>The further development of clear and focussed performance reporting is ongoing, and feedback from Sub-Committee and Board Members will be welcomed.</p> <p>Responsible officer: Senior Manager - Financial Services</p> <p>Agreed date: 31 December 2020</p>

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Risk of material misstatement caused by management override of controls</p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<ul style="list-style-type: none"> • Reviewed the Annual Governance Statement and the assurances obtained in support of the statement, including internal audit's assurance letter. • Detailed testing of journal entries. • Reviewed accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business. 	<p>Our work did not identify any errors that required adjustment to the financial statements.</p>
<p>2 Estimation and judgements</p> <p>There is a significant degree of estimation and judgement in the measurement and valuation of some material account areas, including:</p> <ul style="list-style-type: none"> • Valuation of investments which include level 3 investments, such as unquoted equity, where valuations involve the significant application of judgement in determining values included in the accounts. • Actuarial valuation of future retirement benefits which depends on a number of assumptions about the future. These include investment returns, contribution rates, commutation assumptions, pensioner mortality, discount rates and earning assumptions. 	<ul style="list-style-type: none"> • Reviewed the work of the valuer(s), including focused substantive testing of the valuation of material assets. • 'Review of the work of an expert' in accordance with ISA 500, for the work of third parties undertaking valuations of material unquoted investments. • Confirmation of valuations to valuation reports and / or other supporting documentation. • Confirmed that investment values are correctly reflected within the 2019/20 accounts. • Reviewed the work of the actuary, including consideration of the 	<p>Our work did not identify any errors that required adjustment to the financial statements.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>appropriateness of the actuarial assumptions used, with reference to the report produced by the consulting actuary to Audit Scotland.</p> <ul style="list-style-type: none"> Confirmed that valuation data in actuarial report is correctly reflected within the 2019/20 accounts. 	

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

<p>3 Internal Audit annual assurance report</p> <p>In 2018/19 we recommended that an Annual Internal Audit Report should be prepared for the Pension Sub-Committee to provide independent assurance on the overall risk management, internal control and corporate governance processes relating specifically to the Fund.</p> <p>There is a risk that weaknesses in the control environment of the Fund are not communicated to members of the Pension Sub-Committee prior to approving the Annual Governance Statement.</p>	<ul style="list-style-type: none"> Reviewed the Annual Governance Statement and the assurances obtained in support of the statement, including internal audit's assurance report. 	<p>Internal audit reporting arrangements were improved during 2019/20.</p> <p>Paragraphs 59-61</p>
<p>4 Administration performance reporting</p> <p>In 2018/19 we recommended that management consider further developing administration performance reporting to the Pension Sub-Committee to ensure this provides a clear picture of how the pension administration team are coping with increased demand, including any impact on processing times.</p> <p>Towards the end of 2019 the Fund self-referred itself to the Pension Regulator in relation to its failure to issue 1,788 deferred benefit entitlement and options notifications to members within the two-month statutory timescale. This was only reported to the Pension Sub-Committee through the quarterly administration performance reporting after the breach occurred.</p> <p>There is a risk that administration performance reporting is not providing members with sufficient information to adequately scrutinise administration performance,</p>	<ul style="list-style-type: none"> Reviewed disclosures in the Annual Governance Statement regarding non-compliance with the statutory deadline and the action taken to address the related control weaknesses. Reviewed and assessed revised pension administration performance reporting arrangements, including compliance with statutory deadlines. 	<p>Improvements are being made to administration performance reports to ensure they provide members of the Sub-Committee with a clear picture of how the pension administration team is coping with its increased workload.</p> <p>Paragraphs 94-97</p>

Audit risk	Assurance procedure	Results and conclusions
including compliance with statutory deadlines.		
<p>5 Contribution returns</p> <p>In 2018/19 a number of employer bodies did not submit year end contribution returns by the 31 May deadline.</p> <p>We recommended that appropriate mechanisms be put in place to escalate late provision of information in future years.</p> <p>It was agreed that a formal timetable in relation to year end contribution returns will be developed and communicated to employer bodies.</p> <p>There is a risk that the Fund does not have sufficient information to verify the pension contributions figures in the 2019/20 accounts.</p>	<ul style="list-style-type: none"> • Reviewed receipt of returns against formal timetable. • Reviewed a sample of year-end employer contributions returns. 	<p>The new monitoring arrangements introduced by the Fund during 2019/20 proved effective in ensuring employer bodies submitted the year end contribution returns by the end of May deadline.</p> <p>Paragraphs 98-101</p>

Appendix 3

Summary of national performance reports 2019/20



		Apr	
Social security: Implementing the devolved powers		May	
Scotland's colleges 2019		Jun	 Enabling digital government
		Jul	
NHS workforce planning - part 2		Aug	
Finances of Scottish universities		Sept	
NHS in Scotland 2019		Oct	
		Nov	
Local government in Scotland: Financial overview 2018/19		Dec	
Scotland's City Region and Growth Deals		Jan	 Privately financed infrastructure investment: The Non-Profit Distributing (NPD) and hub models
		Feb	
		Mar	 Early learning and childcare: follow-up

Tayside Pension Fund

2019/20 Annual Audit Report

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