

# Item 4.1 - Minutes

## Pensions Audit Sub-Committee

10.00am, Friday 20 September 2013

### Present

Councillors Rose (Convener) and Bill Cook

### Consultative Panel Members Present:

Eric Adair and Eric MacLennan.

## 1. Minute

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### Decision

To approve the minute of the Pensions Audit Sub-Committee of the Pensions Committee of 17 June 2013 as a correct record.

## 2. Lothian Pension Funds Annual Report 2013 Audited

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Details were provided of the Lothian Pensions Funds Annual Report 2013 Audited and the External Auditor's report on the audit of the Annual Report for the year ended 31 March 2013 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund.

Stephen O'Hagen, Audit Scotland, was in attendance at the sub-committee.

### Decision

- 1) To note the External Auditor's report on the audit of the Annual Report for the year ended 31 March 2013 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund.
- 2) To note the Lothian Pensions Funds Annual Report 2013 Audited  
(Reference – report by the Director of Corporate Governance, submitted.)

## 3. Investment Income Review – Cross Border Withholding Tax

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A benchmarking study had been carried out by KPMG into the effectiveness of the procedures in place to manage the tax exposure on the investment income of the Lothian Pension Fund and Lothian Buses Pension Fund. Details were provided on the effectiveness of those arrangements and how the recovery of tax on Spanish dividends could be improved.

## **Decision**

- 1) To note the report and the action taken in response to the findings of the withholding tax benchmarking report.
- 2) To repeat the benchmarking of the investment income tax services provided by the custodian on a regular basis, with the findings reported to the Pensions Audit Sub-Committee.

(Reference – report by the Director of Corporate Governance, submitted.)

## **4. Irrecoverable Overpayments of Pensions**

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Details were provided of pension overpayment of £5,491.50 which had been written off.

### **Decision**

To note the total value of pension overpayment of £5,491.50 written off between 1 April 2013 and 31 August 2013.

(Reference – report by the Director of Corporate Governance, submitted.)

## **5. Prevention of Fraudulent Pension Payments**

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Details were provided of the work undertaken by Lothian Pension Fund to prevent fraud including involvement in fraud prevention initiatives and the overall management of risk.

### **Decision**

- 1) To note the work undertaken by Lothian pension Fund to prevent payment fraud.
- 2) To request that the audit plan arising from the internal audit of the Pensions Service is provided to a future meeting.

(Reference – report by the Director of Corporate Governance, submitted.)

## **6. Pensions Administration Data Quality**

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Information was provided on the ongoing work to enhance the quality of pension administration membership record data.

### **Decision**

To welcome the actions noted in the report and resolve to review the effectiveness of data quality measures at a future meeting.

(Reference – report by the Director of Corporate Governance, submitted.)

## 7. Risk Management

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The Sub-Committee were asked to scrutinise the summary of the risk register.

### **Decision**

To note the Committee Risk Summary.

(Reference – report by the Director of Corporate Governance, submitted.)