

Item 4.1 - Minutes

Pensions Audit Sub-Committee of the Pensions Committee

2.00 pm, Tuesday 29 September 2015

Present

Councillors Rose (Convener) and Orr.

Pensions Board Members Present:

Simon Belfer and Catrina Warren.

1. Minute

Decision

To approve the minute of the Pensions Audit Sub-Committee of the Pensions Committee of 23 June 2015 as a correct record.

2. Considerations and Matters to be raised by the Pension Board regarding any items on the agenda

Decision

To note that there were no issues raised under this item.

3. Agenda Planning

An overview of potential reports for future Pensions Committee and Pensions Audit Sub-Committee meetings for December 2015 and March 2016 were outlined.

Decision

To note the agenda planning document.

(Reference – report by the Deputy Chief Executive, submitted.)

4. Audited Annual Report 2015 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund

Audit Scotland had undertaken its statutory audit of the Annual Report 2015 of the three pension funds administered by the City of Edinburgh Council. Only minor presentational changes were made to the unaudited version.

A representative from Audit Scotland was present for this item.

Decision

To note the audited Annual Report for the year ended 31 March 2015 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund.

(Reference – report by the Deputy Chief Executive, submitted.)

5. Report by the External Auditor on the Annual Report 2015 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund

The External Auditor had presented their annual report on the 2014/15 audit of the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund.

A representative from Audit Scotland was present for this item.

Decision

- 1) To note the Annual Report on the 2014/15 audit of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund.
- 2) To note the action plan at appendix iii of the Deputy Chief Executive's report and to seek appropriate updates on progress.

(Reference – report by the Deputy Chief Executive, submitted.)

6. Lothian Pension Fund – Internal Audit Update 2015/16

A summary was provided of the Internal Audit activity between 1 April 2015 and 31 August 2015. Three internal audit reviews are scheduled for 2015/16.

Decision

- 1) To note the Internal Audit activity during the period 1 April to 31 August 2015.
- 2) To note the matters arising from the Internal Audit review undertaken in this period.

(Reference – report by the Chief Internal Auditor, submitted.)

7. Pension Administration Data Quality

An update was provided on the ongoing work to enhance the quality of pension administration membership record data and improve the flow of data from employers through regular reporting and liaison.

Decision

To note the report.

(Reference – report by the Deputy Chief Executive, submitted.)

8. Fraud Prevention

Details were provided of the Lothian Pension Fund's participation in fraud prevention initiatives which were an integral part of the control environment and the overall management of risk.

Decision

To note the report.

(Reference – report by the Deputy Chief Executive, submitted.)

9. Irrecoverable Overpayment of Pensions – Decisions made under delegated authority

Delegated authority has been provided to the Deputy Chief Executive, in certain circumstances, to write off pension overpayments up to £3,000. Details were provided of the overpayments written off under these arrangements between 1 September 2014 and 31 August 2015.

Decision

To note that the total value of pension overpayments written off between 1 September 2014 and 31 August 2015 was £4,173.15.

(Reference – report by the Deputy Chief Executive, submitted.)

10. Overpayment of Pension

The Pensions Committee would be asked to agree to write off an overpayment of pension, which arose on the death of a pensioner, of £16,254.88.

Decision

To note the report.

(Reference – report by the Deputy Chief Executive, submitted.)

11. Audit of Foreign Exchange Transaction Costs

An audit had been carried out on foreign exchange costs incurred in managing the Funds' overseas investment for the period 1 April 2014 to 31 March 2015. It was reported that there had been an improvement on the previous year which was considered to be in line with typical market ranges.

Decision

To request that the Investment Strategy Panel reviews this and future currency reports and provides its findings as part of their reporting to Committee in June each year.

(Reference – report by the Deputy Chief Executive, submitted.)

12. Risk Management Summary

A summary was provided on the Lothian Pensions Fund's risk management procedures, including details on the operational risk register and quarterly risk overview.

Decision

To note the Quarterly Risk Overview.

(Reference – report by the Deputy Chief Executive, submitted.)