

# Minutes

## Pensions Audit Sub-Committee of the Pensions Committee

14.00, Wednesday 22 June 2016

### Present

Councillors Rose (Convener), Bill Cook and Orr.

### Pensions Board Members Present:

Jim Anderson.

## 1. Minute

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### Decision

To approve the minute of the Pensions Audit Sub-Committee of the Pensions Committee of 15 December 2015 as a correct record.

## 2. Agenda Planning

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

### Decision

To note the agenda planning document.

(Reference – report by the Acting Executive Director of Place, submitted.)

## 3. Lothian Pension Fund – Internal Audit Update 2015/16 Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund Annual Report

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The Unaudited Annual Report for the year ended 31 March 2016 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund was provided. The accounts showed that the Lothian Pension Fund valuation had increased to £5,434m, the Lothian Buses Pension Fund to £394m and the Scottish Homes Pension Fund decreased to £150m.

## **Decision**

- 1) To note the unaudited Annual Report for the year ended 31 March 2016.
- 2) To agree to highlight the following points to the Pensions Committee on 27 June 2016:
  - To note that the “Actuarial Statement for 2015/16” by the Actuary, in respect of both Lothian Pension Fund and Lothian Buses Pension Fund, did not disclose the valuation of liabilities as at 31 March 2016. In previous Annual Reports of the pension funds, this assessment had been provided by the Actuary at a cost to the Funds. There is no statutory requirement for this valuation to be provided on an annual basis.
  - To note that concerns would be raised that these financial statements did not strictly comply with revised CIPFA guidance “Accounting for Local Government Pension Scheme Management Costs”, and in that context the Pensions Audit Sub-Committee support the continuation by the Funds of the accounting policy of full disclosure of investment management cost, including “Fund of Fund” investments.
- 3) To note that consideration had been given to the presentation/format of the unaudited reports.

(Reference – report by the Acting Executive Director of Place, submitted.)

## **4. Risk Management Summary**

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A summary was provided of 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 Acting Executive Director of Place, submitted.)