

Pensions Audit Sub Committee

2.00 p.m., Tuesday, 27 September 2016

Lothian Pension Fund – Internal Audit Update 2016/17

Item number	5.4
Report number	
Executive/routine	
Wards	All

Executive summary

The purpose of this report is to provide a summary of Internal Audit Activity during the period 1 April 2016 to 31 August 2016.

The activity planned for the financial year 2016/17 was based on the allocation of internal audit resource across the City of Edinburgh Council's (CEC) services and was approved by the Pensions Committee and by the Governance, Risk and Best Value Committee in March 2016.

Three internal audit reviews were planned for the 2016/17 year:

- A review of the procedures surrounding internally managed investments;
- An external vulnerability assessment for online modules accessible to employers and members of the Lothian Pension Funds; and
- A review of governance arrangements for LPFE Ltd.

The review of Internally Managed Investments has been completed and is considered in this report. The other two reviews are in progress.

Links

Coalition pledges

Council outcomes

CO26 – The Council engages with stakeholders and works in partnerships to improve services and deliver agreed objectives.

Single Outcome Agreement

Lothian Pension Fund – Internal Audit Update 2016/17

Recommendations

- 1.1 Committee is requested to:
- note the Internal Audit activity during the period 1 April to 31 August 2016;
 - note the matters arising from the Internal Audit review undertaken in this period; and
 - note the status of management actions from audits undertaken in 2015/16.

Background

Internal Audit Plan 2016/17

- 2.1 The internal audit plan for the Lothian Pension Fund (LPF) was set out in the Internal Audit report to the Pensions Committee on 15 March 2016.
- 2.2 The internal audit plan for the Fund is risk based with a focus on governance, risk and controls. The areas identified for inclusion in the plan are determined following discussions with LPF management and examination of risk registers.
- 2.3 The plan for 2016/7 included three planned Internal Audit reviews:
- a review of the procedures surrounding internally managed investments;
 - an external vulnerability assessment for online modules accessible to employers and members of the Lothian Pension Funds; and
 - a review of governance arrangements for LPFE Ltd.
- 2.4 The review of Internally Managed Investments has been completed and is considered in this report. The other two reviews are in progress.

Main report

Internally Managed Investments

- 3.1 In order to assess the procedures and controls in place surrounding funds managed by the internal Investment Team, Internal Audit obtained an understanding of:
- the governance arrangements in place to allow scrutiny of performance of internally managed funds;
 - the processes in place around investment decisions, monitoring of investment performance, and trading activity; and

- the controls in place to ensure compliance with ethical standards and regulations.

Internal Audit then considered the design of the controls in place, their validity and whether there were any omissions; and tested on a sample basis that the key controls identified were operating effectively.

3.2 This review identified three low risk findings:

Summary of finding & management response	Grading
<p><i>Scheme of delegation</i></p> <p>We identified two areas where it is not clear that current practice is compliant with the schedule of sub-delegated powers:</p> <ul style="list-style-type: none"> • Instructions to purchase or sell investments; and • Payments out of the custody system. <p>There is no concern over segregation of duties in either case: the instructions to trade form is signed by at least two members of the front office, and each trade is processed and checked by at least two members of the back office. Management may decide they wish to update the letter of sub-delegations to reflect existing practice, if they are satisfied with the level of scrutiny it gives.</p>	Low
<p><i>Management response</i></p> <p>The sub-delegation letter will be reviewed to clarify authorisation, distinguishing between trades and non-trading transfers.</p>	
<p><i>Transfers between portfolios</i></p> <p>Transfers between the Fund's portfolios of cash or investments of more than £10m must be authorised by the Chief Executive Officer or the Chief Investment Officer 'in consultation with the other'. In our review, we noted that only one authorisation is obtained for these transfers.</p>	Low
<p><i>Management response</i></p> <p>Options to evidence the fact that an officer has consulted with the other, in-line with the implementation of investment strategy agreed by Investment Strategy Panel, will be explored.</p>	
<p><i>Pre-trade compliance checks</i></p> <p>The 'instruction to trade' documentation for bond trades does not have a comprehensive list of compliance checks.</p>	Low
<p><i>Management response</i></p> <p>Pre-trade compliance checks will be added to the 'instructions to trade' form for gilts and bonds.</p>	

3.3 For greater detail on the findings of this audit, including good practice identified, please see the full report which is in Appendix 1.

Open recommendations

- 4.1 At the end of each month, Internal Audit prepares a complete listing of all open recommendations and shares these with Management on a divisional or line of service basis. Internal Audit then invites management to identify which recommendations they consider to have been addressed or which are no longer relevant.
- 4.2 Internal Audit will review Management's supporting evidence for recommendations that Management consider to be closed and feedback their view on whether this is the case. Recommendations that are agreed as closed; have their status updated in Internal Audit's records.
- 4.1 We conducted 3 Pension Fund specific reviews in 2015/16. All recommendations from previous audit years are closed.

Review	Findings		
	High	Medium	Low
Immediate Payments	-	2	3
Pension Compliance	-	2	2
Externally managed investments	-	-	-
Total 15/16	-	4	5

- 4.2 The total number of audit actions which remain open is set out below:

Review	Findings		
	High	Medium	Low
Immediate Payments	-	-	1
Pension Compliance	-	1	-
Total	-	1	1

The implementation date for both these findings is 30 September 2016 so they are not yet overdue.

Measures of success

- 5.1 Alignment of the Internal Audit Plan to the key risks faced by the Fund to ensure governance is improved, responsibility is taken for corrective action and confidence in the management of risk is increased.

Financial impact

- 6.1 There are no direct financial implications.

Risk, policy, compliance and governance impact

- 7.1 There are no adverse impacts arising from this report.

Equalities impact

8.1 There are no adverse equalities impacts arising from this report.

Sustainability impact

9.1 There are no adverse sustainability impacts arising from this report.

Consultation and engagement

10.1 The Pension Board, comprising employer and member representatives, is integral to the governance of the Funds.

Background reading / external references

None.

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Links

Coalition pledges

Council outcomes CO26 – The Council engages with stakeholders and works in partnerships to improve services and deliver agreed objectives.

Single Outcome Agreement

Appendices Appendix 1 – Internally managed investments

The City of Edinburgh Council **Internal Audit**

Internally managed investments

Lothian Pension Fund

Final Report

August 2016

RES1612

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This internal audit review is conducted for the City of Edinburgh Council under the auspices of the 2016/17 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2016. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there is a number of specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

Executive summary

Total number of findings

Critical	0
High	0
Medium	0
Low	3
Advisory	0
Total	3

Summary of findings

The following areas of good practice were identified:

- There is a well-defined governance structure with clear reporting, training and support provided for Pension Committee members to enable them to scrutinise performance and make informed decisions about investment strategy;
- Investment mandates for each portfolio were reviewed and approved by the Investment Strategy Panel in 2016/17;
- Quarterly fund reports to the Investment Strategy Panel have a simple “RAG” status approach, based on five criteria of Process, Team, Performance, Client Base and Ownership. However, each of the category scores are reported, not just an overall rating, so the Panel can focus on funds performing below target for any particular marker;
- Internal investment performance reports are comprised of a balance of independent performance reports from external sources and in-house analysis, resulting in clear and comprehensive quarterly reports to the Investment Strategy Panel;
- Investment teams have been set up to permit in-depth scrutiny and discussion of investment activity for each asset type;
- There was evidence of robust scrutiny and challenge by investment teams and the Investment Strategy Panel before significant investment decisions were made, such as establishing a new investment portfolio, or committing to a real asset investment;
- There is clear segregation of duties between front- and back-office investment functions; and
- Robust ethics and compliance procedures exist to help ensure best practice is achieved in day-to-day operations.

Identified areas for improvement:

- The authorisation of high value transfers between portfolios is not wholly compliant with the schedules of delegated and sub-delegated authority;
- The authorisation of investment trades, and of payments out of the custody system, may not be compliant with a strict interpretation of the schedules of delegated and sub-delegated authority. Management should consider updating the schedules to ensure they clearly delineate authorisation required for each transaction type; and
- Pre-trade compliance checks for index-linked gilts and bonds are not formally documented.

Our detailed findings and recommendations are laid out within Section 2: *Detailed findings*.

1. Background and scope

Background

The primary objective of the Lothian Pension Fund ('the Fund'), as set out in the Statement of Investment Principles, is to ensure that all members and their dependants receive their benefits when they become payable. The Fund has developed a long-term investment strategy to meet this objective, and maximise investment return while controlling risk and cost.

At 31 March 2016 the Fund held assets of £5.4 billion, with a further £391 million held in Lothian Buses Pension Fund and £149 million held in the Scottish Homes Pension Fund, in a diverse range of investments, including global equity, private markets, infrastructure and property. The proportion of funds managed by the Lothian Pension Fund in-house investment team has increased in the past year, and now sits at about 80% of the total fund value (c. 60% in 2015/16).

The City of Edinburgh Council (as administering authority of the Fund) now operates an FCA authorised structure to support its in-house investment team and to enable it to engage in more complex investment activity in a regulated environment. This will also allow the Fund to offer a choice of investment strategies to employers, and potentially offer investment services to other local authority pension schemes.

In preparation for receiving the requisite FCA permissions, the Fund commissioned Mercer to review its internal controls in 2013/14. Significant changes to the Fund's investment controls framework have been made in the past 2 years to address some gaps identified by Mercer for current operations and also gear the organisation up for the higher standards required by the FCA in anticipation of establishing and operating the regulated structure, for example establishing a breaches register, introducing trading limits for portfolio managers, and strengthening pre-trade checks and the electronic audit trail. Other controls recommended by Mercer, such as setting up a separate dealing desk and commissioning independent transaction testing, are not considered viable or necessary at this time given the relatively small scale of the Fund's investment activity, and the fact that they are not yet offering investment services to other bodies. This position will be reviewed as the Fund's investment activity grows.

Governance

The Pensions Committee is responsible for setting the Funds' investment strategy, in the form of the Statement of Investment Principles which is reviewed annually. The Fund has appointed an independent professional observer (IPS) to support the Committee in making informed decisions about the investment strategy and in monitoring investments appropriately. The IPS's role is to help the Committee challenge officers' advice and the performance of the Fund, and to provide an independent source of information and advice on investment management and the financial sector, among other things.

The Pensions Committee sets a long-term (5-year) investment strategy, which is reviewed and reapproved annually. Responsibility for implementing the investment policy and strategy decided by the Pensions Committee is delegated to the Executive Director of Resources, who is supported by the Investment Strategy Panel.

The Investment Strategy Panel, which is tasked with implementation of the strategies, oversees performance, asset allocation and any investment risks, reports annually to the Pensions Committee. The Investment Strategy Panel also sets the investment mandate for each portfolio, establishing the philosophy, performance targets and investment limits each portfolio manager must operate within. All investment mandates were reviewed by the Panel in 2016.

Investment Decisions and Monitoring

The day-to-day execution of the investment strategy has been delegated to portfolio managers and the investment teams which have been set up for the principal investment types (Equities, Real Assets and Bonds). These teams meet monthly, and include the portfolio manager, the Chief Executive Officer, the Chief Investment Officer, and one other portfolio manager to provide breadth of experience and strengthen scrutiny of performance and investment decisions. These teams analyse performance in depth using external valuations and market reports, and internal analysis, and discuss future investment activity for that portfolio.

The Alternative Investment Committee reviews all proposed real asset and alternative investments. All members of that committee must agree to an investment before it can proceed. There was evidence of robust scrutiny of proposed real asset and alternative investments which were agreed in 2015/16.

The Investment Strategy Panel reviews the performance of each portfolio each quarter, using 'traffic light' reports which score each portfolio on process, team, performance, client base and ownership. Asset allocation is noted for comparison to the Investment Strategy set by Pensions Committee.

Execution

In order to facilitate on-going monitoring and decision making, financial data is received weekly and monthly from third parties. When a decision to trade has been made, provisional and finalised trading sheets are produced, and must be approved by a second portfolio manager, and by the Chief Investment Officer and/or the Chief Executive Officer for a high value trade (over £25m). The Fund has introduced telephone recording to support compliance of both the Pensions Administration (to support client service) and Investment (from a regulatory compliance perspective) Functions, and also requires written confirmation of all trades from the broker to ensure the accuracy of payments, and the existence of a robust audit trail.

Pre-trade compliance checks are completed for equity and real asset transactions. This includes checks against investment limits set in the investment mandate, and against the 'insider dealing' prohibited investments list.

After a trade has been agreed, responsibility for processing and authorising it is removed from the portfolio manager who agreed it, and moves to the "back office" finance team to complete. The trade will be processed once they have the necessary "deal" sheets from "front office". In-built software controls require a separate officer to authorise the trade; the same officer cannot process and authorise the same transaction.

Ethics and Compliance

Controls to ensure good governance of investment activity and compliance with regulations include:

- Breaches log maintained by the Chief Risk Officer and reviewed quarterly by the Management Team. All breaches are recorded on the log, and if deemed material, reported to the regulator. So far there have been no breaches that meet the materiality test.
- All staff are reminded quarterly to review and update the hospitality, external bodies, connected persons and employee personal investments registers.
- A compliance checklist is completed quarterly by the Risk and Compliance team, signed off by Management and circulated to all staff.
- A training register to monitor completion of mandatory training and compliance with CPD

- requirements for professionally qualified staff (including all members of the Investment Team).
- Annual Anti-Money Laundering training as part of mandatory training for all staff.
 - Quarterly reminder to all staff of data protection and insider dealing policies.

Scope

The review focused on the following sub-processes:

- Governance;
- Investment decisions and monitoring;
- Execution; and
- Ethics and compliance.

For the full terms of reference see Appendix 2.

2. Detailed findings

1. Scheme of delegation

Finding

In order to ensure accountability for expenditure and investment decisions, certain powers delegated to the Chief Executive Officer of the Fund are sub-delegated to named 'Authorising Officers'. The letter of sub-delegation sets out the officers with the power to make investment decisions, instruct transfers of investments and monies, instruct corporate actions, and authorise payments.

We identified two areas where it is not clear that current practice is compliant with the schedule of sub-delegated powers:

- 1) The letter of sub-delegation states that, on receipt of appropriate instructions from the front office, transfers and payments out of the custody system must be authorised by any one of the following officers in consultation with another: Chief Executive Officer; Chief Finance Officer; Financial Controller; Finance Manager.

In our review, we noted that where the payment is processed by the custodian, only one of the named officers authorises the transaction. Our interpretation of the above clause in the letter of sub-delegation is that such transactions must be approved by two named officers.

However, we understand that this was neither the Fund's intention in writing the letter of sub-delegation, nor its interpretation. Settlement of investment trades is delegated to Northern Trust. The trade is instructed by the front office, and is entered on the Northern Trust system by the back office (being the finance manager), but they do not, and are not required to, authorise the trade.

- 2) In relation to managing internal investment portfolios, including the purchase and sale of investments, the letter of sub-delegation states that instructions must be authorised by any one of the Chief Executive Officer, Chief Investments Officer, and the relevant portfolio manager.

The Investments front office requires instructions to trade up to the value of £25 million to be approved by the relevant portfolio manager, in consultation with any other portfolio manager. The letter of sub-delegation suggests that these trades should also be authorised by either the Chief Executive Officer, or the Chief Investments Officer.

Business Implication

Officers authorising investment trades do not have the authority to do so alone under the schedule of sub-delegated powers.

We note that there is no concern over segregation of duties: the instructions to trade form is signed by at least two members of the front office, and each trade processed and checked by at least two members of the back office.

Finding Rating

Low

Action plans

Recommendation

Responsible Officer

<p>The authorisation required in practice for investment trades should be reviewed in conjunction with the current letter of sub-delegations to ensure that:</p> <ul style="list-style-type: none"> a) All transactions are authorised by officers with the authority to do so under the schedule of sub-delegated powers; and b) The Investment Strategy Panel is satisfied that the letter of sub-delegation is being interpreted and applied in such away that gives sufficient control over expenditure and investment decisions. <p>Management may decide they wish to update the letter of sub-delegations to reflect existing practice, if they are satisfied with the level of scrutiny it gives.</p>	<p>Chief Risk Officer</p>
<p>Agreed Management Action</p>	<p>Estimated Implementation Date</p>
<p>The sub-delegation letter will be reviewed to clarify authorisation, distinguishing between trades and non-trading transfers.</p>	<p>31 October 2016</p>

2. Transfers between portfolios

Finding

The letter of sub-delegation states that when “instructing transfers of cash or investments between the Fund’s portfolios within the custody system and the addition to or withdrawal of monies for investment”, and such transfers are “for more than £10m”, either the Chief Executive Officer or the Chief Investment Officer must authorise the transfer in consultation with the other.

In our review, we noted that authorisation from only one of the required officers is obtained for transfers between the Fund’s portfolios of cash or investments of more than £10m.

Business Implication

- Officers authorising transfers between the Fund’s portfolios and payments out of the custody system do not have the authority to do so alone under the schedule of sub-delegated powers.
- Reduced scrutiny of transactions.

Finding Rating

Low

Action plans

Recommendation

- The Finance team should be reminded of the authorisation required by the schedule of sub-delegated powers before transactions can be effected. As above, transfers of cash or investments over £10m between the Fund’s portfolios within the custody system must be authorised by either the Chief Executive Officer or the Chief Investment Officer in consultation with the other.

Responsible Officer

Chief Finance Officer

Agreed Management Action

Options to evidence the fact that an officer has consulted with the other, in-line with the implementation of investment strategy agreed by Investment Strategy Panel, will be explored.

Estimated Implementation Date

31 October 2016

3. Pre-trade compliance checks

Finding	
<p>When a decision to trade has been made, there are pre-trade compliance checks that a portfolio manager is expected to carry out to ensure that they are operating within the portfolio mandate, and ethical and regulatory requirements.</p> <p>For equity trades, the portfolio manager signs the instruction to trade, which includes confirmation that compliance checks have been completed. For bond trades, the instruction to trade documentation does not have a comprehensive list of compliance checks. A new active bond process was agreed during 2016 necessitating the additional compliance checks that have not been added to the 'instructions to trade' form yet.</p>	
Business Implication	Finding Rating
<p>There is a risk that investment limits set in the portfolio mandate, and by local government pension scheme regulations, are inadvertently breached where pre-trade compliance checks are not carried out.</p> <p>We note that an independent valuation report is obtained each week and the gilts and bonds portfolios are assessed against investment limits. The portfolios are slow moving (averaging one trade a month) and as such the risk of a breach is low.</p>	<div style="background-color: green; color: white; padding: 10px; display: inline-block;">Low</div>

Action plans	
Recommendation	Responsible Officer
<p>Confirmation that pre-trade compliance checks have been carried out should be added to the 'instructions to trade' form for gilts and bonds portfolios. This form is signed by the portfolio manager and another authorised individual before a trade can be placed. The signed form is also required before the back office will process a trade.</p>	<p>Chief Investment Officer</p>
Agreed Management Action	Estimated Implementation Date
<p>Pre-trade compliance checks will be added to the 'instructions to trade' form for gilts and bonds.</p>	<p>Complete</p>

Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Critical impact on operational performance; or • Critical monetary or financial statement impact; or • Critical breach in laws and regulations that could result in material fines or consequences; or • Critical impact on the reputation or brand of the organisation which could threaten its future viability.
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Significant impact on operational performance; or • Significant monetary or financial statement impact; or • Significant breach in laws and regulations resulting in significant fines and consequences; or • Significant impact on the reputation or brand of the organisation.
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Moderate impact on operational performance; or • Moderate monetary or financial statement impact; or • Moderate breach in laws and regulations resulting in fines and consequences; or • Moderate impact on the reputation or brand of the organisation.
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Minor impact on the organisation's operational performance ; or • Minor monetary or financial statement impact; or • Minor breach in laws and regulations with limited consequences; or • Minor impact on the reputation of the organisation.
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>

Terms of Reference – Internally managed investments

To: Hugh Dunn

From: Gemma Dalton
Principal Audit Manager

Date: 9 June 2016

This review is being undertaken as part of the 2016/17 internal audit plan approved by the Pensions Committee in March 2016.

Background

The primary objective of the Lothian Pension Fund, as set out in the Statement of Investment Principles, is to ensure that all members and their dependants receive their benefits when they become payable. The Funds have developed a long-term investment strategy to meet this objective, and maximise investment return while controlling risk and cost.

At 30 September 2015, the Funds held assets of £4.8 billion in a diverse range of investments, including global equity, private markets, infrastructure and property. The proportion of funds managed by the Lothian Pension Fund in-house investment team has increased in the past year, and now sits at about 80% of the total fund value.

Scope

The scope of this review will be to assess the design and operating effectiveness of the Council's controls relating to investments managed internally.

The sub-processes and related control objectives included in the review are:

Sub-process	Control Objectives
Governance	<ul style="list-style-type: none"> There are governance structures in place which allow sufficient scrutiny of the performance of the internally managed funds throughout the year. Information provided to the Investment Strategy Panel and Pensions Committee is accurate and enables members to monitor performance effectively. Members of the Investment Strategy Panel and Pensions Committee have the appropriate experience and skills, and receive support and training to enable them to make informed decisions about investment strategy.
Investment decisions and	<ul style="list-style-type: none"> Individuals/teams responsible for investment decisions have the appropriate experience and skills to scrutinise performance effectively

monitoring	<p>and make informed investment decisions.</p> <ul style="list-style-type: none"> • Accurate and meaningful information is provided to investment committees to enable them to make informed investment decisions. • Investment decisions are in line with the investment strategy. • Performance information is meaningful and accurate. • Performance is monitored throughout the year.
Execution	<ul style="list-style-type: none"> • Transactions are authorised in line with the scheme of delegation. • There is adequate segregation of duties over investment transactions. • Transactions are in line with investment strategy and investment decisions made by the Investment Strategy Panel and investment management committees. • Non-compliance with internal policy and regulatory standards is identified and appropriate action is taken. • Portfolio managers are qualified to trade on behalf of Lothian Pension Fund.
Ethics & Compliance	<ul style="list-style-type: none"> • Investment staff have completed anti-money laundering training within the past 2 years. • A breaches log is maintained and reviewed regularly. Breaches are reported to regulators where material. • There are adequate systems in place to identify and manage actual or potential conflicts of interest.

Limitations of Scope

The scope of our review is outlined above. Testing will be undertaken on a sample basis for the period 1 June 2015 to 30 May 2016 where applicable.

Approach

Our audit approach is as follow:

- Obtain an understanding of internally managed investments through discussions with key personnel and review of working papers,
- Identify the key risks relating to internally managed investments,
- Evaluate the design of the controls in place to address the key risks,
- Test the operating effectiveness of the key controls.

Internal Audit Team

Name	Role	Contact Details
Magnus Aitken	Chief Internal Auditor	0131 469 3176
Gemma Dalton	Internal Auditor	0131 260 4057

Key Contacts

Name	Title	Role	Contact Details
Hugh Dunn	Acting Executive Director of Resources	Review Sponsor	0131 469 3150

Clare Scott	Chief Executive Officer	Key contact	0131 469 3865
John Burns	Chief Finance Officer	Key contact	0131 469 3711
Bruce Miller	Chief Investment Officer	Key contact	0131 469 3866
Struan Fairbairn	Chief Risk Officer	Key contact	0131 529 4689
Esmond Hamilton	Financial Controller	Key contact	0131 469 3521

Timetable

Fieldwork Start	Thursday 13 June 2016
Fieldwork Completed	Friday 1 July 2016
Draft report to Auditee	Wednesday 13 July 2016
Response from Auditee	Wednesday 27 July 2016
Final Report to Auditee	Wednesday 3 August 2016
Final report available for presentation to the Governance, Risk and Best Value Committee	September 2016

Appendix 1: Information Request

It would be helpful to have the following available prior to our audit or at the latest our first day of field work:

- Investment team structure
- Investment policies and procedures
- Latest investment performance reporting

This list is not intended to be exhaustive; we may require additional information during the audit which we will bring to your attention at the earliest opportunity.