

Item 4.1 - Minutes

Pensions Audit Sub-Committee of the Pensions Committee

2.00pm, Tuesday 26 September 2017

Present

Councillors Rose (Convener) and Child; John Anzani

Pensions Board Members Present:

Catriona Warren and Alan Williamson

1. Minutes

Decision

To approve the minutes of the Pensions Audit Sub-Committee of the Pensions Committee of 5 December 2016 as a correct record.

2. Agenda Planning

An overview of potential reports for future Pensions Committee and Pensions Audit Sub-Committee meetings for December 2017 and March 2018 were outlined.

Decision

To note the agenda planning document.

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

3. Audited Annual Report 2017 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund, including Annual Report by External Auditor

The Audited Annual Report for the year ended 31 March 2017 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund was provided. The unaudited Annual Report had been considered by the external auditor Scott-Moncrieff and their annual report to Members and the Controller of Audit was presented.

The audited financial statement for the wholly-owned companies LPFE Limited and LPFI Limited were also provided.

Representatives from Scott-Moncrieff were present for this item.

Decision

- 1) To note the report by Scott-Moncrieff “Lothian Pension Funds 2016/17 Annual Audit Report to Members and the Controller of Audit” as detailed in Appendix 1 to the report by the Executive Director of Resources.
- 2) To note the audited Annual Report for the year ended 31 March 2017 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund as detailed in Appendix 2 to the report by the Executive Director of Resources.
- 3) To note that the audited financial statements, for the year ended 31 March 2017, of both the wholly-owned companies, LPFE Limited and LPFI Limited, were approved by the respective Board of Directors in June 2017 as detailed in Appendix 3 and Appendix 4 to the report by the Executive Director of Resources.
- 4) To note that Scott-Moncrieff had made no comment in respect of the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance “Accounting for Local Government Pension Scheme Management Costs”, as revised in June 2016, and its failure to reflect full transparency of investment management fees, specifically through “fund of fund arrangements”.
- 5) To recommend to the Pensions Committee that the following wording was added to the decision “To note that the Pension Fund meets CIPFA guidance providing a level of transparency beyond what was required”.

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

4. Fraud Prevention

Information was provided of the work undertaken by the Lothian Pension Fund to prevent fraud. Details were given of participation in fraud prevention initiatives as part of the control environment and the overall management of risk.

Decision

To note the report by the Executive Director of Resources.

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

5. Irrecoverable Overpayment of Pensions – Decisions Made under Delegated Authority

Delegated authority had been granted to the Executive Director of Resources to write-off pension overpayments up to £3,000, in certain circumstances. Details were given of

pension overpayments that had been deemed irrecoverable during the period 1 September 2016 to 31 August 2017.

Decision

To note that the total value of pension overpayments written off between 1 September 2016 and 31 August 2017 was £8,128.39.

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

6. Overpayment of Pension

Authority was required from the Pensions Committee to write-off pension overpayments over £3,000. At its meeting on 27 September 2017, the Pensions Committee would be asked not to pursue recovery of overpayment of pensions totalling £34,563.21.

Decision

To note the report by the Executive Director of Resources.

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

7. Risk Management Summary

A summary was provided of the Lothian Pension Fund's risk management procedures, including details on the operational risk register and the Fund's action to mitigate these risks.

Decision

To note the Quarterly Risk Overview.

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