

Pensions Committee

2.30 pm, Monday, 24 March 2014

Present

Councillor Rankin (Convener), John Anzani, Councillor Child, Darren May, and Councillor Rose.

Consultative Panel Members Present:

Eric Adair, Helen Carter, Sharon Dalli, Owen Murdoch and John Rodgers

1. Minutes

Decision

To approve the minute of the Pensions Committee of 18 December 2013 as a correct record.

2. Agenda Planning

An indication was provided of potential reports for future Pensions Committee and Pensions Audit Sub-Committee meetings in 2014.

Decision

To note the report.

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

3. External Audit – Annual Audit Plan 2013-14

Audit Scotland presented its planned programme of work to support the statutory audit 2013/14.

A representative from Audit Scotland was present for this item.

Decision

- 1) To note the Annual Audit Plan 2013-14, as submitted by Audit Scotland
- 2) To note the formal reliance placed on the work of Internal Audit
- 3) To note that suitable provision had been made in the approved budget 2013/14 for the audit fee.
- 4) To note that progress against the Annual Audit Plan 2013-14 would be reported to future meetings of the Pensions Audit Sub-Committee and the Pensions Committee.

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

4. Lothian Pension Fund – Internal Audit Monitoring 2014/15

The proposed draft annual internal audit plan for 1 April 2014 to 31 March 2015 was outlined. A summary was also provided of the audit activity between 1 October 2013 and 31 March 2014.

Decision

To continue consideration of the item to the next meeting of the Pensions Committee.

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

5. Investment Controls and Compliance

The operational procedures of the investment team had been reviewed to ensure compliance with any laws and regulations and if not applicable then compliant with industry best practice.

Decision

- 1) To note the ongoing review and update of compliance procedures.
- 2) To note the headline recommendations of the investment operations review and actions being taken to address the risks.
- 3) To approve the proposal to proceed with FCA authorisation and to note that progress would be provided to Committee.

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

6. Lothian Pension Fund Service Plan 2014 - 2017

Approval was sought for the Service Plan 2014-17 and the budget for 2014- 15. The Fund's three objectives remained unchanged:

- to provide excellent customer care;
- to support and develop staff; and
- to continue to be a top performing pension fund.

Decision

- 1) To approve the Service Plan 2014-17 and the budget for 2014-15.
- 2) To note the indicative budgets for years 2015-16 and 2016-17.

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

7. Customer and Partner Engagement

An update was provided on the pension fund's engagement with customers and partners.

Decision

To note that the Fund continued to meet its overall satisfaction target, the retention of the Customer Service Excellence award and the Fund's continued efforts to improve customer service.

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

8. Training Activity of Committee and Consultative Panel

A record of the training for the members of the Committee and the members of the Consultative Panel were outlined. Induction training had been carried out for the three new Consultative Panel members.

Decision

To note the improvement of the training record in the context of the minimum amount of training for Committee and Consultative Panel members.

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

9. Update on Employers Participating in Lothian Pension Fund

Details were provided of a review of the employer covenant and employers who were looking to join or leave the Fund.

Decision

- 1) To note the changes to the employers participating in the Fund.
- 2) To note the work being carried out to review the covenant of employers.

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

Declaration of Interest

Councillor Rose declared a non-financial interest in the above item as an adviser to the Canongate Youth project.

10. Service Plan Progress

An update was provided on the Service Plan's performance indicators and the key actions necessary to enable the Fund to meet its objectives.

Decision

To note the progress of the Fund against its 2013-2016 Service Plan.

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

11. Risk Management

The Quarterly Risk Overview at 25 February 2014 was provided which highlighted the material risks facing the pension funds and identified any new risks or concerns.

Decision

To note the quarterly Risk Overview.

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