

## Pensions Audit Sub-Committee of the Pensions Committee

**2.00pm, Tuesday 25 September 2018**

**Present**

**Sub-Committee members:**

Councillors Rose (Convener) and Child; John Anzani

**Pensions Board members:**

Alan Williamson

**Independent Professional Observer:**

Andy McKinnell

### 1. Minutes

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#### Decision

To approve the minutes of the Pensions Audit Sub-Committee of the Pensions Committee of 26 June 2018 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 in December 2018 and March 2019 were outlined.

#### Decision

To note the agenda planning document.

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

### 3. Audited Annual Report 2018 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund, including Annual Report by External Auditor

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The Audited Annual Report for the year ended 31 March 2018 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.

Representatives from Scott-Moncrieff were present for this item.

#### Decision

- 1) To note the report by Scott-Moncrieff “Lothian Pension Funds 2017/18 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 2018 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 2018, of both the wholly-owned companies, LPFE Limited and LPFI Limited, were approved by the respective Board of Directors in May 2018 as detailed in Appendix 3 and Appendix 4 to the report by the Executive Director of Resources.

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

#### **4. Annual Report on LPFE Limited and LPFI Limited**

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In support of the administration of the pension funds that it administered, an update on the business and operation of LPFE Limited and LPFI Limited was provided.

##### **Decision**

To note the business update on the operations of LPFE Limited and LPFI Limited.

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

#### **5. Pensions Administration Data Quality**

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Information was given of the ongoing work to enhance the quality of pension administration membership record data.

##### **Decision**

To note and be assured by the report by the Executive Director of Resources.

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

#### **6. Irrecoverable Overpayment of Pensions – Decisions Made under Delegated Authority**

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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 2017 to 31 August 2018.

##### **Decision**

To note that the total value of pension overpayments written off between 1 September 2017 and 31 August 2018 was £1,860.33.

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

#### **7. Fraud Prevention**

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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.)

## **8. Risk Management Summary**

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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.)

## **9. ICT Update**

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The Sub-Committee agreed under Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting for the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Paragraphs 8 and 11 of Part 1 of Schedule 7A of the Act.

An update was provided on work being undertaken to improve ICT platform systems and service provision.

## **Decision**

To note the report.

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