



Notice of Meeting and Agenda

Pensions Audit Sub-Committee

2.00 pm Tuesday, 23rd June, 2020

Meeting will be via conference call

The law allows the Sub-Committee to consider some issues in private. Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

Contacts:

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1. Quorum Check

- 1.1 The Convener will check to ensure a quorum is in attendance to ensure the meeting can proceed.

2. Order of Business

- 2.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

3. Declaration of Interests

- 3.1 Members of the Sub-Committee and members of the Pensions Board should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

4. Deputations

- 4.1 If any

5. Minutes

- 5.1 Minute of Pensions Audit Sub-Committee of 10 December 2019 - 7 - 10
submitted for approval as a correct record

6. Reports

- 6.1 Agenda Planning – Report by the Chief Risk Officer, Lothian Pension Fund 11 - 16
- 6.2 Summary of March Committee Reports – Report by the Chief Risk Officer, Lothian Pension Fund 17 - 52

6.3	Lothian Pension Fund - Internal Audit Opinion and Annual Report for the Year Ended 31 March 2020 – Report by the Chief Internal Auditor, City of Edinburgh Council	53 - 90
6.4	Lothian Pension Fund – Proposed Internal Audit Plan for 2020/21 – Report by the Chief Internal Auditor, City of Edinburgh Council	91 - 96
6.5	External Audit Annual Plan 2019/20 – Report by the Chief Finance Officer, Lothian Pension Fund	97 - 132
6.6	Lothian Pension Fund Unaudited Annual Report (and Financial Statements) 2020 – Report by the Chief Finance Officer, Lothian Pension Fund	133 - 346
6.7	Risk Management Summary – Report by the Chief Risk Officer, Lothian Pension Fund	347 - 370

7. Motions

7.1 If any

8. Resolution to Consider in Private

8.1 The Sub-Committee is requested 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 6 and 9 of Part 1 of Schedule 7A of the Act.

9. Private Reports

9.1	Lothian Pension Fund Group Controls and Compliance – Report by the Chief Executive Officer, Lothian Pension Fund	371 - 412
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Laurence Rockey

Head of Strategy and Communications

Committee Members

Councillors Rose (Convener) and Child; John Anzani.

Please note that Alan Williamson, Pension Board Employer representative, Jim Anderson, Pension Board Members representative and the Independent Professional Observer will also be invited to attend and participate in the meeting.

Information about the Pensions Audit Sub-Committee

The Pensions Audit Sub Committee consists of 2 Councillors and 1 external member and is appointed by the City of Edinburgh Council in its separate capacity as administering authority of the Lothian Pension Fund. The Pensions Audit Sub Committee usually meets 3 times a year.

Meeting will be via conference call. Attendance at the meeting will be monitored by Susan Handyside.

The Committee [Term of Reference](#) and [Procedural Standing Orders](#).

Pension Board Members

Alan Williamson, Brian Robertson, Darren May, Jim Anderson, Lesley Henderson, Sharon Dalli, Thomas Carr-Pollock and Tom Howorth.

Information about the Pension Board

The Pension Board consists of 10 members, 5 members from the employer bodies and 5 members from trade unions representing members within the pension funds as set out in the regulations.

The role of the Pension Board is to help ensure that the operation of the pension funds is in accordance with the applicable law and regulation. All Pension Board members attend the Pensions Committee meeting and two members of the Pension Board also attend the Pensions Audit Sub-Committee.

More details regarding the role of the board can be found at the [LPF website](#)

Independent Professional Observer

Andy McKinnell

Information about the Independent Professional Observer

The Independent Professional Observer is appointed by the Lothian Pension Fund to help strengthen the Lothian Pension Fund's governance. The role is to provide independent observations to the Pensions Audit Sub-Committee and Pension Board.

The purpose of the role is to enhance the scrutiny of the decision making and provide the Sub-Committee and Board with additional experience and knowledge impartial from the Lothian Pension Fund's Officers.

City of Edinburgh Council Oversight

The City of Edinburgh Council has statutory responsibility to administer the Lothian and Scottish Homes pension funds. In order to most effectively carry out that function (and to reflect the separate statutory responsibilities, and regulation, of the pension funds) the City of Edinburgh Council has delegated management responsibility for the pension funds to the Lothian Pension Fund Group and its two arms-length companies LPFE Limited and LPFI Limited. Critical parent oversight continues to be carried out by the Pensions Committee, Stephen S. Moir (Executive Director of Resources, The City of Edinburgh Council) and Laurence Rockey (Head of Strategy and Communications, The City of Edinburgh Council) to ensure that its statutory function is being properly carried out.

Lothian Pension Fund Senior Leadership Team

The senior leadership team responsible and accountable for the business and activities of the Lothian Pension Fund Group are:

Doug Heron, Chief Executive Officer
Bruce Miller, Chief Investment Officer
Struan Fairbairn, Chief Risk Officer
John Burns, Chief Finance Officer
Helen Honeyman, Head of People and Communications

Further Information and Contact

If you have any questions about the agenda or meeting arrangements, please contact Susan Handyside, Governance Manager, Lothian Pension Fund, Atria One, 144 Morrison Street, Edinburgh EH3 8EX, Tel 0777 137 8238, email susan.handyside@edinburgh.gov.uk

The agenda, minutes and public reports for this meeting can be viewed via the City of Edinburgh Council [committee portal](#).

