

DRAFT

FALKIRK COUNCIL

Minute of Special Joint Meeting of the Pensions Committee and Board held remotely on Thursday 24 June 2021 at 10.00 a.m.

Present:

Committee:-

Councillors - Falkirk Council:-

Jim Blackwood

Provost William Buchanan

Niall Coleman

Adanna McCue (Convener)

John Patrick

Pat Reid

Councillor Donald Balsillie, Clackmannanshire Council

Andy Douglas, Unison

Board:-

Tony Caleary, Unison, Stirling Council

Sandy Harrower, Unite

Raymond Smith, GMB

Jennifer Welsh, SEPA

Attending:

Justyna Korszen-Bennett, Senior Accountant

Debbie Macrae, Pensions Manager

Brian Pirie, Democratic Services Manager

Bryan Smail, Chief Finance Officer

Antonia Sobieraj, Committee Services Officer

Graham Templeton, Senior Auditor

**Also in
Attendance:**

Sophie Dick, Democratic Services Graduate

Bruce Miller, Lothian Pension Fund

Olga Potapova, Ernst and Young

PE10. Apologies

Apologies were intimated on behalf of Simon Hunt, Scottish Autism; Ed Morrison, SCRA; Douglas Macnaughtan, Pensioner Representative; George Murphy, Stirling Council; and David Wilson, Clackmannanshire Council.

PE11. Declarations of Interest

There were no declarations.

PE12. Internal Audit Annual Assurance Report 2020/21

The Committee and Board considered a report by the Internal Audit, Risk, and Corporate Fraud Manager on the Internal Audit work undertaken on the Falkirk Pension Fund during 2020/21 in respect of the Fund's arrangements for risk management, governance and control.

Decision

The Committee and Board noted the report.

PE13. Internal Audit Plan 2021/22

The Committee and Board considered a report by the Internal Audit, Risk, and Corporate Fraud Manager proposing the Falkirk Pension Fund Internal Audit Plan for 2021/22.

The report detailed that the plan for 2021/2022 must be considered within context of the Covid-19 coronavirus pandemic, which would continue to impact during the year, and recognise that the Pensions Team's priorities, resource and capacity would fluctuate and change over the course of 2021/2022. The plan therefore focussed on providing assurance on key internal control areas. Internal Audit's work would include the Fund's Transactional Testing to ensure:-

- new member contributions to the Pension Fund were properly calculated;
- the correct values of pension rights either transferred into, or out of, the Pension Fund had been received or paid;
- the correct pension payments were paid to retiring Fund members;
- the correct lump sum payments were made in respect of deceased Fund members; and
- the controls around i-Connect (electronic transfer of data from employers creating starters and leavers) were operating effectively.

The work would also include a high level consultancy review of the internal and external assurances provided to the Pension Fund Manager on the Fund's cyber security arrangements. Other pertinent issues comprised ongoing work associated with preliminary work into the feasibility of merging the Falkirk and Lothian Pension Funds. This would fall into the Internal Audit programme for 2021/22 and beyond.

Decision

The Committee and Board noted the report.

The Committee agreed the proposed Falkirk Council Pension Fund Internal Audit Plan for 2021/22

PE14. Unaudited Annual Report and Accounts 2020/21

The Committee and Board considered a report by the Director of Corporate and Housing Services presenting the following documents to the Pensions Committee for due consideration:-

- the Unaudited Fund Annual Report and Accounts 2020/21; and
- the Fund Annual Governance Statement.

The statements had been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014 and other statutory guidance.

Decision

The Committee and Board noted the Unaudited Annual Report and Accounts 2020/21 for the Fund.

The Committee approved the Fund Annual Governance Statement.

PE15. Exclusion of Public

Agreed in terms of section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting for the following item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 9 of Part 1 of Schedule 7A to the said Act.

PE16. Potential for Merger of Falkirk and Lothian Pension Funds - Update

The Committee and Board considered a report by the Director of Corporate and Housing Services providing an update on work undertaken to progress discussions and investigations into the feasibility of a voluntary merger between the Falkirk and Lothian Pension Funds (also referred to as Project Forth).

Decision

The Committee and Board noted the contents of the report.

The Committee agreed:-

- (1) to approve the report;
- (2) that the Chief Finance Officer would bring forward a report to a future meeting later in 2021, with a view to a formal decision on merger and the associated structure; and

- (3) that, should the merger be agreed at that meeting, the matter be thereafter submitted to the full Council for approval.**