

The background of the slide is a large, light blue watermark of the City of Vancouver's coat of arms. It features a crown at the top with four maple leaves. The shield is divided into four quadrants: top-left shows a ship on the water, top-right shows a stag's head with a cross, bottom-left shows a ship on the water, and bottom-right shows a grizzly bear. A banner at the bottom reads "CITY OF VANCOUVER".

Agenda Item 3

Minute

FALKIRK COUNCIL

Minute of Joint Meeting of the Pensions Committee/Board held in the Municipal Buildings, Falkirk on Thursday 20 September 2018 at 11.00 a.m.

Present:

Committee:-

Councillors Falkirk Council:-

Jim Blackwood

Provost William Buchanan

Adanna McCue (Convener)

John Patrick

Pat Reid

Councillor Donald Balsillie, Clackmannanshire Council

Ian McLean, Pensioner Representative

Board:-

Susan Crook, Unison

Simon Hunt, Scottish Autism

Tommy Murphy, GMB

Jennifer Welsh, SEPA

Attending:

Justyna Korszen-Bennett, Senior Accountant

Alastair McGirr, Pensions Manager

Brian Pirie, Democratic Services Manager

Bryan Smail, Chief Finance Officer

Also in

Attendance:

Rob Jones, Ernst and Young (External Audit)

Bruce Miller, Chief Investment Officer, Lothian Pension Fund

PE20. Apologies

Apologies were intimated on behalf of Councillor Niall Coleman; Andy Douglas, Unison; Sandy Harrower, UCATT; Gordon Irvine, Unite; and Ed Morrison, SCRA.

PE21. Declarations of Interest

There were no declarations.

PE22. Minute

Decision

The minute of the joint meeting of the Pensions Committee and Board held on 23 August 2018 was approved.

PE23. Annual Audit Report 2017/18

The Committee and Board considered a report by the Director of Corporate and Housing Services on the Fund's Annual Audit Report 2017/18.

The Audit had been undertaken by the funds external Auditors, Ernst & Young. The Annual Audit Report, which was appended, set out the main findings from the 2017/18 audit together with matters arising. Three significant matters arising had been identified by the auditors, these were:-

- timeliness and quality
- employer year end data returns
- governance matters – business continuity plan

The management response to these were set out in the Audit Report. The Audit Report concluded that the Auditors had issued an unqualified audit opinion on the Pension fund financial statements. As part of the process, management confirmed that it would, on behalf of the fund, be issuing a letter of representation to the Auditors.

Following a discussion on the protocol for preparing and issuing the letter of representation, the Chief Finance Officer stated that in future years the letter would be made available to the Committee and Board for noting.

Decision

The Committee and Board noted:-

- (1) the Annual Audit Report for 2017/18; and**
- (2) noted the management actions proposed at page 21 of the audit report in response to the recommendations made in the report.**

The Committee and Board agreed the response to the Ernst and Young letter of 4 June 2018 addressed to the Pensions Committee.

PE24. Audited Pension Fund Annual Report and Accounts 2017/18

The Committee and Board considered a report by the Director of Corporate and Housing Services presenting Falkirk Pension Fund's Audited Annual Report and Accounts for 2017/18 and attaching as an appendix for inspection, a copy of the Fund's Audited Annual Report and Accounts for 2017/18.

Decision

The Committee and Board noted the Audited Pension Fund Annual Report and Accounts 2017/18.

The Committee approved the Audited Pension Fund Annual Report and Accounts 2017/18 and their publication on the Fund website following completion of the external audit.

PE25. General Governance Matters

The Committee and Board considered a report by the Director of Corporate and Housing Services which provided an update on miscellaneous matters associated with the business of the Falkirk Council Pension Fund.

In particular the report set out summaries in relation to:-

- a change in the risk rating relating to IT systems
- the annual benefit statement for members
- investment in Bank Hapoalim

Decision

The Committee and Board noted the contents of the report.

PE26. Market Review and Fund Manager Performance

The Committee and Board considered a report by the Director of Corporate and Housing Services which provided an update on recent investment market developments; the Fund's strategic allocation and performance, and monitoring activity of the Fund's investment mandates during the most recent quarter.

Decision

The Committee and Board noted:-

- (1) recent investment market developments;**
- (2) the Fund's strategic allocation;**
- (3) the Fund's performance for the period ending 30 June 2018, and**
- (4) the investment monitoring activity of the Joint Investment Strategy Panel.**

PE27. 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 items of business on the ground that they would involve the likely disclosure of exempt information as defined in Paragraph 9 of Part 1 of Schedule 7A to the said Act.

PE28. Commentary on Fund Manager Performance

The Committee and Board considered a report by the Director of Corporate and Housing Services which provided further details on individual manager mandates, including current developments and issues identified through the wider monitoring process to the period 30 June 2018.

Decision

The Committee and Board noted the contents of the report.

PE29. Joint Investment Strategy Panel Update

The Committee and Board considered a report by the Director of Corporate and Housing Services summarises key points arising from the meeting of the Joint Investment Strategy Panel held on 11 September 2018.

The report summarised discussion in regard to:-

- an audit of the cost of Foreign Exchange Transactions
- currency hedging
- infrastructure assets
- a review of all fund mandates

Decision

The Committee and Board noted the contents of the report.