

Audit, Pensions and Standards Committee

Agenda

Thursday 13 February 2014

7.00 pm

COMMITTEE ROOM 1 - HAMMERSMITH TOWN HALL

MEMBERSHIP

Administration:	Opposition	Co-optees
Councillor Michael Adam (Chairman) Councillor Robert Iggulden Councillor Lucy Ivimy Councillor Charlie Dewhirst	Councillor Michael Cartwright Councillor PJ Murphy (Vice-Chairman)	Eugenie White

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Members of the public are welcome to attend. A loop system for hearing impairment is provided, along with disabled access to the building.

Date Issued: 05 February 2014

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<u>Item</u>		<u>Pages</u>
1.	MINUTES OF THE PREVIOUS MEETING	1 - 8
	(a) To approve as an accurate record and the Chairman to sign the minutes of the meeting of the Audit, Pensions and Standards Committee held on 5 December 2013, and;	
	(b) To note the outstanding actions.	
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATIONS OF INTEREST	
	<i>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</i>	
	<i>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</i>	
	<i>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</i>	
	<i>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</i>	
4.	CAPITA PRESENTATION	
	Capita, as the fund's Pensions Administrator, will give a presentation to the Committee on their work.	
5.	PENSION VALUE AND INVESTMENT PERFORMANCE	9 - 29
	This report prepared by Deloitte, provides details of the performance	

and market value of the Council's Pension Fund investments for the quarter ending 31st December 2013.

- 6. PENSION FUND - MANAGER BRIEFINGS** 30 - 55

The first separate quarterly briefing with fund managers took place on 20th January 2014. Majedie and MFS presented to the meeting and outlined their approach to investing, the reasons for their recent performance and their plans for the future. This report sets out their presentations.
- 7. PENSION FUND - FUNDING STRATEGY STATEMENT** 56 - 67

The Local Government Pension Scheme regulations require all local authority pension funds to publish and keep under review a Funding Strategy Statement, which sets out the Fund's plan for achieving full funding. The timing of the review of this report is to coincide with the finalising of the actuarial valuation. The statement has been revised from the existing version to provide more clarity about how different types of employer will be treated in the Fund.
- 8. CUSTODIAN TENDER EXERCISE** 68 - 70

This report recommends that the custodian service is re-tendered. In order to maximise value and efficiency from this, it is proposed to do this jointly with Westminster City Council and using the national LGPS framework for custodian services.
- 9. TREASURY MANAGEMENT STRATEGY 2014-15** 71 - 90

The report sets out the Council's Treasury Management Strategy for 2014/15. The Committee is asked to comment on the measures proposed.
- 10. CERTIFICATION OF 2012/13 STATEMENT OF ACCOUNTS AND ANNUAL AUDIT LETTER** 91 - 100

This report informs Members that the 2012/13 Statement of Accounts have now been formally certified. It also includes the Annual Audit Letter, for information, which summarises findings previously reported to Committee in September 2013.
- 11. GRANTS REPORT 2012-13** 101 - 110

The report details the results of work conducted by KPMG to certify grant claims in respect of the 2012/13 financial year.
- 12. 2013/14 AUDIT OPINION PLAN** 111 - 137

This report details the 2013/14 External Audit Plan as set-out by the Council's auditor, KPMG. The plan (Appendix 1) describes how the auditor will deliver the financial statements audit work and sets out their approach to value for money (VFM) work for 2013/14.
- 13. ANNUAL GOVERNANCE STATEMENT ACTION PLAN, OUTSTANDING RECOMMENDATIONS FOR EXTERNAL AUDIT AND** 138 - 148

FRAUD RESPONSE PLAN

This report summarises:

- Progress on implementing recommendations arising from the Audit Commission 2012/13 Annual Governance Report
- The action plans relating to the control weaknesses identified in the 2012/13 Annual Governance Statement and progress in implementing these action plans.
- Progress on implementing the recommendations in the Fraud Response Plan

14. COMBINED RISK MANAGEMENT HIGHLIGHT REPORT 149 - 213

This report updates the Committee of the risks, controls, assurances and management action orientated to manage Enterprise Wide risks.

15. INTERNAL AUDIT PLAN 14/15 214 - 245

This report summarises the internal audit approach used to develop the Internal Audit plans for the 2014/15 year as well as providing the audit plans.

16. INTERNAL AUDIT QUARTERLY REPORT FOR THE PERIOD 1 OCTOBER TO 31 DECEMBER 2013 246 - 255

This report summarises internal audit activity in respect of audit reports issued during the period to 31 December 2013, as well as reporting on the performance of the Internal Audit service.

17. EXCLUSION OF THE PUBLIC AND PRESS

The Committee is invited to resolve, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

18. EXEMPT MINUTES OF THE PREVIOUS MEETING 256 - 258