

ABERDEEN CITY COUNCIL

COMMITTEE	Audit and Risk
DATE	25 September, 2012
DIRECTOR	Director of Corporate Governance
TITLE OF REPORT	Pensions Panel Remit
REPORT NUMBER:	CG/12/090

1. PURPOSE OF REPORT

To advise the Committee of a recommendation by the Pensions Panel that audit reports be submitted to the Panel rather than, as happens at the moment, to both Panel and this Committee.

2. RECOMMENDATION

That the Committee advises Council if it is supportive of the recommendation of the Pensions Panel.

3. FINANCIAL IMPLICATIONS

There are none.

4. OTHER IMPLICATIONS

It is likely that further changes to the Orders of Reference of Committees will be made when the Administration reports on its proposals for Committee structures later in the year.

5. BACKGROUND/MAIN ISSUES

5.1 At present, the remit for all matters pertaining to internal and external audit lie with this Committee.

5.2 At its meeting on 5th March, 2012, the Pensions Panel considered a report on the publication of guidance from the Scottish Government which subjected the Pension Fund to a separate audit process; as a result of this, the Panel has recommended that, instead of the audit outcome being reported to both the Panel and to this Committee, the responsibility for the audit of the Pension Fund should rest solely with

the Pensions Panel. Reports may still be submitted to this Committee, but only for information.

- 5.3 Any decision to amend Orders of Reference is one for the Council itself. This Committee is now requested to consider the attached remit from the Pensions Panel and advise Council if it is supportive of the Panel's recommendation.

6. IMPACT

It is the view of the Pensions Panel that amending the Orders of Reference as it has proposed will enhance the scrutiny attached to the audit process, given the specialist training which Panel members receive.

7. BACKGROUND PAPERS

There are none.

8. REPORT AUTHOR DETAILS

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Pensions Panel

5 March, 2012

AUDIT REPORTING

8. The Panel had before it a report which sought agreement to the extension of the remit of the Pension Panel with regarding to audit control of the North East Scotland Pension Fund.

The Pensions Manager introduced the report and advised that, following the publication of guidance from the Scottish Government in January 2011, the Pension Fund is now subject to a separate audit process. For the period 2010/11 the External Auditor reported the outcome of this audit to both the Pensions Panel and the Aberdeen City Council Audit & Risk Committee and, in order to streamline governance arrangements, it is recommended that this be amended to report in the first instance to the Pensions Panel and copy all reporting to the City Council Audit and Risk Committee. This will ensure that the knowledge and expertise of Pensions Panel Members is available to enhance the scrutiny attached to the audit process.

The Panel Resolved:-

- (i) to approve the extension of the Pension Panel remit
- (ii) to instruct officers to take forward a report to the Aberdeen City Council Audit & Risk Committee seeking formal approval for the transfer of responsibility
- (iii) to agree that a copy of all audit work in relation to the Pension Fund is copied to the Aberdeen City Council Audit & Risk Committee in line with good fund governance guidance.