

APPENDIX 4 – EXTERNAL AUDIT RECOMMENDATIONS

Responses to the recommendations are as follows:

- There is a need for clarity in reporting against benchmarks given the range of targets used by the fund.

The performance and benchmark reporting is under review.

- The funding position is not reported to members as frequently as it used to be.

The funding position will be reported to Committee annually.

- The Committee does not routinely receive an annual activity report summarising fraud/suspected fraud cases, whistleblowing cases and breaches of the Bribery Act, even if it is a nil report.

We note this in the Strategy Report. There were no reported cases for 16/17.

- The pensions administration strategy needs to be updated and associated monitoring of targets revised to ensure meaningful information is collected and reported.

The PAS has been updated and the new version taken to March 17 Committee meeting for approval, with implementation from 1 April 17.

- There is no formal process for Pension Board members to declare conflicts of interest.

The Conflicts of Interest Policy was approved by Committee in Dec 16. We have recently written out to our Board members for declaration of any conflicts (and will do so annually y going forward). A Conflict of Interest Register has been implemented and we will use this for monitoring.

- The 2014 Regulations require councils to assess the efficiency and effectiveness of the internal audit service from time to time.

KPMG are currently reviewing internal audit services to the Aberdeen City Council, which includes the Pension Fund.