

REPORT FOR: Pension Fund Investment Panel

Date of Meeting: 27th November 2012

Subject: Information Report - Update Report and Action Points from Previous Meetings

Responsible Officer: Julie Alderson, Corporate Director of Resources

Exempt: No.

Enclosures: Appendix 1 - Action Points

Section 1 – Summary and Recommendations

This report provides an update of actions taken since the last meeting is given on Appendix 1.

FOR INFORMATION

Section 2 – Report

1. An update of actions taken from prior meetings is summarised in appendix 1.
2. At the last meeting we reported that the internal controls report for Pantheon was deficient in that the independent accountant had only examined the structure of the financial controls and had not tested the evidence to support the working of these controls. We have now received an additional report from Pantheon. The reporting accountant, KPMG, tested 102 controls for the period from 1 October 2011 to 30 September 2012. Three exceptions were identified, all of which have now been rectified. The impact is to improve the level of assurance on the security of assets managed by Pantheon and the reliability of reporting.

Section 3 – Further Information

3. See appendix 1.

Section 4 - Financial Implications

4. Financial implications are central to the issues discussed in the paper.

Section 5 – Equalities Implications

5. Was an Equality Impact Assessment carried out? Yes.
6. There are no direct equalities implications relating to the pension fund.

Section 6 - Corporate Priorities

7. Corporate Priorities are not applicable to Pension Fund as it does not have a direct impact on Council's resources.

Section 7 - Statutory Officer Clearance

Name: Julie Alderson



Chief Financial Officer

Date: 16 November 2012

Section 8 - Contact Details / Background Papers

Contact: George Bruce (Treasury and Pension Fund Manager)
Tel: 020-8424-1170 / Email: george.bruce@harrow.gov.uk

Background Papers: Nil

London Borough of Harrow

Pension Fund Investment Panel

Update Report and Action Points – 12th November 2012

Issue/decision	Source	Action Taken	Next Steps
<u>Market Update Report</u> The equity allocation is reduced to 69% and proceeds held in cash pending a future report on the options available to the Panel.	Nov 2010 Minute 49	£22 million is being held in cash.	Options for the cash balance are under consideration as part of the strategy review which is on the agenda.
<u>Responsible Investment</u> RESOLVED: That the report be deferred to a future meeting and officers, as part of this, be requested to address the comments above.	15 Nov 2011 Minute 125	Additional information relating to the legal position, union views, investment manager stance and income / cost impact is being collected.	Ongoing.
<u>BlackRock Bond Opportunities</u> The report was deferred for consideration at the next meeting.	Jun 2012 Minute 163	N/A	Carried forward pending completion of the strategy review.
<u>Fidelity Fee Proposal</u> (1) A report on the manager's suitability be brought to a future meeting. (2) The fee reduction proposal be accepted, providing that it does not prevent the Council from terminating at a later date. (3)	Jun 2012 Minute 165	Documentation has been signed	Complete.
<u>Annual Pension Scheme Accounts and Auditor's Report</u> The report was noted.	Sep 2012 Point 7	N/A	Complete.
Councillors Idaikkadar and Ferrari requested internal cost information	Sep 2012 Point 7	Costs investigated and results emailed to the two named Councillors.	Complete.

<u>Information Report – Manager Monitoring Report</u> The report was noted.	Sep 2012 Point 9	N/A	Complete.
<u>Information Report – Valuation and Performance Report</u> The report was noted.	Sep 2012 Point 10.1	N/A	Complete.
<u>Review of the Investment Strategy</u> That a special meeting be arranged	Sep 2012 Point 10.2	N/A	Strategy is on the current agenda.
<u>Update Report and Action Points from Prior Meetings</u> The report was noted.	Sep 2012 Point 11	N/A	Complete.