



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Head of Audit and Inspection

Contact: Duncan Black Extension: 74053

Item 8(a)

2nd June 2021

AUDIT RECOMMENDATIONS

Purpose of Report

This report provides an update on the status of audit recommendations agreed previously with the Strathclyde Pension Fund Office (SPFO).

Recommendation

It is recommended that Committee notes the progress made in terms of the recommendations implemented and **AGREE** that the Head of Audit and Inspection submits further reports on the status of outstanding recommendations.

Ward No(s):

Citywide: ☐

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1. Introduction

1.1 This report provides a summary of the status of Internal Audit recommendations previously reported to Committee. This report includes:

- A summary of the outstanding recommendations;
- A summary of the progress made since the previous report; and
- A register of outstanding recommendations.

2. Outstanding Recommendations

2.1 Since the last report that was presented to the Committee on 25 November 2020, management have been responsible for following up recommendations which are due to have been implemented. As at 10 May 2021 five recommendations remain outstanding.

2.2 Table one outlines the outstanding recommendations per priority and audit

Table One: Priority of Outstanding Recommendation

	Priority of Recommendation			
	High	Medium	Low	Total
Information Management	0	1	0	1
Review of Governance Arrangements	0	0	1	1
Investment Income	0	1	0	1
Review of Governance of Projects within the Business Plan	0	2	0	2
Total	0	4	1	5

2.3 During the period from 31 October 2020 to 10 May 2021 four recommendations were partially implemented and work is ongoing to fully close these recommendations. Appendix One shows the recommendations added during the period.

2.4 A register of recommendations which have not yet been fully implemented is included at Appendix Two. This register highlights the full text of the recommendation and the original due date, and SPFO management have included an update on the progress and a revised implementation date where appropriate.

3. Policy and Resource Implications

Resource Implications:

Financial:

Internal Audit services are included within the Central Support Services cost.

Legal: None

Personnel: None

Procurement: None

Council Strategic Plan: To provide assurance on the implementation of previously agreed recommendations.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22 Not applicable.

What are the potential equality impacts as a result of this report? No significant impact.

Please highlight if the policy/proposal will help address socio economic disadvantage. None

Sustainability Impacts:

Environmental: None

Social, including Article 20 opportunities: None

Economic: None

Privacy and Data Protection impacts: None

4 Recommendation

- 4.1 It is recommended that Committee notes the progress made in terms of the recommendations implemented and **AGREE** that the Head of Audit and Inspection submits further reports on the status of outstanding recommendations.

Appendix One – Progress since previous report

	Information Management	Review of Governance Arrangements	Investment Income	Review of Governance of Projects within the Business Plan	Total
Outstanding or not yet due as at 31 October 2020	1	1	1	0	3
Added to the Register during Period	0	0	0	2	2
Outstanding as at 10 May 2021	1	1	1	2	5
Not yet due as at 10 May 2021	0	0	0	0	0
Implemented in Period	0	0	0	0	0

Appendix Two – Outstanding Recommendations

Title	Recommendation	Priority Rating	Planned Implementation Date	Management Comments	Revised Implementation Date	Revised Implementation Date changes
SPF1718G / Information Management / Recommendation 4 (FSMS002/14/15(05))	A programme for drafting an Information Sharing Protocol for all 3rd party organisations with whom SPFO share information should commence. All parties should be required to sign these agreements.	Medium	30-Jun-18	<p>Recommendation is partially implemented.</p> <p>Data sharing agreements have been issued to all employers. Work is ongoing with Legal Services to monitor and ensure completion of these agreements, however work has been delayed as a result of the COVID-19 pandemic.</p> <p>A revised implementation date has been provided.</p>	<p>(i) 31-Mar-20</p> <p>(ii) 31-Mar-21</p> <p>(iii) 30-Sep-21</p>	3
SPF1920C / SPFO Governance / Recommendation 1	SPFO management should ensure that the newly established Crisis Management Team (CMT) meeting schedule is adhered to and that the meetings are minuted with any actions required included and followed up as necessary.	Low	31-Mar-20	<p>Implementation has been delayed as a result of the COVID-19 pandemic.</p> <p>A revised implementation date has been provided.</p>	<p>(i) 31-Mar-21</p> <p>(ii) 30-Sep-21</p>	2

Title	Recommendation	Priority Rating	Planned Implementation Date	Management Comments	Revised Implementation Date	Revised Implementation Date changes
SPF1920D / SPFO Investment Income / Recommendation 1	As part of the custodian tender renewal process, SPF Management should review and update the Securities Lending Agreement to ensure that this reflects the current arrangements in place. Thereafter, the document should be signed by all relevant parties.	Medium	31-Mar-21	<p>Recommendation is partially implemented.</p> <p>The Committee approved appointment of Northern Trust in November 2020. Work is ongoing on legal arrangements, including the Securities Lending Agreement.</p> <p>A revised implementation date has been provided.</p>	(i) 30-Sep-21	1
SPF2021A / Review of Governance of Projects within the Business Plan / Recommendation 1	SPFO management should consider using the Council's Project Management Toolkit for the larger and/or complex Business Plan priorities. If this is deemed to not be appropriate, standardised project documentation should be developed and used for relevant future priorities to ensure consistency.	Medium	31-Mar-21	<p>Recommendation is partially implemented.</p> <p>The use of the Council's Project Management Toolkit is being considered by the Leadership Team.</p> <p>A revised implementation date has been provided.</p>	(i) 30-Sep-21	1
SPF2021A / Review of Governance of Projects within the Business Plan / Recommendation 2	SPFO management should ensure that the Progress Review Report presented to the Committee/Board is updated to include the actual dates priorities have been implemented to allow for comparison with target dates.	Medium	31-Mar-21	<p>Recommendation is partially implemented.</p> <p>Additional information on the expected outcomes/actions to be</p>	(i) 30-Sep-21	1

Title	Recommendation	Priority Rating	Planned Implementation Date	Management Comments	Revised Implementation Date	Revised Implementation Date changes
	<p>SPFO management should also include additional information on the expected outcomes/actions to be undertaken for each of the Business Plan priorities at the start of each year so that the Committee/Board has a better understanding of the objectives, which they can consider when reviewing the progress and implementation of the priorities.</p>			<p>undertaken for each of the Business Plan priorities has been included.</p> <p>Work is ongoing to fully implement the recommendation and a revised implementation date has been provided.</p>		