

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE PENSIONS AND ACCOUNTS COMMITTEE

HELD AT 7.30 P.M. ON THURSDAY, 29 JUNE 2006

**COMMITTEE ROOM, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Ahmed Adam Omer (Chair)

Councillor Louise Alexander
Councillor M. Shahid Ali
Councillor Lutfu Begum
Councillor Marc Francis
Councillor Joshua Peck

(none)

Other Councillors Present:

(none)

Officers Present:

Afam Ajoh	– (Legal and Contract Services)	
Richard Ellis	– (Service Head Risk Management, Executive's)	Chief
Alan Finch	– (Service Head, Corporate Finance)	
Jim Ricketts	– (Manager, Corporate Accounting)	
Steven Cutting	– (Democratic Services)	

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor T. Archer.

NOTED

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

NOTED

3. ELECTION OF VICE-CHAIR FOR THE MUNICIPAL YEAR 2006/07

RESOLVED

That Councillor J. Peck be elected Vice-Chair of the Pensions and Accounts Committee for the Municipal Year 2006–2007.

4. UNRESTRICTED MINUTES

RESOLVED

That the unrestricted minutes of the meeting of the Pensions and Accounts Committee held on 16th March 2006 be approved and signed by the Chair as a correct record of the proceedings.

5. PENSIONS AND ACCOUNTS COMMITTEE TERMS OF REFERENCE REPORT

The Committee's Terms of Reference and dates of meetings for the remainder of the municipal year were tabled for Members' information.

In response to a question from Cllr Alexander, Mr Alan Finch, the Service Head of Corporate Finance, provided the Committee with an overview of its role and the role of the Investment Panel.

RESOLVED

- 1) That Councillor Mark Francis's membership of the Committee be included in the Terms of Reference report;
- 2) That the quorum of the Committee, no less than one third of the voting membership of the Committee i.e. three Members, be noted;
- 3) That the Committee's Terms of Reference, as set out in Appendix A to the report, be noted.

6. DEPUTATIONS & PETITIONS

None were received.

NOTED

7. UNRESTRICTED REPORTS FOR CONSIDERATION

7.1 Pensions Fund Investment Panel

The Committee received a report from Mr Jim Ricketts, the Manager of Corporate Accounting, which advised of the current arrangements for the provision of investment advice to the Committee and recommended that these arrangements continue. It also advised of changes to regulations that required Member training as well as alternative arrangements for the meetings of the Investment Panel.

RESOLVED

- 1) That an Investment Panel be established;
- 2) That the membership of the Investment Panel comprise:
 - All members of the Pensions and Accounts Committee or their designated deputies;
 - An Investment Professional as Chair;
 - An Independent Financial Advisor;
 - The Director of Resources or nominee;
- 3) That up to two Trade Union representatives (or their designated deputies) as nominated by the Staffside Secretary attend the Investment Panel as observers;
- 4) That the terms of reference for the Investment Panel as set out in Appendix 1 of the report be approved;
- 5) That the Director of Resources, in consultation with the Chair, prepare a programme of training on investment issues for Members of the Investment Panel, and invite Members accordingly;
- 6) That the Investment Panel meet on 5 September as scheduled, and then on Thursday 14 December at 6:00 pm, prior to the Pensions and Accounts Committee at 7:30 pm, subject to the confirmation and the availability of the investment professionals.

7.2 Statement of Internal Control

The Committee received a report from Mr Richard Ellis, the Service Head of Risk Management, which summarised the framework for reviewing and reporting on the Council's system of internal control in line with the Accounts and Audit Regulations 2003. The statement also set out the areas warranting further attention during the current year.

The Committee sought clarification on the issues that were raised by the review and whether there had been any conflicts of opinion between internal

and external auditing. Mr Ellis explained that over a hundred items of work had been conducted and that therefore a significant number of issues were raised. The review identified a number of areas for improvement, (which were set out on pages 36 and 37 of the Agenda). In relation to the Office of Protocol, Mr Ellis said that there were no specific concerns, but the Office of Protocol would be reviewed annually to ensure best practice.

RESOLVED

That the Statement on Internal Control 2005/06 as set out in Appendix Three in the Report be approved.

7.3 Statement of Accounts 2005/06

The Committee received a report from Mr Alan Finch, the Service Head of Corporate Finance, which presented the Authority's draft Statement of Accounts for the financial year ending 31 March 2006, prior to Audit. During his introduction, Mr Finch raised two amendments to the report, which were received.

RESOLVED

- 1) That a minor, neutral amendment to the Balance Sheet on page 83 of the Agenda, showing "Debtors" as £102,324 and "Creditors" as £130,568, be noted;
- 2) That the draft final Statement of Accounts for the financial year ending 31st March 2006 (as amended above) be approved;
- 3) That it be noted that the Accounts would now be submitted for audit with those amendments.

8. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the Press and Public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.

8.1 Pension Fund Management Arrangements

SUMMARY OF EXEMPT PROCEEDINGS

RESOLVED

That the recommendations be agreed, including that Councillor L. Alexander be the representative of the Minority Group.

The meeting ended at 8.25 p.m.

Chair, Councillor Ahmed Adam Omer
Pensions and Accounts Committee