

Pension Fund Committee

Title: Audit of the Pension Fund Accounts for 2015/16

Date: 27 July 2016

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Electoral divisions affected: N/A

Summary

To present Grant Thornton's report on any significant findings from its audit of the Pension Fund Accounts.

Recommendation

The Committee is asked to NOTE the Accounts for the financial year ended 31 March 2016, to NOTE Grant Thornton's Audit Findings Report and to NOTE the Letter of Representation.

Resource implications

- 1 There are none arising directly from this report.

Other implications/issues

- 2 The Pension Fund's Unaudited Statement of Accounts were presented to the Pension Fund Committee at its meeting on 23 May 2016 and the Regulatory and Audit Committee as part of the Council's overall unaudited Statement of Accounts on 25 May 2016. They were signed by the Director of Assurance, the Council's appointed S151 officer. Grant Thornton audited the Pension Fund Accounts during June and we anticipate that Grant Thornton will issue an unqualified audit opinion on the pension fund's financial statements. There were no changes to the Net Assets Statements. The Accounts are attached as Appendix 1, there were some changes to note 12 – the changes are highlighted in the document.
- 3 Representatives from Grant Thornton will attend this meeting to present their Audit Findings Report, see Appendix 2. The Letter of Representation from the administering authority is also attached as Appendix 3.

- 4 As a consequence of the audit, changes to the fair value hierarchy disclosures, Note 12, of the accounts were agreed. This is due to the introduction of IFRS 13 for 2015/16 which adds greater clarity around how the fair value disclosures should be presented. Pooled investment vehicle investments of £612,221k relating to the Legal & General indexed equity and bond funds and Royal London Asset Management Sterling EX Y BD-Z fund were reclassified from Level 3 to Level 1. Property – unit trust investments of £186,330k relating to the Aviva investment portfolio were reclassified from Level 3 to Level 2. Dividend income receivable, cash deposits, current assets and current liabilities of £7,157k, £69,072k, £12,468k and £(4,764)k respectively were reclassified from Level 1 to Level 2.
- 5 The basis for this is that the LGIM investment and RLAM holding both have quoted prices so should be Level 1, even though the underlying assets that they invest in are Level 3. The property unit trust should be Level 2 as there is available market data. For dividend income receivable, cash deposits, current assets and current liabilities Grant Thornton recommended moving from Level 1 to Level 2. It should be noted that it is which Level the assets are classified rather than the amount disclosed in the accounts which has changed. In relation to all of the above the 2014/15 comparatives have been restated.
- 6 The Accounts, Grant Thornton's Audit Findings Report for the Pension Fund will be reported to the Regulatory & Audit Committee on 28 July 2016. Members of this Committee are requested to comment on the Statement of Accounts, the Audit Findings Report and the Letter of Representation.

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

- 7 Not applicable

Background Papers

Statement of Accounts for the Year Ended 31 March 2016

<http://www.buckscc.gov.uk/about-your-council/finance/accounts/>

