

Pension Fund Committee

Title: Audit of the Pension Fund Accounts for 2016/17

Date: 27 July 2017

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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 2017, 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 31 May 2017 and the Regulatory and Audit Committee as part of the Council's overall unaudited Statement of Accounts on 24 May 2017. They were signed by the Director of Finance and Assets, 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, 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 accounting standards issued but not adopted were agreed (2 Accounting policies), fair value hierarchy disclosures (Note 12) of the accounts were agreed and the text for related parties (Note 14) was amended to provide a clearer explanation.
- 5 Following the adoption of IRFS13 for Pension Fund accounts this year the Note 12 fair value hierarchy disclosure should be limited to investments. Dividend income receivable, current assets and current liabilities have been removed from the fair value hierarchy table and the 2015/16 comparator figures have been restated. For Note 19 there were some small changes to the amount paid as at 31 March 2017 for Partners Group contractual commitments. The Audit Findings Report also recommends that the reconciliation of monthly returns from scheduled and admitted bodies in respect of their contributions to the scheme is updated on a regular basis and all significant reconciling differences appropriately resolved. Management has agreed this recommendation. The Pensions Finance Officer role responsible for reconciling monthly contributions was vacant for 3 months from December 2016 to February 2017. The vacancy was filled but the new post holder handed in their notice after 6 weeks in the role citing workload volumes as one of the reasons for leaving. As the number of employers within the Fund has increased the reconciliation of employer contributions has become increasingly onerous. An additional post has been created and two Pensions Finance Officers were appointed with effect from 3 July 2017. It is envisaged that they will quality check each other's work in addition to providing cover for each other during short term absences. It is estimated that the contributions monitoring backlog will be up to date by the end of September.
- 6 The Accounts, Grant Thornton's Audit Findings Report for the Pension Fund was reported to the Regulatory & Audit Committee on 26 July 2017. 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 2017

<http://www.buckscc.gov.uk/media/4508957/draft-statement-of-accounts-2016-17-reg-audit.pdf>

