

WIRRAL COUNCIL

PENSIONS COMMITTEE

16 JULY 2018

SUBJECT:	STATEMENT OF ACCOUNTS 2017/18 – MERSEYSIDE PENSION FUND AND LETTER OF REPRESENTATION
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF FINANCE & INVESTMENT (S151)
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to present Members with the audited statement of accounts of Merseyside Pension Fund for 2017/18 and to respond to the Audit Findings Report from Grant Thornton.
- 1.2 Subject to outstanding work, Grant Thornton has indicated there will be an unqualified opinion and there are no adjustments affecting the Fund's reported financial position for the year ended 31 March 2018 of net assets of £8.6bn and no recommendations.
- 1.3 Grant Thornton's report expresses a positive outcome from their audit of the accounts and refers to the accounts being again prepared to a good standard with supporting working papers provided to the agreed timetable..

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The purpose of the Statement of Audited Accounts is to present the overall financial position of the Pension Fund as at 31 March 2018 in accordance with prescribed guidance.
- 2.2 The Statement of Accounts, including notes were prepared and available for audit by 31 May 2018, in compliance with statutory deadline that has come into force for 2017/18 reporting.
- 2.3 Grant Thornton is close to completion of its audit of the accounts and the Audit Findings Report is on this agenda. They may provide a verbal update at the meeting on the report and officers will respond if necessary.
- 2.4 There are no adjustments affecting the Fund's reported financial position for the year ended 31 March 2018 of net assets of £8.6bn. Two misclassifications of investment income included within note 12 and a small

number of disclosure adjustments to improve the presentation of the financial statements and annual report have been agreed.

- 2.5 The two misclassifications of investment income have been corrected and controls strengthened to prevent reoccurrence.
- 2.6 I have prepared a Letter of Representation on behalf of the Committee which gives assurances to the Auditor on various aspects relating to the Pension Fund.
- 2.7 The Audit Opinion will be issued following final completion of the audit, consideration of the Audit Findings Report and approval of the amended Statement of Accounts at both the Pensions Committee and the Audit and Risk Management Committee. Once approved, Grant Thornton has indicated that they will again issue an unqualified opinion, and state that the accounts present fairly the financial position of Merseyside Pension Fund as at 31 March 2018. Subject to this, the accounts as now shown will form the basis of the Annual Report for the year ended 31 March 2018.

3.0 RELEVANT RISKS

- 3.1 Not relevant for this report.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 Not relevant for this report.

5.0 CONSULTATION

- 5.1 Not relevant for this report

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 There are no previously approved actions outstanding.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are no implications arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 There are none arising directly from this report.

9.0 LEGAL IMPLICATIONS

- 9.1 There are no implications arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no planning or community safety implications arising from this report.

13.0 RECOMMENDATION/S

13.1 That Pensions Committee approves the audited Statement of Accounts for 2017/18, considers the amendments to the accounts, the Audit Findings Report and the Letter of Representation.

13.2 That Pensions Committee refers the recommendations to the Audit and Risk Management Committee.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 As required by International Standard on Auditing (UK) 260 and the Code of Audit Practice, the Auditor reports its findings on the audit of the Pension Fund Financial Statements to those charged with governance.

14.2 As the Pension Fund receives a separate Audit Findings Report, this report will first be considered by Pensions Committee, and then by Audit and Risk Management Committee.

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APPENDICES

1. The statement of accounts forms part of the draft annual report which is a separate item on the agenda at this Committee meeting.
2. Letter of Representation.

BACKGROUND PAPERS/REFERENCE MATERIAL

The Statement of Accounts plus relevant working papers and the Audit Findings Report from Grant Thornton were used in the production of this report.

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
PENSIONS COMMITTEE	
AUDIT AND RISK MANAGEMENT COMMITTEE	25 SEPTEMBER 2017
PENSIONS COMMITTEE	17 JULY 2017
AUDIT AND RISK MANAGEMENT COMMITTEE	26 SEPTEMBER 2016
PENSIONS COMMITTEE	19 SEPTEMBER 2016
AUDIT AND RISK MANAGEMENT COMMITTEE	28 SEPTEMBER 2015
PENSIONS COMMITTEE	28 SEPTEMBER 2015
AUDIT AND RISK MANAGEMENT COMMITTEE	28 SEPTEMBER 2015