

WIRRAL COUNCIL

PENSIONS COMMITTEE - 14 / 28 SEPTEMBER 2015

AUDIT AND RISK MANAGEMENT COMMITTEE – 28 SEPTEMBER 2015

SUBJECT:	ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2014/15 – MERSEYSIDE PENSION FUND
WARD/S AFFECTED:	ALL
REPORT OF:	ACTING SECTION 151 OFFICER
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 2014/15 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; there are no material adjustments and no recommendations.
- 1.3 Grant Thornton's report expresses a positive outcome from their audit of the accounts and refers to the outcome, in the context of MPF Officers working on a number of key projects throughout the year, as a significant achievement.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The LGPS regulations require the Pension Fund Annual Report to contain the Fund Accounts and Net Asset Statement with supporting notes and disclosures, prepared in accordance with proper practices.
- 2.2 International Standards on Auditing (UK&I) 720 requires that auditors read any information published with the accounts. It also states that the auditor should not issue an opinion until that other information is published.
- 2.3 The purpose of the Statement of Audited Accounts is to present the overall financial position of the Pension Fund as at 31 March 2015 in accordance with prescribed guidance.
- 2.4 Grant Thornton has completed its audit of the accounts and their Audit Findings Report was reported to Committee on 14 September 2015.
- 2.5 Officers have agreed to all of the suggested adjustments to the accounts and disclosures.

- 2.6 There was one mis-classification of £3.3 million which was categorised as equities instead of other investment balances. This has no effect on the net assets of the Fund as at 31 March 2015.
- 2.7 All suggested disclosure changes have been amended.
- 2.8 Within the internal controls section of the report, Grant Thornton has reported on three duplicate payments. These payments were identified by the accounts team at the Fund, as part of their regular routine reconciliation procedures. All monies have been recovered and preventative controls examined and strengthened where necessary.
- 2.9 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. A draft of this letter is included at appendix 1.
- 2.10 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 2015. Subject to this the accounts, as now shown, will form the basis of the Annual Report for the year ended 31 March 2015.

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 2014/15.

13.2 That Pensions Committee approves the Letter of Representation

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

13.4 That Pensions Committee approves the publication of the draft Annual Report

14.0 REASON/S FOR RECOMMENDATION/S

14.1 Under the Audit Commission Act 1998 and the Audit Commission Code of Audit Practice for Local Government, 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. Letter of Representation
2. The statement of accounts forms part of the draft annual report

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	14 SEPTEMBER 2015
PENSIONS COMMITTEE	17 SEPTEMBER 2014
AUDIT AND RISK MANAGEMENT COMMITTEE	16 SEPTEMBER 2013
PENSIONS COMMITTEE	18 SEPTEMBER 2013
AUDIT AND RISK MANAGEMENT COMMITTEE	18 SEPTEMBER 2012
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