

# WIRRAL COUNCIL

## PENSIONS COMMITTEE

19 SEPTEMBER 2016

<b>SUBJECT:</b>	<b>STATEMENT OF ACCOUNTS 2015/16 – MERSEYSIDE PENSION FUND</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>SECTION 151 OFFICER</b>
<b>KEY DECISION?</b>	<b>NO</b>

### 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 2015/16 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 material adjustments and one recommendation.
- 1.3 Grant Thornton's report expresses a positive outcome from their audit of the accounts and refers to the accounts being prepared to a good standard.

### 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 2016 in accordance with prescribed guidance.
- 2.2 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.
- 2.3 Officers have agreed to all of the suggested adjustments to the accounts and disclosures.
- 2.4 There was one mis-classification of £24.8 million, which was categorised as a pooled investment vehicle with the underlying asset class as a corporate bond instead of a pooled investment vehicle with the underlying asset class as equities. This has no effect on the net assets of the Fund as at 31 March 2016.
- 2.5 All suggested disclosure changes have been amended.

- 2.6 Within the audit findings against significant risks section all issues arising have been resolved.
- 2.7 The recommendation contained within the Appendix of the Grant Thornton report has been agreed by Fund Officers; MPF continues to work with our pooling partners and is agreeing enhanced monitoring procedures which include the review of the financial statements and audit reports.
- 2.8 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.
- 2.9 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 2016. Subject to this, the accounts as now shown will form the basis of the Annual Report for the year ended 31 March 2016.

### **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 2015/16, considers the amendments to the draft accounts and the draft 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 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. The statement of accounts forms part of the draft annual report which is a separate item on the agenda at this Committee meeting.

## **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**

<b>Briefing Note</b>	<b>Date</b>

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>PENSIONS COMMITTEE</b>	<b>28 SEPTEMBER 2015</b>
<b>AUDIT AND RISK MANAGEMENT COMMITTEE</b>	<b>28 SEPTEMBER 2015</b>
<b>PENSIONS COMMITTEE</b>	<b>15 SEPTEMBER 2014</b>
<b>AUDIT AND RISK MANAGEMENT COMMITTEE</b>	<b>17 SEPTEMBER 2014</b>
<b>PENSIONS COMMITTEE</b>	<b>16 SEPTEMBER 2013</b>
<b>AUDIT AND RISK MANAGEMENT COMMITTEE</b>	<b>18 SEPTEMBER 2013</b>
<b>AUDIT AND RISK MANAGEMENT COMMITTEE</b>	