



# Pensions Committee

23 September 2015

<b>Report title</b>	Annual Report and Accounts 2014/15	
<b>Originating service</b>	Pension Services	
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<b>Report to be/has been considered by</b>	Geik Drever Tel Email	Strategic Director of Pensions 01902 552020 <a href="mailto:geik.drever@wolverhampton.gov.uk">geik.drever@wolverhampton.gov.uk</a>

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## Recommendations for action or decision:

The Committee is recommended to approve:

1. The Annual Report for the year ending 31 March 2015, and its publication on the Fund's website following completion of the external audit.

The Committee is recommended to note:

1. PwC's draft annual audit report.

## **1.0 Purpose**

- 1.1 The purpose of this report is to seek the Committee's approval of the audited annual report for the year ending 31 March 2015, and its publication on the Fund's website.

## **2.0 Background**

- 2.1 Local Government Pension Scheme (LGPS) funds are required by law to produce an annual report and statement of accounts. These must be subject to external audit, and published no later than 30 September (accounts) and 1 December (annual report).
- 2.2 The draft Annual Report and Accounts were presented to Committee on 24 June, and have since been audited by the Fund's external auditor, PwC. A draft audit report is appended to this report, and PwC will also attend the Committee to present their findings.

## **3.0 Audit Findings**

- 3.1 Subject to the finalisation of certain audit work that was outstanding at the time of writing (and is set out in PwC's report), it is anticipated that PwC will issue an unqualified audit opinion. In addition to this, no significant internal control weaknesses have been identified.
- 3.2 As a result of PwC's audit work, a small number of changes have been made to the accounts. These were:
- The re-classification of cash held by the Fund's direct property agents from a current asset to an investment asset;
  - An adjustment to the breakdown of gains on investment assets between Profits and Losses on Disposal and Changes in Value of Investments.
- 3.3 These changes have had no impact on the bottom line of the Fund Account or the Net Assets Statement, meaning that the value of the Fund at 31 March 2015 remains at £11.5 billion, with the increase in value during the 2014/15 year being £1.3 billion.
- 3.4 PwC's findings are summarised in their 'Report to those charged with governance' (ISA 260 report), which is attached at Appendix A.

## **4.0 Publication**

- 4.1 It is recommended that the Annual Report and Accounts (Appendix B) be published on the Fund's website following approval by the Committee, and subject to the finalisation of PwC's audit work. This will be well in advance of the statutory deadline of 1 December.
- 4.2 The consolidated national Scheme Annual Report will be published by the Scheme Advisory Board in due course.

## **5.0 Financial implications**

5.1 The financial implications are discussed in the body of the report.

## **6.0 Legal implications**

6.1 This report contains no direct legal implications for the Authority.

## **7.0 Equalities implications**

7.1 This report has no equalities implications.

## **8.0 Environmental implications**

8.1 This report has no environmental implications.

## **9.0 Human resources implications**

9.1 The report has no human resources implications.

## **10.0 Corporate landlord implications**

10.1 This report has no corporate landlord implications.

## **11.0 Schedule of background papers**

- Draft Annual Report and Accounts 2014/15, Report to Pensions Committee, 24 June 2015

## **12.0 Schedule of Appendices**

14.1 Appendix A – Draft Audit Report

14.2 Appendix B – Annual Report 2015