

Pensions Committee

14 September 2016

Report title	Accounting Policies 2016/17	
Originating service	Pension Services	
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Recommendation(s) for action or decision:

The Committee is recommended to endorse:

1. The Funds' accounting policies for the 2016/17 financial year.

1.0 Purpose

- 1.1 The purpose of this report is to seek the Committee's endorsement of the accounting policies to be used in preparing the Funds' accounts for the 2016/17 financial year.

2.0 Background

- 2.1 Local Government Pension Scheme (LGPS) funds are required by law to produce an annual statement of accounts. In preparing these, funds must have regard to proper practice, and to any guidance which has the effective standing of 'statutory guidance'. That guidance is 'The Code of Practice on Local Authority Accounting in the United Kingdom' ('the Code'), which is prepared by the Chartered Institute of Public Finance and Accountancy (CIPFA), and updated annually.
- 2.2 CIPFA has issued the 2016/17 Code, and there are no significant changes from the 2015/16 Code that are expected to impact on the Funds' accounts.
- 2.3 As a result, the Funds are now in a position to determine and approve their accounting policies for 2016/17. As a matter of good practice, these are being presented for Committee's approval well in advance of the draft accounts themselves (which will be presented in June 2017), and are attached at Appendix 1 (West Midlands Pension Fund) and 2 (West Midlands ITA Pension Fund). The two policies are very similar, but vary slightly to reflect the differing composition of investment assets. It should be noted that, in anticipation of these policies being included in the 2016/17 financial statements, the past tense is generally used.

3.0 Financial implications

- 3.1 The accounting policies are a fundamental part of the Funds' financial governance frameworks. As there have been no changes to the policies from 2015/16, there are no financial implications arising from this report.

4.0 Legal implications

- 4.1 This report contains no direct legal implications for the authority.

5.0 Equalities implications

- 5.1 This report has no equalities implications.

6.0 Environmental implications

- 6.1 This report has no environmental implications.

7.0 Human resources implications

- 7.1 The report has no human resources implications.

8.0 Corporate landlord implications

8.1 This report has no corporate landlord implications.

9.0 Schedule of Appendices

9.1 Appendix 1 – West Midlands Pension Fund Accounting Policies 2016/17

9.2 Appendix 2 – West Midlands ITA Pension Fund Accounting Policies 2016/17