



Pensions Committee

24 September 2014

Report title	Annual report and accounts 2013/14	
Originating service	Pension Services	
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Recommendation(s) for action or decision:

The Committee is recommended to:

1. Approve the Fund's 2013/14 annual report and accounts and its publication on the Fund's website following completion of the external audit.

1.0 Purpose

- 1.1 Members are requested to note the contents of the draft 2013/2014 Report and Accounts for West Midlands Pension Fund and to approve their publication on the Fund's website following review by the Fund's auditor, PwC (see Appendix 1).

2.0 Background

- 2.1 The Statement of Accounts summarises the fund's transactions for the 2013/14 financial year and its year-end position as at 31 March 2014. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 which is based upon International Financial Reporting standards (IFRS) as amended for the UK public sector. The accounts have been approved by the Authority's Section 151 Officer, submitted to Audit Committee and are currently being audited by the Fund's external auditors, PwC (at the time of writing).
- 2.2 The annual report is prepared in accordance with Regulation 34 of the Local Government Pension Scheme (Administration) Regulations 2008 and in line with CIPFA guidance.
- 2.3 The Fund's annual audit report and findings will be presented to the Committee by PwC at the commencement of this meeting following the completion of their audit and provision of their audit opinion.

3.0 Key Points

- 3.1 There have been no significant changes to the figures in the statement of accounts since their submission to PwC (as at the time of writing). Minor amendments and corrections have been actioned during the course of the Fund audit.
- 3.2 In addition to the Statement of Accounts the Annual Report contains details of the management and financial performance for the year, the Fund's investment policy and returns and key policy documents.
- 3.3 The annual report and accounts are required to be published on the Fund's website on or before 1 December 2014.

4.0 Audit Opinion

- 4.1 There are no significant accounting issues that have been identified following the audit, and subject to the finalisation of certain audit work we expect to be issued with an unqualified audit opinion (see Appendices 2 and 3).

- 4.2 Some internal control weaknesses were identified. These were the monitoring of late contribution payments, maintaining the contributions spreadsheet and the performance of bank reconciliations. Currently 99% of the Fund's contributions are regularly received on or before the due date and there are no bad debts. To improve this further a new process has been implemented in collaboration with the Employer Team to contact late payers and log communications so that early intervention can be taken if required.
- 4.3 The contributions monitoring spreadsheet has been brought up to date following a backlog that developed subsequent to the loss of experienced staff. Arrangements are also being put into place to link the receipts with the general ledger following the transfer of this duty from Wolverhampton City Council (WCC) to the Pension Fund on 1 April 2014 and the implementation of the new Agresso accounting system which should provide management information when it is fully functional.
- 4.4 The bank reconciliation process was previously undertaken by staff at WCC and also transferred to the Pension Fund on 1 April 2014. The departure of the member of staff at WCC responsible for this process prior to the audit prevented queries from being sufficiently addressed. The Fund has now taken over this responsibility and will implement a bank reconciliation process later this year.

5.0 Financial implications

- 5.1 The financial implications are detailed in the 2013/2014 Annual Report and Accounts.

6.0 Legal implications

- 6.1 The report contains no direct legal implications for the Council.

7.0 Equalities implications

- 7.1 This report has no implications for the Council's equal opportunities policies.

8.0 Environmental implications

- 8.1 The report contains no direct implications for the Council's environmental policies.

9.0 Human resources implications

- 9.1 This report has no implications for the Council's human resources policies.

10.0 Schedule of background papers

- 10.1 There were no additional preceding background papers except those listed in the report.

11.0 Appendices

11.1 Appendix 1 – Annual report and accounts

11.2 Appendix 2 – Audit opinion

11.3 Appendix 3 – Draft audit report