

CITY OF
WOLVERHAMPTON
COUNCIL

Pensions Committee

6 September 2017

Report title Annual Report and Accounts 2016/17

Originating service Pension Services

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Report to be/has been considered by	Rachel Brothwood Tel Email	Director of Pensions 01902 551715 rachel.brothwood@wolverhampton.gov.uk

Recommendation for action or decision:

The Committee is recommended to approve:

1. The Annual Report for the year ending 31 March 2017, and its publication on the Fund's website following completion of the external audit.

Recommendations for noting:

The Committee is recommended to note:

1. Grant Thornton's Audit Findings Report.
2. That the Management Representation letter has been finalised and will be signed by the Chair on behalf of the Fund.

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 2017, 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 21 June, and have since been audited by the Fund's external auditor, Grant Thornton who will attend the Committee to present their findings.

3.0 Audit Findings

- 3.1 The Audit Findings Report on the Integrated Transport Authority (ITA) Fund was presented to the Committee meeting on 21 June. It was reported that Grant Thornton anticipated issuing an unqualified audit opinion on the ITA Fund accounts, and that they had identified no significant internal control weaknesses. This is now confirmed, with Grant Thornton who have signed their audit opinion on 26 July.
- 3.2 Subject to the finalisation of certain audit work that was outstanding at the time of writing (and which is set out in Grant Thornton's report), it is anticipated that Grant Thornton will issue an unqualified audit opinion for the main fund. In addition to this, no significant internal control weaknesses have been identified.
- 3.3 The audit process has proceeded largely as planned, with no significant obstacles being encountered. No significant changes will be made to either Fund's set of accounts.
- 3.4 There have therefore been no changes in the bottom line of the Fund Accounts or the Net Assets Statements, meaning that the value of West Midlands Pension Fund at 31 March 2017 remains at £14.3 billion, with the increase in value during the 2016/17 year being £2.6 billion, and the value of the ITA Fund remains at £502.8 million, with the increase for the year being £42.0 million.
- 3.5 Grant Thornton's findings arising from the audit of the main fund are summarised in their 'Report to those charged with governance' (ISA 260 report) (at the time of preparing this report, a draft report from Grant Thornton was not yet available, however it will be distributed to Committee members as soon it is available).
- 3.6 In accordance with international auditing standards, the Fund is required to confirm to the external auditor that it has complied with all relevant requirements and provided all relevant information to the auditor. This takes the form of a Management Representation letter, which has been prepared and which will be signed by the Chair prior to submission to the auditor.

4.0 Publication

- 4.1 It is recommended that the Annual Report and Accounts be formally approved by the Committee for publication, subject to the finalisation of Grant Thornton's audit work. This will be well in advance of the statutory deadline of 1 December.
- 4.2 The updated Annual Report can be found on the Fund's website by following the link, <http://www.wmpfonline.com/annualreports>. A copy will be made available at the Committee meeting.
- 4.3 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 2016/17, Report to Pensions Committee, 21 June 2017