

Report for:	Corporate Committee 19 th September 2013	Item number	
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Title:	Pension Fund Annual Report and Accounts 2012/13 and ISA260 Audit report
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Report authorised by :	<i>J. Paver 10/9/13</i> Director of Corporate Resources
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Lead Officer:	Ian Talbot, Interim Head of Finance – Treasury & Pensions ian.talbot@haringey.gov.uk 020 8489 8621
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Ward(s) affected: N/A	Report for Non Key Decision
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1. Describe the issue under consideration

- 1.1 This report presents the audited Pension Fund Annual Report and Accounts for 2012/13 and the Annual Governance Report of the external auditors, Grant Thornton, which reports on their annual audit of the Pension Fund accounts.

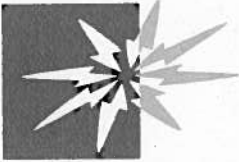
2. Cabinet Member Introduction

- 2.1 Not applicable.

3. Recommendations

- 3.1 That the Committee consider the contents of this report and any further verbal updates given at the meeting from Grant Thornton.
- 3.2 That the Committee approves the Pension Fund Annual Report and Accounts for 2012-13.

4. Other options considered



4.1 None.

5. Background information

5.1 The Local Government Pension Scheme Administration Regulations 2008 require local government pension funds to produce an annual report every year and they set out the contents of such a report. The report is required to be published by 1st December each year. One of the key components of the annual report is the audited pension fund accounts for the year. The pension fund accounts are also still required to be part of the Council's main accounts, even though they are audited separately. The deadline for the publication of the audited accounts is 30th September each year.

5.2 At the Corporate Committee meeting on 27th June 2012 Grant Thornton presented their plan detailing how they would undertake the audit of the 2012/13 accounts. The Audit Commission's statutory Code of Practice for Local Government bodies requires the external auditor to report to those charged with governance on matters arising from their audit before it is finalised.

6. Comments of the Chief Financial Officer and financial Implications

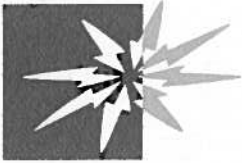
6.1 The Pension Fund auditors have recommended only that efforts continue to be made to ensure all contributions from admitted and scheduled bodies are made within 19 days of month end. This recommendation is accepted.

7. Head of Legal Services and Legal Implications

7.1 As the report confirms the Authority is required to publish a pension fund annual report in a specific format annually on or before 1 December of the year following the year end to which the annual report relates. Regulation 34 of the Local Government Pension Scheme (Administration) Regulations 2008 sets out this requirement and the format in which the report should be published. The annual report annexed to this report complies with the requirements of Regulation 34.

7.2 Members must take into account any verbal updates given (if any) by Grant Thornton at the meeting prior to approving the Pension Fund Annual Report.

8. Equalities and Community Cohesion Comments



8.1 There are no equalities issues arising from this report.

9. Head of Procurement Comments

9.1 Not applicable

10. Policy Implications

10.1 None.

11. Use of Appendices

- 11.1 Appendix 1: Pension Fund Annual Report and Accounts 2012-13
- Appendix 2: ISA260 - Annual Governance Report, Grant Thornton
- Appendix 3: Letter of Representation

12. Local Government (Access to Information) Act 1985

12.1 Not applicable.

13. Annual Report and Accounts 2012/13

- 13.1 The annual report has been prepared in accordance with the Local Government Pension Scheme Administration Regulations 2008 and includes all the items required.
- 13.2 The first section of the report sets out what the management arrangements for the Pension Fund were during 2012/13 including the Corporate Committee membership and the Fund's advisers. The following section covers investments setting out the investment strategy operated during the year and the resulting performance. The administration section is next, describing the administration arrangements during the year and reporting on the membership. The results of the last formal actuarial valuation are set out in the funding section. The Financial report follows and the appendices are the latest versions of the Pension Fund's policy statements.
- 13.3 The accounts are made up of the Fund Account, which shows income and expenditure during the year, the Net Assets Statement, which shows the Fund's investments and other asset and liabilities at the end of the year and the Notes to the Accounts which provide more detail about the figures.



13.4 In the Fund Account, it can be seen that net reductions from dealing with members, which is effectively contributions less benefits, totalled £1m in the year. This was substantially less than the £7m surplus seen the year before, due mainly to reductions in contributions receivable and transfers into the Fund.

13.5 The market value of the Fund was £863m on the balance sheet date of 31st March 2013. Offsetting the reductions described in 13.4 above, net returns on investments added £109m to the value of the Fund

14. Auditor's Annual Governance Report

14.1 The ISA260 - Annual Governance Report from Grant Thornton is attached at Appendix 2. This sets out their findings in detail. The report will be presented to the meeting by Mr Subarna Banerjee, the Audit Director.

15. Letter of Representation

15.1 The Chief Financial Officer is required to sign a letter of representation to acknowledge the responsibility for the fair presentation of the information in the financial statements and the Pension Fund Annual Report. A proposed draft of this letter is shown at Appendix 3 of this report for the Committee's information.