

Pension Fund Committee

8 September 2016



Statement of Accounts for the year ended 31 March 2016

Paul Darby, Interim Corporate Director Resources

Purpose of the Report

- 1 To present to Members the Pension Fund Statement of Accounts for the year ended 31 March 2016 and raise any significant issues arising from the accounts.

Background

- 2 In England and Wales, the 'Code of Practice on Local Authority Accounting 2015/16' (the Code) as published by the Chartered Institute of Public Finance and Accountancy (CIPFA) requires pension fund accounts for the Local Government Pension Scheme (LGPS) to be included in the Statement of Accounts of every authority that administers a LGPS fund.
- 3 The County Council, as Administering Authority, therefore, includes the Pension Fund Accounts in its 'Statement of Accounts'. These accounts are shown at Appendix 1.
- 4 The 'Accounts and Audit Regulations 2011' introduced a two stage approval process for the Statement of Accounts; the first stage is in June each year. The Regulations require that the responsible financial officer, by no later than 30 June, signs and certifies that the Statement of Accounts presents a "true and fair view" of the financial position of the Council for the year to 31 March previous, subject to the views of the External Auditor. This stage was completed on 30 June 2016.
- 5 The second stage, as set out in the Regulations, requires that on or before the 30 September, approval needs to be given to the Statement of Accounts by resolution of a committee, which for Durham County Council is the Audit Committee. This approval will take into account the views of the External Auditor. This is done in order that that the Statement of Accounts can then be published.
- 6 The Statement of Accounts is currently subject to audit by Mazars LLP. The audit of the accounts is ongoing. On completion, the Auditor's report will be incorporated into the published version of the document.

- 7 The full Statement of Accounts has been published on the County Council's website.

Accounting Requirements

- 8 The Statement of Accounts for the financial year 2015/16 is prepared in accordance with the 'Accounts and Audit Regulations 2003', as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 and 2009, the 'Accounts and Audit (England) Regulations 2011' and the 'Code of Practice on Local Authority Accounting 2015/16' (the Code) as published by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 9 The Code is based on approved accounting standards. In England and Wales, the local authority Code constitutes 'proper accounting practice' under the terms of section 21(2) of the Local Government Act 2003. The Council is therefore legally required to follow this Code of Practice. As a result, the accounts contain detail and are unavoidably technical and complex.
- 10 The Code confirms that the objective of pension fund accounts is to provide information about the financial resources and activities of the fund that might be useful in assessing the relationships between its benefit obligations and the accumulation of resources available to meet those obligations over time.
- 11 The Code requires that the following are included in the Pension Fund Accounts:
- a fund account - this shows the changes in net assets available for benefits;
 - a net assets statement - showing the assets available at the year end to meet benefits; and
 - notes to the accounts.

Key information from the Pension Fund Accounts

- 12 The Pension Fund accounts show that during 2015/16:
- net assets have decreased by £13.758 million to £2,321.217 million;
 - there was a net addition of £0.025 million as a result of contributions from members exceeding the benefits paid; and
 - there was a net loss of £2.293 million on the Pension Fund's investments.

Audit Completion Report

- 13 The final audit of the Statement of Accounts is now underway. At the end of this process, the Auditor will provide an Audit Completion Report detailing their comments and recommendation for improvements, based on the position at 31 March 2016.
- 14 The Audit Completion Report will be presented to Members along with an Action Plan, if required, designed to address any Auditor's recommendations at the conclusion of the Audit.

Summary

- 15 Members are asked to note the contents of this report.

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