
DRAFT ANNUAL REPORT & ACCOUNTS - UPDATE

Report by Chief Financial Officer

PENSION FUND COMMITTEE

04 September 2014

1 PURPOSE AND SUMMARY

1.1 **This report provides the Pension Fund Committee with an update on the External Audit of the Pension Funds Annual Report and Accounts.**

1.2 The Pension Fund Annual Report and Accounts have been fully audited and received and draft unqualified audit opinion. The audit report is shown in **Appendix 1.**

1.3 During the audit minor presentational amendments where required in the Statement of Investment Principles. These amendments are shown in **Appendix 2.**

1.4

2 STATUS OF REPORT

2.1 Due to the timeline involved in finalising the draft Auditors opinion it has not been possible to incorporate consultation comments, from mandatory consultees and as a result these any responses received will be made available at the meeting.

3 RECOMMENDATIONS

3.1 **It is recommended that the Pension Fund Committee:-**

(a) Notes the unqualified audit opinion in Appendix 1.

(b) Agrees the amendments to Statement of Investment Principles shown in Appendix 2.

4 BACKGROUND

4.1 The Local Government Pension Scheme Amendment (Scotland) Regulations 2010 specifies that an Annual report must be produced and lists the elements required. The draft report presented to the Pension Fund Committee on 17 June 2014 fully complied to these regulations.

4.2 The Annual Report and Accounts are subject to full External Audit. The appointed External Auditors for the Pension Fund Accounts are KPMG, who commenced the audit of the accounts on 7 July 2014.

5 Audit Update

5.1 KPMG have now fully completed the Audit of the Report and Accounts and have issued a draft unqualified audit opinion. Appendix 1 contains the audit report received. The Report and Accounts with the Audit opinion will be presented to the Audit Committee on 23 September 2014 for final sign off at Council on 26 September 2014.

5.2 During the audit process the Statement of Investment Principles (SIP) was reviewed as part of the funds key controls. The SIP was updated and approved at the December 2013 Pension Fund Committee and contained a presentational issue in the Strategic Asset Allocation table. The Auditors have also highlighted this issue during their Audit. Appendix 2 shows the amended presentation of the Strategic Asset Allocation for approval and updating of SIP.

6 IMPLICATIONS

6.1 Financial

There are no financial implications relating to this report.

6.2 Risk and Mitigations

This report is part of the governance reporting framework to manage the operation of the Pension Fund and reflects the compliance with the best practice recommendations.

6.3 Equalities

It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.

6.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability policy.

6.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

6.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

7 CONSULTATION

- 7.1 The Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council has been consulted in the preparation of this report and any comments received will be reported at the meeting.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers:

Previous Minute Reference: Pension Fund Committee 17 June 2014

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