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# **SCOTTISH BORDERS COUNCIL PENSION FUND ANNUAL REPORT AND ACCOUNTS 2014/15**

**Report by Chief Financial Officer**

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## **EXECUTIVE COMMITTEE**

**29 SEPTEMBER 2015**

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### **1 PURPOSE AND SUMMARY**

- 1.1 This report presents Members with the Scottish Borders Council Pension Fund's audited Annual Accounts for 2014/15.**
- 1.2 The Council's External Auditors, KPMG, have now completed the audit of the Council's 2014/15 Annual Accounts. KPMG have prepared the Annual Audit Report (see Item 13(a) on Agenda) and have provided an unqualified independent audit opinion.
- 1.3 The Annual Audit Report summarises KPMG's conclusions, including:
- An unqualified audit opinion
  - The Accounts have been prepared in accordance with relevant legislation, Codes of Practice and accounting requirements
  - High quality working papers
- 1.5 The audited Annual Accounts for Scottish Borders Council Pension Fund as contained in Appendix 1 are presented to the Executive Committee for approval prior to signature.

### **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Executive approve the audited Scottish Borders Council Pension Fund Annual Report and Accounts 2014/15 for signature by the Chair of the Pension Fund Committee and the Chief Financial Officer.**

### 3 BACKGROUND

- 3.1 The unaudited accounts for 2014/15 were submitted to KPMG, the External Auditors, by the statutory deadline, following presentation of the draft accounts to the Audit Committee at the June meeting. KPMG began their detailed audit work in July and this was completed by the beginning of September.
- 3.2 As part of the statutory requirements (the 2014 Regulation, the Circular and the Local Government Pension Fund (Scotland) Regulations 2014) the Council is required to advise the public of their right to inspect and object to the accounts and their supporting papers and make the documents available for inspection. This process was undertaken following the new timetable contained in the 2014 Regulations and the inspection period commenced on 1 July 2015.
- 3.3 The Council must meet the Local Authority Accounts (Scotland) Regulations 2014 (the 2014 Regulations) and Finance Circular 6/2015 (the Circular) requirement to have the audited Annual Accounts approved by the local authority or the committee with responsibility for audit or governance prior to signature on the 30 September 2015. It has been identified that the Council's Scheme of Administration does not provide this authority to the Audit & Risk Committee and the next Council meeting is not until the 7 October 2015. As a result Emergency Powers have been sought to seek approval to amend the scheme of Administration on a temporary basis to enable the Council, Pension Fund, Common Good and Trust Fund 2014/15 accounts to be submitted for approval to the Executive Committee on the 29 September, following consideration by the Audit & Risk Committee (28 September) thereby ensuring compliance with the statutory deadline of the 30 September 2015.
- 3.4 Following approval, the 2014 Regulations have the following requirements as set out in Part 3 Section 10 (3):

*Immediately **following the approval of the Annual Accounts** for signature, the statements which form part of those accounts are to be signed and dated as follows—*

- (a) the management commentary by the proper officer, the Chief Executive and the Leader of the Council;*
- (b) the statement of responsibilities by the Leader of the Council and the proper officer, who must also certify the matters referred to in paragraphs (5) and (6) respectively;*
- (c) the annual governance statement by the Chief Executive and the Leader of the Council;*
- (d) the remuneration report by the Chief Executive and the Leader of the Council; and*
- (e) the balance sheets by the proper officer, to authorise publication of the financial statements.*

The Circular clarifies that for the purpose of the pension funds it is considered more relevant and appropriate that the Convenor of the Pension fund is nominated to sign rather than the Leader of the Council. As a result Councillor Bill White will sign as Chair of the Pension Fund Committee. The proper officer for Scottish Borders Council is the Chief Financial Officer.

- 3.5 This report presents the audited Annual Report and Accounts of the Scottish Borders Council Pension Fund for the year ending 31 March 2015.
- 3.6 It is a statutory requirement to publish the audited annual accounts of the Pension Fund, and the 2014 Regulations require this to be done no later than 1<sup>st</sup> December 2015.

#### **4 EXTERNAL AUDITOR'S ANNUAL REPORT 2014/15**

- 4.1 KPMG has now completed the audit of the Pension Fund, and I am pleased to report that the Pension Fund Annual Report and Accounts 2014/15 has received an unqualified independent audit opinion.
- 4.2 KPMG's associated Annual Audit Report was presented as Item 6 (a) on the Agenda. As well as being unqualified, the report expresses the following headlines:-
- Annual Report and Accounts were prepared to a high standard
  - Accounts have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.
  - High quality working papers
  - Two audit adjustments were incorporated into the final financial statements.
  - Good and clear presentation throughout the Management Commentary

#### **5 IMPLICATIONS**

##### **5.1 Financial**

There are no additional financial implications for the Council.

##### **5.2 Risk and Mitigations**

The External Auditor's Annual Report identifies the potential risks and confirms that they are content that these risks are being managed effectively.

##### **5.3 Equalities**

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

##### **5.4 Acting Sustainably**

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

##### **5.5 Carbon Management**

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

## 5.6 Rural Proofing

This report does not relate to a new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

## 5.7 Changes to Scheme of Administration or Scheme of Delegation

As stated in paragraph 3.3 an Emergency Powers has been prepared to seek approval to amend the Scheme of Administration on a temporary basis with regard to the approval of the 2014/15 Annual Accounts.

## 6 CONSULTATION

6.1 The Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer HR and the Clerk to the Council are being consulted and any comments received on the report will be presented to the Committee. Comments received from the Chief Officer Audit and Risk have been incorporated into the report.

6.2 The Audit & Risk Committee considered the audited accounts and external audit report on the 28 September 2015.

### Approved by

**David Robertson**  
Chief Financial Officer

Signature .....

### Author(s)

Name	Designation and Contact Number
Lynn Mirley	Corporate Finance Manager 01835 825016

### Background Papers:

**Previous Minute Reference:** Audit & Risk Committee, 30 June 2015

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. The Corporate Finance Manager can also give information on other language translations as well as providing additional copies.

Contact us at: Lynn Mirley, Corporate Finance Manager, Scottish Borders Council, Council HQ, Newtown St Boswells, Melrose TD1 0SA, 01835 825016, [treasuryteam@scotborders.gov.uk](mailto:treasuryteam@scotborders.gov.uk)