

SURREY COUNTY COUNCIL

SURREY PENSION FUND COMMITTEE

DATE: 13 SEPTEMBER 2019

LEAD OFFICER: LEIGH WHITEHOUSE, SECTION 151 OFFICER

SUBJECT: DRAFT ANNUAL REPORT & AUDITED STATEMENT OF ACCOUNTS



SUMMARY OF ISSUE:

The Pension Fund Committee's role is to approve the Annual Report, which contains the audited statement of accounts together with other information about the Fund's performance during 2018/19. The Annual Report is included as Annex 1.

The external auditor (Grant Thornton) has issued an unqualified opinion on the accounts and this is outlined in the External Audit Findings Report (Annex 2).

RECOMMENDATIONS:

It is recommended that the Pension Fund Committee:

1. Notes and approves the Draft Annual Report with the Audited Pension Fund Accounts for publication subject to audit approval.
 - The Audited Pension Fund Accounts are included as a hyperlink in the Draft Annual Report and can be found using the link below on pages 137-179. The Full Pension Fund Accounts will be included in the Annual Report when sent to Audit for approval.

https://www.surreycc.gov.uk/_data/assets/pdf_file/0018/203634/Statement-of-Accounts-2018-19-signed-full-size-compressed.pdf
 - The Annual Report to be sent to audit will also contain the statutory inclusion of the Fund's full Investment Strategy Statement, approved by the Pension Fund Committee on 8 February 2019, and the 2016 Funding Strategy Statement.
2. Notes the content of the 'External Audit Findings for Surrey Pension Fund' Report as set out in Annex 2, which reviewed the Pension Fund Statement of Accounts 2018/19; Grant Thornton found no material misstatements in the accounts and issued an unqualified opinion
3. Notes the Letter of Representation with regard to the Surrey Pension Fund Statement of Accounts as set out in Annex 3.

REASON FOR RECOMMENDATIONS:

Under the Local Government Pension Scheme (Administration) Regulations 2008, administering authorities of LGPS funds are required to prepare a pension fund annual report.

The Pension Fund Committee must approve all financial statements produced for the Pension Fund.

DETAILS:

1. The Surrey Pension Fund Statement of Accounts was presented to the Audit and Governance Committee at its meeting on 29 July 2019.
2. The external auditor is required to report on the Pension Fund Financial Statements. During the external audit, Grant Thornton identified some minor issues, which led to minor amendments being made to the 2018/19 draft financial statements and related notes to the accounts.
3. A link to the financial statements and notes to the accounts is included as part of the Pension Fund Annual Report 2018/19 in Annex 1.
4. The External Audit Findings for the Surrey Pension Fund is presented at Annex 2 and sets out a summary of the work carried out, the conclusion reached and recommendations made. The Pension Fund Committee will note that Grant Thornton issued an unqualified opinion on the financial statements.
5. In line with good governance, the letter of representation, signed by the Section 151 Officer is included at Annex 3. The letter of representation confirms that the financial statements have been presented fairly and in accordance with International Financial Reporting Standards and the CIPFA Code of Practice
6. The Audit and Governance Committee approved the report and associated attachments at the 29 July 2019 meeting.

CONSULTATION:

7. The Chairman of the Pension Fund has been consulted and offered full support for the proposals.

RISK MANAGEMENT AND IMPLICATIONS:

8. There are risk related provisions detailed within the Hymans report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

9. Financial and value for money implications are contained within the financial statements and the External Audit Findings Report.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

10. The Director of Corporate Finance has overseen the full process of the compilation of the financial statements and the external audit process.

LEGAL IMPLICATIONS – MONITORING OFFICER

11. There are no legal implications or legislative requirements

EQUALITIES AND DIVERSITY

12. The approval of the financial statements does not require an equality analysis, as the initiative is not a major policy, project or function being created or changed.

OTHER IMPLICATIONS

13. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

14. The following next steps are planned:

- Approval of the audited financial statements
- Inclusion of the Investment Strategy Statement and Funding Strategy Statement in the Pension Fund Annual Report 2018/19
- Review by External Auditors, Grant Thornton, to provide Statement of Consistency of Pension Fund Accounts 2018/19 and Pension Fund Annual Report 2018/19

Contact Officer:

Mamon Zaman, Senior Accountant

Consulted:

Pension Fund Committee Chairman

Annexes:

Annex 1 – Surrey Pension Fund Annual Report 2018/19

Annex 2 – External Audit Findings Report

Annex 3 – Section 151 Officer Letter of Representation

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