

PART 1 - PUBLIC

Decision Maker: Pensions Investment Sub-Committee

Date: 8th September 2010

Decision Type: Non-Urgent Non-Executive Non-Key

Title: PENSION FUND - 2009/10 AUDIT PLAN

Contact Officer: Martin Reeves, Group Accountant (Technical)
Tel: 020 8313 4291 E-mail: martin.reeves@bromley.gov.uk

Chief Officer: Director of Resources

Ward: All

1. Reason for report

1.1 At its meeting on 23rd March 2010, the Audit Sub-Committee resolved that the 2009/10 Audit Plan of the Pension Fund be noted and referred to the Pension Investment Sub-Committee for consideration. The auditor, PricewaterhouseCoopers LLP (PWC), has now effectively finished the audit of the Council's accounts, including the Pension Fund, and the plan is submitted here for information.

RECOMMENDATIONS

2.1 The Sub-Committee is asked to note the Pension Fund Audit Plan for 2009/10 and agree that the 2010/11 plan should be submitted earlier to enable consideration in advance of the audit.

Corporate Policy

1. Policy Status: Existing policy. The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 2007, for the purpose of providing pension benefits for its employees. These regulations allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: No cost
 2. Ongoing costs: Recurring cost. Separate audit fee for Pension Fund £35,000 in 2009/10. Total fund administration costs £2.9m in 2009/10 (includes fund manager/actuary fees, Liberata charge and officer time)
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £31.4m expenditure in 2009/10 (pensions, lump sums, admin, etc); £40.8m income (contributions, investment income, etc); £446.4m total fund value at 31st March 2010)
 5. Source of funding: Contributions to Pension Fund
-

Staff

1. Number of staff (current and additional): 0.6 fte (current)
 2. If from existing staff resources, number of staff hours: c21 hours per week
-

Legal

1. Legal Requirement: Statutory requirement. Local Government Pension Scheme (LGPS) Regulations 2007 and LGPS (Administration) Regulations 2008
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 5,360 current employees; 4,413 pensioners; 3,607 deferred pensioners (as at 31st March 2010)
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 On 23rd March 2010, the Audit Sub-Committee received a report “External Audit Reports” that informed Members of the external audit activity, plans for the 2009/10 audit (including a separate plan for the Pension Fund) and the Annual Audit Letter summarising the 2008/09 audit work carried out by PWC. The Pension Fund Audit Plan is attached as Appendix 1 and was prepared by PWC to inform Members and officers about the responsibilities the external auditors have and how they planned to discharge them in accordance with the Audit Commission’s Code of Practice. The plan was prepared in consultation with officers and included an analysis of key risks, PWC’s audit strategy, reporting and audit timetable and other matters.
- 3.2 The Audit Sub-Committee was invited to comment on the report and agreed that the Pension Fund Audit Plan be referred to the Pension Investment Sub-Committee for consideration. It was originally intended to submit the plan to the May meeting, but this was not achieved and the plan is now submitted for information, as the auditor has now essentially completed the audit. The 2010/11 Audit Plan will be submitted to Members in advance of the audit to enable proper consideration and opportunity to comment.
- 3.3 The Council’s accounts have been prepared in accordance with the requirements of both the LGPS Regulations and the CIPFA Statement of Recommended Practice. The accounts have been audited as part of the overall audit of the Council’s Accounts by PricewaterhouseCoopers LLP (PWC) and were approved in draft form by the General Purposes and Licensing Committee on 30th June 2010. At the time of writing, no issues have been raised on the Pension Fund accounts and the auditor anticipates issuing an unqualified audit opinion on the financial statements, including the Pension Fund accounts.

4. POLICY IMPLICATIONS

- 4.1 The Council’s Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 2007, for the purpose of providing pension benefits for its employees. These regulations allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.

5. FINANCIAL IMPLICATIONS

- 5.1 The fee for the separate audit of the Pension Fund Annual Report was £35,000 in 2009/10 (£38,500 in 2008/09), which was charged to the Pension Fund Revenue Account.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	LGPS Regulations 2007 & LGPS (Administration) Regulations 2008.