

Decision Maker: Pensions Investment Sub-Committee

Date: 12th February 2013

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

Title: PENSION FUND - 2012/13 AUDIT PLAN

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Chief Officer: Director of Resources

Ward: All

1. Reason for report

The Audit Sub-Committee has previously resolved that the Audit Plan of the Pension Fund should be referred to the Pensions Investment Sub-Committee for consideration. The auditor, PricewaterhouseCoopers LLP (PWC), has submitted the plan and it is referred here for information and comment.

RECOMMENDATION(S)

The Sub-Committee is asked to:

2.1 Consider the Pension Fund Audit Plan for 2012/13.

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.
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Financial

1. Cost of proposal: No cost
 2. Ongoing costs: Recurring cost. Separate audit fee for Pension Fund £35,000 in 2012/13. Total fund administration costs estimated at £1.9m (includes fund manager/actuary fees, Liberata charge and officer time)
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £34.3m expenditure (pensions, lump sums, admin, etc); £41.3m income (contributions, investment income, etc); £526.0m total fund value at 31st December 2012)
 5. Source of funding: Contributions to Pension Fund
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Staff

1. Number of staff (current and additional): 0.4 fte (current)
 2. If from existing staff resources, number of staff hours: c14 hours per week
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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.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 5,054 current employees; 4,718 pensioners; 4,380 deferred pensioners (as at 31st December 2012)
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Ward Councillor Views

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

3. COMMENTARY

- 3.1 In accordance with a decision of the Audit Sub-Committee in March 2010, the Pension Fund Audit Plan is attached as Appendix 1 for consideration by Members of the Pensions Investment Sub-Committee. The Plan was prepared by PWC to inform Members and officers about the responsibilities the external auditors have and how they plan to discharge them in accordance with the Audit Commission's Code of Practice. The plan was prepared in consultation with officers and includes an analysis of key risks, PWC's audit strategy, reporting and audit timetable and other matters.
- 3.2 The Council's accounts are being prepared in accordance with the requirements of both the LGPS Regulations and the CIPFA Statement of Recommended Practice and will be audited as part of the overall audit of the Council's Accounts by PricewaterhouseCoopers LLP (PWC).

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. LEGAL IMPLICATIONS

- 5.1 The statutory provisions relating to the administration of the Local Government Pension Scheme are contained in the Local Government Pension Scheme (LGPS) Regulations 2007 and LGPS (Administration) Regulations 2008, which are made under the provisions of Section 7 of the Superannuation Act 1972.

6. FINANCIAL IMPLICATIONS

- 6.1 The fee for the separate audit of the Pension Fund Annual Report was £35,000 in 2011/12, which was charged to the Pension Fund Revenue Account. The base fee for the 2012/13 audit is £21,000, although, as is indicated on page 18 of the Plan, this is based on a number of assumptions and could increase.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	LGPS Regulations 2007 & LGPS (Administration) Regulations 2008. PWC Audit Plan 2012/13