

PART 1 - PUBLIC

Decision Maker: Pensions Investment Sub-Committee

Date: 10th May 2011

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

Title: PENSION FUND - 2010/11 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

The Sub-Committee is asked to:

2.1 Note the Pension Fund Audit Plan for 2010/11.

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 2010/11. Total fund administration costs estimated at £2.5m (includes fund manager/actuary fees, Liberata charge and officer time)
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £31.6m expenditure (pensions, lump sums, admin, etc); £40.3m income (contributions, investment income, etc); £489.7m total fund value at 31st March 2011)
 5. Source of funding: Contributions to Pension Fund
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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
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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): 5,246 current employees; 4,522 pensioners; 3,859 deferred pensioners (as at 31st March 2011)
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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 included an analysis of key risks, PWC's audit strategy, reporting and audit timetable and other matters.
- 3.2 The Council's accounts have been 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. FINANCIAL IMPLICATIONS

- 5.1 The fee for the separate audit of the Pension Fund Annual Report was £35,000 in 2010/11 (unchanged from the 2009/10 fee), 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.