

Bath & North East Somerset Council

MEETING:	Avon Pension Fund Committee	
MEETING DATE:	21 September 2012	AGENDA ITEM NUMBER
TITLE:	2011/12 Audited Statement of Accounts, the Annual Governance Report & draft Annual Report and Accounts	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – 2011/12 Audited Statement of Accounts Appendix 2 – Draft Annual Governance Report 2011/12 Appendix 3 – Draft Avon Pension Fund Annual Report 2011/12		

1 THE ISSUE

- 1.1 The Annual Governance Report summarises the results of the Audit Commission's audit of the 2011/12 accounts. It includes the issues arising from the audit of the financial statements and those issues which they are formally required to report under the Audit Commission's Code of Audit Practice and International Standard of Auditing (UK & Ireland) (ISA(UK&I) 260) – "Communication of audit matters with those charged with governance".
- 1.2 The Audited Statement of Accounts is now presented for final approval and the Annual Governance Report to be noted.
- 1.3 The Corporate Audit Committee will be recommended to approve the final audited Statement of Accounts for 2011/12 and note the issues raised in the Governance reports at its meeting on 27 September 2012, subject to any recommendations from the Avon Pension Fund Committee.
- 1.4 The Fund's Annual Report 2011/12 is a statutory document which the Auditor reviews as part of the Fund's audit. The Committee is asked to approve the draft report on the basis that no substantive changes will be made following Committee approval.

2 RECOMMENDATION

That the Committee:

- 2.1 Approves the final audited Statement of Accounts for 2011/12.**
- 2.2 Notes the issues raised in the Annual Governance Report.**
- 2.3 Approves the draft Avon Pension Fund Annual Report 2011/12.**
- 2.4 Notes the arrangements for distribution of the 2011/12 Annual Report & Accounts**

3 FINANCIAL IMPLICATIONS

- 3.1 The Pension Fund's Statement of Accounts shows the Total Net Assets at 31 March 2012 as £2,766,294 thousand. This is unchanged from the figure in the draft accounts prior to the external audit.

4 THE AUDITED STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE REPORT

- 4.1 The Committee noted the draft Statement of Accounts 2011/12 at its meeting of 22 June 2012.
- 4.2 Following comments by members of the Committee at its meeting of 22 June additional explanations and clarifications have been added to notes 12 and 24 of the Statement of Accounts. In note 12 these relate to currency hedging and to residual balances held by former Investment managers. In note 24 these relate to the switch from the UK Gilt portfolio to Corporate Bonds. Since then there have been no other significant presentational or technical changes to the accounts.
- 4.3 The Annual Governance report is in Appendix 2. The Auditor has not raised any significant issues.

5 CHANGES FROM LAST YEAR'S STATEMENT OF ACCOUNTS

- 5.1 The Statement of Accounts 2010/11 differed significantly from the 2009/10 Statement of Accounts in order to comply with the then new CIPFA code of practice based on International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). The 2011/12 Statement of Accounts was prepared on the same basis consequently there is no significant change in the 2011/12 Statement of Accounts from the 2010/11 Statement of Accounts.

6 DRAFT ANNUAL REPORT AND ACCOUNTS 2011/12

- 6.1 Under the Local Government Pension Scheme (Administration) Regulations 2008, the annual report has become a statutory document, with all funds required to publish a report annually by 1 December. As this is before the next committee meeting, the Committee are asked to approve the 2011/12 report in draft form. No substantive changes are expected to be made following the Committee's approval. The report will be published ahead of the 1 December 2012 deadline.
- 6.2 The external auditor has reviewed the annual report as part of the audit.
- 6.3 An electronic copy of the 2011/12 Annual Report will be sent to all employing bodies in the Avon Pension Fund (with a request that it is made available to their pension scheme members for reference purposes). Hard copies will be available on request. Scheme members will be able to most easily access a copy of the Annual Report either via their employer, on the Avon Pension Fund website or at any of the clinics organised by the Fund. In addition, the next newsletters for members will include a synopsis of the Annual Report.

7 RISK MANAGEMENT

- 7.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment and funding strategy that is regularly monitored. In addition it monitors the benefits administration, the risk register and compliance with relevant investment, finance and administration regulations. The work in

relation to this years audit has not identified any new corporate risks or significant changes.

7 EQUALITIES

7.1 An equalities impact assessment is not necessary

8 OTHER OPTIONS CONSIDERED

8.1 None as this report is a statutory requirement.

9 CONSULTATION

9.1 Consultation has been carried out with the Section 151 Finance Officer.

10 ISSUES TO CONSIDER IN REACHING THE DECISION

10.1 No decision as this is a statutory requirement.

11 ADVICE SOUGHT

11.1 The Council's Monitoring Officer and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Martin Phillips, Finance and Systems Manager (Pensions) (01225) 395259
Background papers	Pension Fund Committee 22 June:Draft Statement of Accounts
Please contact the report author if you need to access this report in an alternative format	