



PENSIONS COMMITTEE 23 September 2014	
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Subject Heading:	PENSION FUND ACCOUNTS 2013/14
CMT Lead:	Andrew Blake Herbert
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Policy context:	Pension Fund Accounts to be noted by the Pensions Committee prior to agreement by the Audit Committee
Financial summary:	The report comments on the Pension Fund Accounts for the year ended 31 March 2014

The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

This report provides Members with an extract of the Council's Statement of Accounts for the year to 31st March 2014 showing the unaudited accounts of the Havering Pension Fund as at that date.

RECOMMENDATIONS

That the Committee consider and note the Havering Pension Fund unaudited Accounts as at 31st March 2014 and consider if there are any issues that need to be brought to the attention of the Audit Committee.

REPORT DETAIL

1. Background

- 1.1 The Council's Statement of Accounts for 2013/14 which are currently being audited will be presented to the Audit Committee for agreement on the 25th September 2014. As these accounts include the Pension Fund accounts any matters which, in the opinion of the Pensions Committee, would require any amendments to the accounts will need to be reported to the Audit Committee.
- 1.2 At the time of writing this report the Pension Fund Accounts are still subject to final clearance by our auditor's PricewaterhouseCoopers (PwC) as part of the overall audit of the Council's accounts. Once our auditors have cleared the accounts any changes will be distributed as a late item.
- 1.3 Key items to note from the statement are:
 - The Net Assets of the Fund have increased to **£506m** for 2013/14 from £461m in 2012/13, a net increase of £45m.
 - The net increase of £45m is compiled of a change in the market value of assets of £24m, investment income of £9.2m and net additions of cash of £13m and offset by management expenses of (£1.2m).
 - The overall return on the Fund's investments was 7.0% (net of fees). This represented an out performance of 1.5% against the tactical benchmark and an out performance of 7.0% against the strategic benchmark.
 - A copy of the audited Pension Fund Accounts and the auditors' opinion will be included in the 2013/14 Pension Fund Annual Report.

Pensions Committee, 23 September, 2014

The statutory publication date for the 2013/14 Pension Fund Annual Report is 1 December 2014.

- 1.4 The 2013/14 Pension Fund Annual report will be presented to the Pensions Committee on 25 November to meet the statutory publication date of 1 December 2014.
- 1.5 Included on this agenda is the draft ISA 260 report from our external auditor PWC and our response which will be circulated to members prior to the meeting. It summarises their findings from the 2013/14 audit to date. It sets out key findings that will be considered by the auditors when considering their opinion, conclusion and certificate.

IMPLICATIONS AND RISKS

Financial Implications and risks:

Pension Fund Managers' performance is regularly monitored in order to ensure that the investment objectives are being met and consequently minimise any cost to the General Fund.

Regulation 11 of the Accounts and Audit regulations require the publication of the Statement of Accounts after the conclusion of the audit but in any event no later than the 30th September 2014.

Legal Implications and risks:

On the basis that there are no specific issues raised by the external auditor, there are no legal implications arising directly from this report.
None arising directly

Human Resources Implications and risks:

None arising directly

Equalities and Social Inclusion Implications and risks:

None arising directly

BACKGROUND PAPERS

Working papers held within the Corporate Finance section.
Draft statement of Accounts 2013/14