

Committee: Pension Fund Advisory Committee

Date: 23 June 2015

Agenda item: 4

Wards: All

Subject: Draft Pension Fund Accounts 2014/15 and Audit Progress Report

Lead officer: Caroline Holland Director of Corporate Services

Lead member: Councillor Imran Uddin

Forward Plan reference number: N/A

Contact office: Paul Dale

Access to Information: This report is classified as Public

Recommendations:

1. Note the contents of this report; and
 2. Note the draft 2014/15 Pension Fund Accounts included as Appendix A to this report
 3. Note the Audit Progress Report from Ernst & Young included as Appendix B
 4. Note the Annual Audit Fee letter 2014/15 for the Pension Fund included as Appendix C
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Pension Fund accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code) governing the preparation of the 2014/15 financial statements for Local Government Pension Scheme funds.

The London Borough of Merton is the reporting entity for this pension fund. The fund is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2009 (as amended 2013)

The actuarial present value of promised retirement benefits is valued on an International Accounting Standard (IAS) 19 / 26 basis.

2. FUND ACCOUNT AND KEY FACTS

- 2.1 The fund net asset available to fund benefits as at 31 March 21015 was £542,590k (2013/14 £472,250k). £35,323k was received in contributions and transfers in from other funds while £23,223k was paid out in benefit obligations,

transfers out of the fund and fund related expenses. There are currently 11 contributing employers in the Fund including the council.

- 2.2 The fund asset is managed by four investment managers Aberdeen Asset Management 44%, UBS 55% and BlackRock 1%
- 2.3 The net asset of £542.6m was up by £70.4m from last year. This increase was as result of the combination of income earned from investments, net income from contributions and increased valuation of its investments

3. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 3.1 All relevant financial and risk implications have been included in the fund accounts appendix A to this report.

4. LEGAL AND STATUTORY IMPLICATIONS

- 4.1 All relevant implications are included in the report.

5. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 5.1 N/A

6. CRIME AND DISORDER IMPLICATIONS

- 6.1 N/A

7. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 7.1 N/A

8. APPENDICES

- 8.1 Draft Pension Fund Accounts 2014/15.

9. BACKGROUND PAPERS

- 9.1 Draft Pension Fund Accounts 2014/15.

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