

# **Falkirk Council**

## **Pension Fund**

### **Annual report on the 2012/13 audit**



Prepared for Members of Falkirk Council as administering body for Falkirk Council Pension Fund  
and the Controller of Audit  
October 2013

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# Contents

<b>Key Messages .....</b>	<b>4</b>
Financial Statements.....	4
Financial position .....	4
Funding position.....	4
Governance & accountability.....	4
Performance.....	4
Outlook.....	5
<b>Introduction.....</b>	<b>6</b>
<b>Financial statements .....</b>	<b>7</b>
Accounting issues .....	8
<b>Financial position .....</b>	<b>9</b>
Financial results .....	9
Funding position.....	9
Outlook.....	10
<b>Governance and accountability .....</b>	<b>11</b>
Corporate governance.....	11
Governance Compliance Statement.....	12
Internal control .....	12
Internal audit .....	12
Prevention and detection of fraud and irregularities.....	13
NFI in Scotland.....	13
Standards of conduct & arrangements for the prevention/detection of bribery & corruption.....	13
Outlook.....	14
<b>Best Value, use of resources and performance.....</b>	<b>15</b>
Management arrangements .....	15
National performance reports .....	17
<b>Appendix A: outputs.....</b>	<b>18</b>
<b>Appendix B: action plan .....</b>	<b>19</b>

# Key Messages

## Financial Statements

We have given an unqualified opinion that the financial statements of Falkirk Council Pension Fund for 2012/13 give a true and fair view of the state of affairs of the Fund as at 31 March 2013 and of the income and expenditure for the year then ended.

## Financial position

The Fund had net assets of £1,463 million as at 31 March 2013. The actuarial value of promised retirement benefits at the accounting date has been estimated by the actuary as £2,011 million, giving a net liability of £548 million as at 31 March 2013 (£432 million as at 31 March 2012).

## Funding position

The most recent triennial valuation was reported in January 2012. The report highlighted that the fund's assets valued at 31 March 2011 (£1,199 million) were sufficient to meet 86% of its liabilities accrued up to that date, resulting in a funding shortfall of £194 million. This represents an improved position from the previous triennial valuation that reported a funding position of 79% (a funding shortfall of £255 million). A recent interim report based at 31 March 2013 indicated that the funding position had fallen back to 78.4%, reflecting market volatility.

The introduction of annual budgets for administration costs will strengthen financial monitoring arrangements further.

## Governance & accountability

The Falkirk Council Pensions Fund has sound governance arrangements that include a Pensions Committee supported by an advisory Pensions Panel with representatives from admitted bodies, pensioners and trade unions.

We also concluded that the Pension Fund has sound internal controls (including internal audit) and adequate arrangements for the prevention and detection of fraud and corruption.

## Performance

Over the long term, the overall level of investment return achieved by the fund is expected to exceed the rate of return assumed by the actuary in valuing the Fund. Investment returns of Falkirk Council Pension Fund have outperformed benchmark targets over the short, medium and longer term. The current rolling three year performance is also ahead of benchmark.

## Outlook

The global economic outlook remains uncertain and this continues to present particular problems for investment management and strategy. With investment performance key to the funding position of the LGPS, this may impact on employer contributions in the medium term.

Against this backdrop, there are ongoing developments that may have a significant impact on the form and operation of local government pension schemes. For example there are the recommendations of the Hutton Report, auto enrolment, and governance requirements of the Public Service Pensions Act 2013.

Following recommendations made by the Public Service Pension Commission, headed by Lord Hutton, the Government is looking to reform the Local Government Pension Scheme (LGPS), along with other public service schemes. As people are living longer, and so drawing a pension for longer, the Government is proposing that changes should be made to the LGPS. England and Wales are well advanced in preparing for these changes, whereas the position in Scotland has yet to be fully clarified.

Auto enrolment will place additional financial pressures on employer budgets and place administrative pressure on Falkirk Council Pension Fund staff. Furthermore, the requirements to move to pensions based on average pay, and the subsequent need to administer individual pension entitlements based on a range of elements across a number of years, this will be a significant challenge for the fund.

Additionally, Public Service Pensions Act 2013 has new governance requirements. Currently Falkirk Council Pension Fund follows best practice in its governance arrangements, having a separate Pensions Committee and Pensions Panel. The 2013 Act brings in a statutory requirement for a 'Pensions Board' and the Fund will have to decide the most appropriate way forward to accommodate this.

The co-operation and assistance given to us by officers during the conduct of our audit is gratefully acknowledged.

# Introduction

1. This report is the summary of our findings arising from the 2012/13 audit of the Falkirk Council Pension Fund. The purpose of the annual audit report is to set out concisely the scope, nature and extent of the audit, to summarise the auditor's opinions on the financial statements and conclusions on any significant issues arising. The report is divided into sections which reflect the public sector audit model.
2. Appendix A provides details of our reports issued during 2012/13. We do not repeat all of the findings in this report, but instead focus on the financial statements and any significant findings from our wider review of the fund.
3. Appendix B is an action plan setting out the high level risks we have identified from the audit. Officers have considered the issues and agreed to take specific steps in the column headed "planned management action". We do not expect all risks to be eliminated or even minimised. What we expect is that those charged with governance understand and have arrangements in place to manage risks. The administering authority should ensure that those charged with governance are satisfied with the proposed management action and have a mechanism in place to assess progress.
4. This report is addressed to Falkirk Council, as administering body for the Pension Fund, and the Controller of Audit. It should be made available to the public and other stakeholders. Audit is an essential element of accountability and the process of public reporting. This report will be published on our website after consideration by those charged with governance.
5. The management of an audited body is responsible for preparing financial statements that show a true and fair view and for implementing appropriate internal control systems. Weaknesses or risks identified by auditors are only those which have come to their attention during their normal audit work and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

# Financial statements

6. Audited bodies' financial statements are an essential part of accounting for their stewardship of the resources made available to them and their performance in the use of those resources.
7. Auditors are required to audit financial statements in accordance with the timescales set by Audit Scotland, which may be shorter than statutory requirements, and give an opinion on:
  - whether they give a true and fair view of the financial transactions of the fund during the year ended 31 March 2013 and of the amount and disposition at that date of its assets and liabilities
  - whether they have been properly prepared in accordance with relevant legislation, the applicable accounting framework and other reporting requirements.
8. Auditors review and report on, as appropriate, other information published with the financial statements, including the foreword and governance compliance statement.

## Audit opinion

9. We have given an unqualified opinion that the financial statements give a true and fair view of the financial transactions of the fund during the year ended 31 March 2013 and of the amount and disposition at that date of its assets and liabilities.

## Legality

10. Through our planned audit work we consider the legality of the pension fund's financial transactions. In addition the Chief Finance Officer has confirmed that, to the best of his knowledge and belief, the financial transactions of the pension fund are in accordance with relevant legislation and regulations. There are no legality issues arising from our audit which require to be brought to the attention of those charged with governance.

## Governance compliance statement

11. We are satisfied that this statement covers the areas and levels of compliance required by the Scottish Government's guidance.

## Annual Report

12. Scottish Government Guidance requires that the annual report for the pension fund incorporates the following:
  - the annual accounts
  - a report about the management and financial performance of the funds during the year, a report explaining the authority's investment policy and reviewing the performance during the year of the investments of each fund, and a report of the arrangements made during the year for the administration of the funds
  - a statement by the actuary of the level of funding disclosed by their valuation

- the governance compliance statement, funding strategy statement, and statement of investment principles (or details of where these statements may be obtained)
  - the extent to which levels of performance set out in the pension administration strategy have been achieved
  - any other material issues which the authority considers appropriate.
13. We are satisfied that the report incorporates the above sections and that the other sections are consistent with the audited accounts.

## Accounting issues

14. Local authority bodies in Scotland are required to follow the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the 2013 Code) and the Service Reporting Code of Practice 2012/13, supported by International Financial Reporting Standards (IFRS). We are satisfied that the financial statements have been prepared in accordance with extant guidance although with some scope for improving disclosures in certain areas. In particular, investment management expenses recorded in the Pension Fund Account and supporting notes were incomplete. They excluded investment manager fees relating to private equity funds. This is a complex area and is an industry wide issue which impacts on all other pension funds which hold private equity funds. Management have agreed to review presentation in 2013/14 in order to more fully comply with good practice.

**Refer to action plan point 1**

15. As part of financial statements working paper requirements audit requires a trial balance which can be easily reconciled to the main accounting lines in the financial statements. This is to ensure that all ledger balances have been included within the accounts. A trial balance was not provided with the 2012/13 working papers package although detailed checking of the ledger provided us with the necessary assurances. Management have agreed to provide a trial balance in 2013/14 to allow account lines to be more readily agreed to the ledger.
16. The fund's unaudited financial statements and annual report were submitted to the Controller of Audit by the deadline of 30 June 2013. All necessary working papers, excluding a trial balance, were also available by this date. This enabled us to conclude the audit and certify the financial statements by the 5 September which is well within the statutory deadline date of 30 September 2013.

## Presentational and monetary adjustments to the unaudited accounts

17. In line with International Standards on Auditing 260 Communication of audit matters to those charged with governance, we reported the conclusions of our audit to the Pensions Committee on 5 September 2013. Management agreed to make a number of presentational amendments while others will be implemented in 2013/14. In addition, there were a couple of errors not processed through the accounts. These were immaterial to the financial statements and we concurred with management that the accounts should not be amended.



# Financial position

18. Audited bodies are responsible for conducting their affairs and for putting in place proper arrangements to ensure that their financial position is soundly based.
19. Auditors consider whether audited bodies have established adequate arrangements and examine:
  - financial performance in the period under audit
  - compliance with any statutory financial requirements and financial targets
  - ability to meet known or contingent, statutory and other financial obligations
  - responses to developments which may have an impact on the financial position
  - financial plans for future periods.
20. These are key areas in the current economic circumstances. This section summarises the financial position and outlook for the Fund.

## Financial results

### Budgetary control

21. The pension fund did not prepare a complete annual budget for its administration costs in 2012/13 although this had been agreed as an action point last year. Some progress has been made in the current year but management have agreed to fully address this issue for the next budget setting cycle.

**Refer to action plan point 2**

### Financial position

22. The overall position at 31 March 2013 is that the Fund has net assets of £1,463 million. The financial statements do not take account of the obligations to pay pensions and other benefits which fall due after the end of the year. The actuarial position of the scheme, which does take account of such obligations, is disclosed in the Notes to the Accounts.

## Funding position

23. The most recent triennial valuation was reported in January 2012. The report highlighted that the fund's assets valued at 31 March 2011 were sufficient to meet 86% of its liabilities accrued up to that date, resulting in a funding shortfall of £194 million. This represents an improved position from the previous triennial valuation (as at March 2008) which reported a funding position of 79% (a funding shortfall of £255 million).
24. Since this time, the funding position has seen some fluctuation in its position. This is monitored on a regular basis as part of the administering authorities risk management programme. After initially falling to a level of 70.9%, the interim funding position as at 31

March 2013 is 78.4%. The movement in valuations is summarised in table 2 below, updated with fund values as determined by the Actuary for the year ending March 2012/13:

**Table 1: Movement in valuations 2008 to 2013**

Fund Details	2008 £'m	2011 £'m	2013 £'m
<b>Assets</b>	947	1,199	1,463
<b>Liabilities</b>	(1,203)	(1,392)	(2,011)
<b>Net Liability</b>	(255)	(194)	(548)
<b>Funding Level</b>	79%	86%	78%

Source: actuary's valuations.

25. The actuarial value of promised retirement benefits at the accounting date has been estimated by the Fund Actuary as £2,011 million (2011/12 £1,684 million), giving a net liability of £548 million as at 31 March 2013 (£432 million as at 31 March 2012). The liability is an estimate of the present value of the future liabilities of the fund, based on the fund actuary's assumptions regarding the future discount rate, longevity of members and rate of inflation.
26. Actuarial assumptions include retirement rates, numbers and age of members within their valuations, and although the position is challenging the fund reviews its position on a regular basis and recent strong investment performance is helping the fund to recover its position. The Actuary deems that the fund has a better than 50% chance of achieving its investment objective over the next 20 years.

## Outlook

27. Looking ahead it is clear that the outlook for public spending remains very challenging as significant budget reductions are required in future years. Spending constraints are set to continue and pressures on the fund will increase as scheduled and admitted bodies seek to deliver efficiencies through reductions in staffing levels.
28. In recent years active fund membership has been in decline. Auto enrolment may have an impact on this trend, increasing membership from scheduled and admission bodies. The effect of this will need to be kept under review as the financial pressure of auto enrolment may lead employers to phase implementation where possible. This is an area for management to monitor closely to ensure the fund is to remain sustainable into the future.
29. The current volatility in the stock market and the uncertainty around the sustainability of the Eurozone makes it important for pension funds to have a wide range of investment vehicles including hedging against currency fluctuations. Funds will have to remain vigilant and keep assessing their exposure to risk.

# Governance and accountability

30. The three fundamental principles of corporate governance – openness, integrity and accountability – apply to all audited bodies, whether their members are elected or appointed, or whether they comprise groups of people or an individual accountable officer.
31. Through its chief executive or accountable officer each body is responsible for establishing arrangements for ensuring the proper conduct of its affairs including the legality of activities and transactions and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies usually involve those charged with governance (including audit committees or similar groups) in monitoring these arrangements.
32. Consistent with the wider scope of public audit, auditors have a responsibility to review and report on audited bodies' corporate governance arrangements as they relate to:
  - corporate governance and systems of internal control
  - the prevention and detection of fraud and irregularity
  - standards of conduct and arrangements for the prevention and detection of corruption.
  - In this part of the report we comment on key areas of governance.

## Corporate governance

### Governance Processes and committees

33. Falkirk Council acts as the Administering Authority, responsible for managing and administering the scheme for scheduled and admitted bodies. The Pensions Committee has responsibility for the pension fund and comprises 6 Councillors from Falkirk Council and 3 co-opted members. Co-opted members are nominated by the Pensions Panel to represent the interests of scheme members, employers and pensioners. The responsibilities of the pensions committee are set out in the pension fund statement of investment principles.
34. The Pensions panel exists to enhance participation in the development and scrutiny of matters relating to the Pension Fund. The Panel consists of 15 members representing the interests of three groups within the Fund - scheme members, employers and pensioners.
35. There are ongoing developments that may have a significant impact on the form and operation of local government pension schemes. For example, the full extent of the recommendations made in the Hutton report and how they impact upon pension schemes in Scotland remains uncertain. Other Government initiatives, including workplace pension reforms, the creation of single Police and Fire Services, auto enrolment and the introduction of career average earnings are also likely to have an impact on operational processes.

## Governance Compliance Statement

36. Pension administration regulations require an administering authority to prepare and publish a governance compliance statement to measure their pension fund's governance arrangements against the standards set out in the guidance issued by the Scottish Ministers. Having reviewed the governance compliance statement we are satisfied that it complies with the guidance issued by the Scottish Ministers.
37. During 2012/13 it was noted that the level of compliance under each of the principles has greatly improved. Only one area has been classified as not compliant and this has mitigating arrangements in place. The revised governance structures have been seen to be working well with no issues with regard to openness, reporting or scrutiny. From attendance at meetings, our review of papers and minutes the information reported in the Governance Compliance Statement appears to be accurate and appropriate.

## Internal control

38. While auditors concentrate on significant systems and key controls in support of the opinion on the financial statements, their wider responsibilities require them to consider the financial systems and controls of audited bodies as a whole. However, the extent of this work is also informed by an assessment of risk and the activities of internal audit.
39. As part of our work we took assurance from key controls within the fund's systems. The results of our review were reported in our letter of 7 May 2013. No significant control weaknesses were identified during this work although we noted that there is no set timetable for re-tendering of custodian or other professional services. Management agreed to develop a timetable for tendering or re-tendering professional services during the period 2013 - 2015. This will include Custodian Services, Investment and Actuarial Consultancy Services and Lost Member Tracing, to ensure that value for money is being achieved from the services it receives.

## Internal audit

40. Internal audit is an important element of the fund's governance structure. The internal audit service is provided by the council's internal audit section. We reviewed internal audit in terms of ISA 610 and concluded that they operated in accordance with the 2006 CIPFA Code of Practice for Internal Audit in Local Government and had sound documentation standards and reporting procedures in place.
41. We had planned placing reliance on internal audit work in respect of pension payments, collection of contributions and transfers. We reviewed internal audit files and found the work to be of good quality. Internal audit work focused on 2011/12 transactions and we could only place part reliance on this work for our 2012/13 audit. However, going forward we have agreed to liaise more closely with internal audit to maximise reliance on internal audit work.

## Prevention and detection of fraud and irregularities

- 42. The pension fund complies with the relevant fraud and irregularity policies of Falkirk Council and these have been reviewed as part of the council wide audit. These arrangements include anti-fraud, corruption and whistleblowing policies. Staff have been made aware of these policies and the relevant procedures to follow. Specific responsibilities have been clearly documented, along with the process for identifying and responding to fraud risk.
- 43. Overall we concluded that arrangements for the prevention and detection of fraud are adequate and there are no issues which we require to include in this report.

## NFI in Scotland

- 44. Audit Scotland has coordinated another major counter-fraud exercise working together with a range of Scottish public bodies, external auditors and the Audit Commission to identify fraud and error. These exercises, known as the National Fraud Initiative in Scotland (NFI), are undertaken every two years as part of the statutory audits of the participating bodies.
- 45. The NFI works by using data matching to compare a range of information held on bodies' systems to identify potential inconsistencies or circumstances that could indicate fraud or error which are called 'matches'. Where matches are identified these are made available to bodies to investigate via a secure web application. Bodies investigate these and record appropriate outcomes based on their investigations.
- 46. As part of our local audit work we monitor the council's approach to participation in NFI both in terms of the submission of the required datasets and strategies for investigating the subsequent data matches. We are satisfied that the pension fund staff are probative in investigating data matches. No potential fraud has been identified in the current year although there are two investigations ongoing.

## Standards of conduct & arrangements for the prevention/detection of bribery & corruption

- 47. Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and have proper arrangements in place for implementing and monitoring compliance with standards and codes of conduct, standing orders and financial instructions. Auditors consider whether bodies have adequate arrangements in place. Overall we concluded that arrangements are adequate and there are no issues that we require to include in this report.
- 48. The Funds Statement of Investment Principles outlines the responsibilities of the Chief Finance Officer, Pensions Committee and Pensions Panel. Pension staff as employees of the council are bound by the council's Code of Conduct. Additionally, committee members are expected to have high standards of character and personal conduct and must declare their interests where relevant. Furthermore, committee members receive training on standards in public life.

## Outlook

- 49. There are on-going developments that may have a significant impact on the form and operation of local government pension schemes. For example, the full extent of the recommendations made in the Hutton report and how they impact upon pension schemes in Scotland remains uncertain. Other Government initiatives, including workplace pension reforms and the creation of single Police and Fire Services, are also likely to have an impact on operational processes.
- 50. Auto enrolment is now being implemented across employers who are members of Falkirk Council Pension Fund. This will inevitably have an impact on administrative workloads, but early preparation, and changes that have been put in place in readiness to accommodate should help this be kept to a minimum.
- 51. The fund must also be well prepared for the introduction of career average pensions. There will be a requirement to maintain pension records for each individual that will bring together a range of entitlements arising from benefits built up under different pension regimes. This will not only increase administrative workload initially, but will also undoubtedly generate many more queries and enquiries from fund members seeking clarification on their benefits on an ongoing basis.
- 52. It is important, that the training needs of the Pensions Committee and Panel should be kept under review during a period of significant pension reform to ensure that they understand the key developments and their potential impact as and when they arise. Also, this is important for ensuring that members exercise their scrutiny role effectively.

**Refer to action plan point 3**

# Best Value, use of resources and performance

53. Audited bodies have a specific responsibility to ensure that arrangements have been made to secure Best Value.
54. Auditors of local government bodies also have a responsibility to review and report on the arrangements that specified audited bodies have made to prepare and publish performance information in accordance with directions issued by the Accounts Commission.
55. As part of their statutory responsibilities, the Accounts Commission may procure, through Audit Scotland, examinations of the use of resources by audited bodies and publish reports or guidance. Auditors may be requested from time to time to participate in:
  - a performance audit which may result in the publication of a national report
  - an examination of the implications of a particular topic or performance audit for an audited body at local level
  - a review of a body's response to national recommendations.
56. Auditors may also consider the use of resources in services or functions where the need for this is identified through local audit risk assessments.
57. During the course of their audit appointment auditors should also consider and report on progress made by audited bodies in implementing the recommendations arising from reviews in earlier years.
58. This section includes a commentary on the Best Value and performance management arrangements within the pension fund. We also note any headline performance outcomes/ measures used by the members and any comment on any relevant national reports and the body's response to these.

## Management arrangements

### Best Value

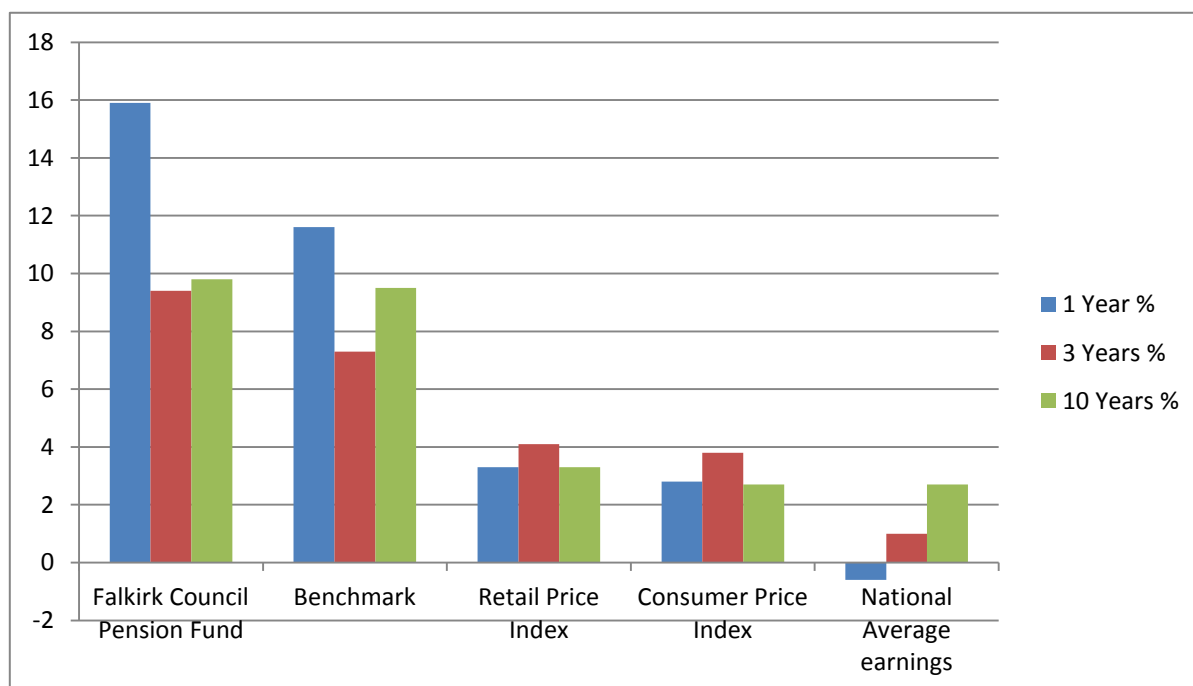
59. The pension fund has not been subject to a Best Value review, however, it is covered by the overall Best Value arrangements of the administering authority. Currently, there is no Best Value audit scheduled for Falkirk Council.

### Investment Performance

60. The main mechanism for measuring investment performance is through an analysis of the returns achieved by each of the fund's external fund managers. The manager's performance, in terms of achieving benchmarks, is subject to independent verification by the fund's custodian and is regularly reported to the pensions committee.

61. Over the long term, the overall level of investment return achieved by the fund is expected to exceed the rate of return assumed by the actuary in valuing the Fund. Investment returns of Falkirk Council Pension Fund have outperformed benchmark targets over the short, medium and longer term. The current rolling three year performance is also ahead of benchmark.
62. Although this is the case, individual fund manager performance has varied. Each Active Investment Manager has a defined performance benchmark and objective, against which performance will be measured. The performance objective is based on a rate of investment return within an individual mandate. For example, the benchmark of a fund may be the FTSE all World Index. The performance objective would be to outperform this index by 3% per annum (net of fees) over rolling five year periods. Some investment funds have exceeded both benchmark and performance objectives, while others have failed to meet their performance objective.
63. Recent investment performance of the Fund is highlighted in the table 1 below:

**Diagram 1: Investment Performance**



Source: Falkirk Council Pension Fund Annual Report and accounts 2012/13

64. The table shows that over a period of one, three and ten years the pension fund has outperformed National Average Earnings, the Consumer Price index, the Retail Price Index and Benchmark performance. Fund manager performance must continue to be closely monitored in the future to ensure continued good performance and the Service Level Agreement set up with Lothian Pension Fund will be an important tool to monitor this performance.



## Administration performance

65. The fund reports administration information to the CIPFA Pensions Benchmarking Club and the Scottish Government on an annual basis. A range of service standards have also been developed by the Pensions Section and these are monitored on a regular basis by the Pensions Manager. Administration indicators are now reported more regularly to members. Performance information as 30 June 2013 was reported to a joint meeting of the Pensions Committee and Panel on 5 September 2013.
66. This information highlights improvements across all areas, with the exception of Complaints, where one additional complaint was received. Two complaints were received in year, one of which was not responded to within three days. Targets were not met for estimate requests and ad-hoc enquiries. These two areas will face increasing pressure as pension details become more complicated after the effects of both auto enrolment and the change from final salary to average pay. Individuals will now have multiple entitlements which could cause added confusion on the part of the individual and an increased workload for the administration section that will need to bring this information together.

## National performance reports

67. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. Reports in the last year of direct interest are detailed in Exhibit 1:

### Exhibit 1 A selection of National performance reports 2012/13

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>Responding to challenges and change - An overview of local government in Scotland 2013</li> </ul> | <ul style="list-style-type: none"> <li>How councils work: an improvement series for councillors and officers - Managing performance: are you getting it right?</li> </ul> |
|--|---|

Source: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

- Key messages from the 'Responding to Challenges and Change' report include the gathering pace of public service reform agenda. This includes pension funds and highlights the significant changes which lie ahead for Local Government.
- From the 'How Councils Work' report key messages include how good quality performance information is required to make well informed decisions and identify areas for improvement.
- We suggest that officers review national performance reports as they become available and consider any findings which may impact on the pension fund.

# Appendix A: outputs

**Table 2: External audit reports and audit opinions issued for 2012/13**

Title of report or opinion	Date of issue	Date presented to Pensions Committee
Annual Audit Plan	28 February 2013	07 March 2013
Internal controls management letter	07 May 2013	6 June 2013
Report on financial statements to those charged with governance	27 August 2013	5 September 2013
Audit opinion on the 2012/13 financial statements	27 August 2013	5 September 2013
Report to Members on the 2012/13 audit	20 September 2013	12 December 2013

# Appendix B: action plan

## Key Risk Areas and Planned Management Action

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
1	14	<p><b>Investment Manager Expenses</b></p> <p>Investment management expenses recorded in the Pension Fund Account and supporting notes were incomplete and excluded investment manager fees relating to private equity funds.</p> <p><b><i>Risk: management may not be able to determine whether they are securing best value for the services they receive in the absence of incomplete information on fund managers' fees.</i></b></p>	<p>Comprehensive data on Manager Fees, particularly with a Fund of Funds Structure, can be complicated to obtain, if indeed, it can be obtained at all.</p> <p>Nevertheless, we will work with our managers to improve the level of fee transparency and accuracy of accounts.</p> <p>In addition, in the interests of there being a common approach to manager fees, we welcome the fact that this issue is being reviewed by the CIPFA Pensions Panel and await any new guidelines that may be brought forward from the Panel.</p>	Pensions Manager / Pension Fund Accountant	31/03/2014

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
2	21	<b>Budgetary Control</b> The fund has yet to implement budgetary control processes for those costs over which it has control. <i><b>Risk: costs may not be controlled effectively.</b></i>	Arrangements are in hand to implement budgetary controls with immediate effect - including the preparation of budgetary forecasts for 2014/15	Pension Fund Accountant	31/12/2013
3	52	<b>Pension Reform</b> There are a number of on-going developments that may have a significant impact on local government pension schemes. The training programme for members needs to cover the impact of pension reforms. <i><b>Risk: members may not be able to scrutinise pension matters effectively and make informed decisions without sufficient training on pension reform.</b></i>	A programme of training events will be made available to the Pensions Panel and Pensions Committee. Amongst other issues, this will cover the new version of the scheme being introduced from 2015. (NB - some of the training may need to be post 31/3/2014 and await the emergence of the detailed provisions of the 2015 Scheme).	Pensions Manager	31/03/2014 and ongoing