

AUDIT COMMITTEE

Date of Meeting	Wednesday, 6 th June 2018
Report Subject	Approval of Clwyd Pension Fund Statement of Accounts
Report Author	Chief Officer Governance
Type of Report	Strategic

EXECUTIVE SUMMARY

The Clwyd Pension Fund prepares its statement of accounts annually using the same process and timetable as the Council's own statement of accounts. In June the draft accounts are published and are then subject to a period of public consultation, challenge, and external auditing by the Wales Audit Office. The final statement of accounts is then approved by Full Council.

The current approval process for the final statement of accounts is for them to be reported to the Clwyd Pension Fund Committee, then the Audit Committee and finally Full Council. Inevitably this process takes a lot of officer time and co-ordination of meeting dates.

It is desirable/best practice that the statement of accounts is scrutinised by two member bodies to ensure the appropriate degree of accountability and transparency. Originally those two bodies were Audit Committee and Full Council. When the pension fund committee was recently created it was added into the process rather than re-assessing the process as a whole.

Although it is a long standing practice neither legislation nor the Constitution require the final statement of accounts to be approved by Full Council. The Clwyd Pension Fund Committee might be seen as a more appropriate body to undertake that task because it comprises representatives from all relevant stakeholders, i.e. the scheme employers as well as pension fund members.

RECOMMENDATIONS

1	That Clwyd Pension Fund final statement of accounts is considered by the Audit Committee and approved by the Clwyd Pension Fund Committee.
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REPORT DETAILS

1.00	BACKGROUND
1.01	Each year the statement of accounts for the Clwyd Pension Fund is published by the Clwyd Pension Fund Committee in draft. The accounts are considered by the Audit Committee prior to a period of public consultation, challenge and external audit by Wales Audit Office. The final accounts are then considered again by the Clwyd Pension Fund Committee and Audit Committee before final approval at Full Council.
1.02	A two stage scrutiny process for accounts is appropriate to ensure the correct degree of challenge and transparency. For the Council's own statement of accounts that is provided by the Audit Committee and Full Council. This was the case for the pension fund statement of accounts also until the creation of the Clwyd Pension Fund Committee when it was added into the process creating a 3 stage process.
1.03	Neither legislation nor the Constitution require the pension fund statement of accounts to be approved by Full Council. Following consideration by the Audit Committee the accounts could be approved by the Clwyd Pension Fund itself. The Pension Fund Committee might be seen as the more appropriate body because it comprises representatives from all the relevant stakeholders such as scheme employers and pension fund members.

2.00 RESOURCE IMPLICATIONS

2.01	The current three stage process for approval of the pension fund accounts is time consuming and takes a large amount of co-ordination. That process will only become more difficult as the statutory timetable for approval of final accounts is shortened by 1 month.
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3.00 CONSULTATIONS REQUIRED / CARRIED OUT

3.01	This will be considered by the Audit Committee and Clwyd Pension Fund Committee before being presented to Full Council
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4.00	RISK MANAGEMENT
4.01	As well as scrutiny by councillors the statement of accounts is open to public inspection and challenge and external audit by the Wales Audit Office. The accounts will still be considered twice by two separate member bodies which should be sufficient oversight.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officer: Gareth Owens Telephone: 01352 702344 E-mail: Gareth.legal@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	None