

MINUTES OF PENSION FUND COMMITTEE 19 July 2019**PRESENT**

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| Cheshire West and Chester: | Cllr Hogg (Chairman), Williams and Gould |
| Cheshire East: | Cllr Corcoran, Findlow, Stott and Bulman |
| Halton: | Cllr Wharton |
| Observers: | Neil Harvey (Local Pension Board) |
| Apologies: | Cllr Mitchell, Lewis and Paul Matthews |
| Actuary: | Gemma Sefton and Rob Bilton– Hymans Robertson |
| Grant Thornton: | John Farrar and Stuart Basnett |
| Officers: | Maggie Sheppard, Nick Jones, Steve Wilcock, Debbie Darlington and Jo Faulkner |

1. PROCEDURAL MATTERS

The Minutes from the Pension Fund Committee meeting on the 7 June 2019 were reviewed, having previously been agreed by email.

The minutes from the Local Pension Board Meeting which took place on the 4 June 2019 were reviewed. The Committee noted that the Board had reviewed the production of the Statement of Accounts prior to review by the Committee.

There were no declarations of interest.

2. STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2018/19

The Committee received a copy of the Fund's 2018-19 Annual Report, which includes the Statement of Accounts. Both the Annual Report and the Statement of Accounts have now been audited by Grant Thornton.

Officers also presented the Committee with a summary of the changes made to the Annual Report this year as a result of updated guidance from CIPFA and the key facts and figures within the report.

The Fund's Annual Report also includes the Annual Report of the Local Pension Board (pages 56-62). The Board's terms of reference, which are derived from Scheme Advisory Board guidance, includes the requirement for the Board to produce their own Annual Report.

Recognising the distinction between the Committee and the Board, the Committee are simply requested to note the contents of the Local Pension Board's Annual Report and not to provide comment.

The Committee are, however, required to take note of any recommendations contained within the Board's Annual Report and take any necessary action. All recommendations which have been made by the Board have already been addressed in year by the Fund. There are no outstanding actions that the Fund has not already acted upon.

The Committee were advised that the governance section of the Annual Report including the Governance Policy was previously based on guidance which was issued in 2011 by the Secretary of State, this has been updated this year based on the 2016 CIPFA Society of Local Authority Chief Executives (SOLACE) framework – which focuses more on the outcomes delivered via the work of the Committee.

The Committee were advised that the only amendment to the draft accounts presented at the Committee meeting on 7th June was to remove the contingent liability in relation to the McCloud case and the resulting potential impact on the Fund's pension liabilities. The estimated impact of this is now reflected within the IAS26 Statement prepared by the Actuary along with the estimated impact of Guaranteed Minimum Pension (GMP).

The reason for the change of treatment is due to the Supreme Court's decision on 27 June 2019 denying the Government's request for an appeal in the McCloud case in respect of age discrimination and pension protection. This, in the Fund's opinion, was a trigger event which has led the Fund to revise the treatment of the McCloud case and GMP in the final accounts and reflect the liability in the IAS26 statement.

A number of minor presentational and disclosure issues have also been amended in the accounts.

The Committee received the Audit Findings Report (AFR) from Grant Thornton, which includes the findings from the external audit of The Cheshire Pension Fund for the financial year 2018-19.

Members were advised that the audit had been conducted in line with the audit plan that was presented to the Committee in March.

Councillor Hogg thanked the staff of the pension fund for their work on the Statement of Accounts and resulting clean audit report. John Farrar from Grant Thornton echoed these sentiments.

The Committee:-

- **received the audit findings report from Grant Thornton;**
- **approved the updated Governance Policy included within the Annual Report;**
- **received the Cheshire Pension Fund Annual Report including the Statement of Accounts for the year ending 31 March 2019 and the Local Pension Board Annual Report,**
- **agreed that the Cheshire West and Chester Audit and Governance Committee be requested to approve the Cheshire Pension Fund Statement of Accounts for 2018-19 and sign the Letter of Representation.**

Reason for the Decision:-

The Local Government Accounts and Audit Regulations require that the accounts of the Pension Fund are audited separately to those of the administering authority, and that the auditors express a separate opinion on whether the financial statements included in the Annual Report are consistent with the audited accounts.

Responsibility for formal receipt of the auditor's findings, and final approval of the accounts rests with Cheshire West & Chester Audit & Governance Committee, as advised by the Pension Fund Committee.

The Audit Findings Report does not identify any material changes to the draft accounts presented to the Pension Fund Committee in June, or areas of concern with regard to internal control, significant risks, accounting policies, estimates and judgements.

The Audit opinion confirms that the Pension Fund accounts present a true and fair view of the financial transactions for the year ending 31st March 2019, and the amount and disposition of the Fund's assets and liabilities; and that the accounts have been prepared in accordance with proper accounting practice and applicable law.

3. AOB

None