



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Richard McIndoe, Ext: 77383

Item 3

11th June 2019

Annual Report and Financial Statements for the year ended 31 March 2019

Purpose of Report:

To present the Strathclyde Pension Fund Annual Report and Financial Statements to the Committee before these are submitted to Audit Scotland for audit.

Recommendations:

The Committee is asked to:

- i. **Consider** the unaudited Annual Report and Financial Statements for 2018/19
- ii. **Note** that the Executive Director of Finance will, by 30 June 2019, submit the unaudited report and accounts for audit to Audit Scotland and will make arrangements for public inspection of the accounts in line with the requirements of the relevant regulations
- iii. **Note** that upon completion of the audit, Audit Scotland will report its findings to the Strathclyde Pension Fund Committee by the end of September 2019.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

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1 Background

The Strathclyde Pension Fund annual report and financial statements are prepared in accordance with proper accounting practice and the relevant regulations. These include the Local Authority Accounts (Scotland) Regulations 2014 and the Local Government Pension Scheme (Scotland) Regulations 2018.

2 The Local Authority Accounts (Scotland) Regulations 2014

2.1 These regulations require that, in addition to the financial statements, the Annual Accounts include:

- A management commentary
- A statement of responsibilities
- An annual governance statement and
- A remuneration report or statement.

2.2 The proper officer must ensure that the financial statements give a true and fair view before signing and dating the statements and submitting the Annual Accounts to the auditor no later than 30th June.

2.3 The unaudited Annual Accounts must be published on a website from the date they are submitted to the auditor.

2.4 The administering authority or a committee charged with audit or governance must meet no later than 31 August to consider the unaudited Annual Accounts.

3 The Local Government Pension Scheme (Scotland) Regulations 2018

These regulations require that an administering authority must prepare and publish a pension fund annual report which contains:

- a report about the management and financial performance of each of the funds
- an investment report
- an administration report
- an actuarial statement
- the financial statements;
- the current funding strategy, investment principles, communications, and governance compliance statements; and
- any other material which the authority considers appropriate.

In practice, the requirements of each of these sets of regulations are combined in a single document – the Annual Report and Financial Statements. The Fund's unaudited Annual Report and Financial Statements for the year ended 31st March 2019 is available via the following link

<http://www.spfo.org.uk/CHttpHandler.ashx?id=45452&p=0>

4 Unaudited Annual Accounts 2018-19

4.1 Within the Annual Accounts the primary financial statements consist of:

- Fund Account
Shows the payments to pensioners, contribution receipts from employers and scheme members, and the income, expenditure and change in market value of the Fund's investments.
- Net Assets Statement
Represents the value of assets and liabilities as at 31 March (excluding liability to pay pensions).

4.2 A number of other statements and detailed explanatory notes, which provide additional information are also included within the Annual Accounts.

5 Key Financial Outcomes

5.1 The key financial information included within the financial statements is outlined below.

5.2 Fund Account(s)

The Fund No.1 Fund Account shows net reduction from dealing with members of **£52m** and a net increase in the fund of **£1,130m**.

The Fund No.3 Fund Account shows net reduction from dealing with members of **£8.3m** and a net increase in the fund of **£1.7m**.

5.3 Net Assets Statement(s)

The Fund No.1 Net Assets Statement shows net assets of **£21.936 billion**.

The Fund No.3 Net Assets Statement shows net assets of **£208.6m**.

6 Next Steps

6.1 The Executive Director of Finance, as proper officer, will submit the unaudited Annual Accounts to Audit Scotland and will make arrangements for public inspection of the Annual Accounts in line with the requirements of the regulations.

6.2 Upon completion of the audit, Audit Scotland will report its findings to the Strathclyde Pension Fund Committee by the end of September 2019.

7 Policy and Resource Implications

Resource Implications:

Financial: None.

Legal: The regulatory requirements are described at paragraphs 2 and 3.

Personnel: None.

Procurement: None.

Council Strategic Plan: Not applicable

Equality Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22 Not applicable

What are the potential equality impacts as a result of this report? None

Sustainability Impacts:

Environmental: None.

Social, including Article 19 opportunities: None.

Economic: None.

Privacy and Data Protection impacts: None.

8 Recommendations

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- iii. Note that upon completion of the audit, Audit Scotland will report its findings to the Strathclyde Pension Fund Committee by the end of September 2019.