

**REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 7**

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**STATEMENT OF ACCOUNTS AND ANNUAL REPORT FOR 2016-17**

**Reason for this Report**

1. The Pension Committee Terms of Reference set out the Committee's responsibility for the strategic governance of the Cardiff & Vale of Glamorgan Pension Fund.
2. The Terms of Reference include considering the Fund's financial statements and agreeing the Annual Report.

**Background**

3. The Statement of Accounts for the City of Cardiff Council includes the accounts for the Cardiff & Vale of Glamorgan Pension Fund.
4. Draft accounts for the financial year ending 31 March 2016 were prepared and presented to the Wales Audit Office on 15 June 2016.
5. The Council's Audit Committee considered the Accounts and Auditor's report at its meeting on 19 September and was content with the comments therein.
6. The final accounts are due to go to Council at the meeting on 29 September 2016.

**Issues**

7. The audit has now been completed and the auditor's draft 'Audit of Financial Statements Report' for the Pension Fund is attached as Appendix 1. WAO intend to issue an unqualified audit report on the financial statements once they have been provided with the Letter of Representation included in Appendix 1. There are no misstatements which remain uncorrected. The report refers to the main corrections made by management.
8. WAO's Audit of Financial Statements Report also highlights a number of qualitative findings as follows:
  - We have no concerns about the qualitative aspects of your accounting practices and financial reporting.
  - We did not encounter any significant difficulties during the audit.
  - There were no significant matters discussed and corresponded upon with management which we need to report to you.

- There are no other matters significant to the oversight of the financial reporting process that we need to report to you.
  - We did not identify any material weaknesses in your internal controls.
  - There are no 'other' matters specifically required by auditing standards to be communicated to those charged with governance.
9. The Statement of Accounts form the core of the Fund's Annual Report which is published annually following the completion of the audit. The draft Annual Report is attached as Appendix 2.
10. In addition to the financial statements the report includes:
- The names of the members of the Investment Advisory Panel and the Local Pension Board
  - Details of the Fund's Investment Managers and Professional Advisers
  - A summary of the administration arrangements for the Fund
  - An Investment Management and Performance Report
  - A statement from the Fund Actuaries
  - An Appendix containing statistical data, a glossary and contact details for further information
11. An auditor's statement will be added when the audit has been completed.

### **Legal Implications**

12. There are no direct legal implications arising from this report.

### **Financial Implications**

13. There are no direct financial implications arising from this report.

### **Recommendations**

14. That the Committee notes the Auditor's Report.
15. That the Committee approves the Annual Report for the Fund.

**CHRISTINE SALTER**  
**CORPORATE DIRECTOR RESOURCES**

The following Appendices are attached:

Appendix 1 – Auditor's Report for 2015-16  
Appendix 2 – Draft Annual Report for 2015-16