

HERTFORDSHIRE COUNTY COUNCIL
FIRE PENSION BOARD
TUESDAY, 28 FEBRUARY 2017 10:00AM

Agenda Item No:

6

FIREFIGHTER'S PENSION FUND STATEMENT OF ACCOUNTS 2015/16

Report of the Director of Resources

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1. Purpose of the Report

- 1.1. To provide the Fire Board with the audited Firefighter's Pension Fund Statement of Accounts for 2015/16 ("the Accounts"). This is attached at Appendix A to the report.

2. Summary

- 2.1. The Firefighter's Pension Fund accounts are audited by Ernst & Young LLP as part of their audit of Hertfordshire County Council Statement of Accounts. The findings of the audit are published within the Audit Results Report (ARR) of the main Hertfordshire County Council audit. This is attached at Appendix B to the report.

3. Background

- 3.1. The Firefighter's Pension Fund is an unfunded defined benefits scheme meaning that there are no investment assets available to meet pension liabilities. Employee contributions and employer's contributions are paid into the pension fund from which pension payments are made. The fund is topped up by central Government grant if the contributions are insufficient to meet the cost of pension payments and any surplus in the fund is recouped by central Government. The underlying principle is that employer and employee contributions together will meet the full cost of pension liabilities being accrued in respect of currently serving employees, while central Government will meet the costs of retirement pensions in payment, net of employee and the new employer contributions.

4. 15/16 Accounts & Audit Results

- 4.1. During 2015/16 contributions receivable and transfers in totalled £5,330k, whilst benefits paid and transfers out totalled £13,690k. The balance of £8,360k was topped up by Central Government grant.
- 4.2. The primary variance from 2014/15 was an increase in benefits payable of £1,107k as a result of a complaint from a member which was upheld by the Pensions Ombudsman in May 2015. This ruling resulted in additional payments being made to those whose pension commenced between 1 December 2001 and 21 August 2008, and who elected to commute pension for lump sum at retirement. All liabilities arising from this ruling were fully paid by March 2016, and additional grant was received to cover this. This event was also highlighted by the auditor in their ARR (Appendix B, p8).
- 4.3. During the audit process there was one audit query relating to the Firefighter's Pension Accounts, regarding an additional data request for a breakdown of contributions and pensionable pay by scheme category (1992, 2006 & 2015 Firefighter's Pension Schemes). Following the response to this request the query was closed and there were no further queries.

- 4.4. The Accounts were included within the County Council's Statement of Accounts which were signed off by the Audit Committee on 23 September 2016.
- 4.5. The Audit Results Report (ARR) issued an unqualified opinion on the Hertfordshire County Council and Firefighter's Pension Fund financial statements, with no recommendations made (Appendix B, p15).

5. Recommendations

- 5.1. That the Fire Pension Board note the accounts of the Firefighter's Pension Scheme 2015/16.