

## **Pension Fund Committee**

Meeting to be held on Friday, 10 June 2016

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|---------------------------------------|
| Electoral Division affected:<br>None; |
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### **Lancashire County Pension Fund - Annual Governance Statement 2015/16** (Appendix 'A' refers)

Contact for further information:

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#### **Executive Summary**

This report presents for approval the Annual Governance Statement (AGS) for Lancashire County Pension Fund. This AGS has been produced to ensure that members of the Committee in their role as "those charged with governance" in relation to the Fund are able to review and consider the adequacy of the Fund's governance arrangements in order to provide assurance as part of the process of preparing the Fund's report and accounts.

This separate AGS in relation to the Fund is required as the overall statement prepared by the County Council cannot cover the activities of the Fund in sufficient detail to provide the necessary assurance.

The AGS is a review of the governance arrangements for 2015/2016 and is produced to be incorporated into the statement of accounts.

#### **Recommendation**

The Committee is recommended to approve the Annual Governance Statement for the Lancashire County Pension Fund set out at Appendix 'A' for signature by the Chair and the Head of the Fund.

#### **Background and Advice**

The first separate AGS for the Fund was produced in 2013/14 in response to a report from the external auditors, Grant Thornton, on the Fund's governance arrangements. The report highlighted the importance of the annual review of the Fund's governance arrangements and control framework in order that "those charged with governance", in this case elected members, can be satisfied with the adequacy of the control environment in place. The statement attached in Appendix 'A' fulfils this function.

The AGS is a review of the governance arrangements for 2015/2016 and is produced to be incorporated into the statement of accounts.

The process for complying the statement has been undertaken by the Head of Fund who has responsibility for ensuring the delivery of the County Council's functions as administering authority for the Fund. In order to compile the statement she has relied on assurance statements provided by each senior manager who had responsibility for an element of an operation of the Fund in 2015/16. These statements assess and examine performance against the various elements of the control framework as applied specifically to the running of the Fund. In addition the statement reflects the conclusions drawn by the Chief Internal Auditor from her work in relation to the Fund during the year, which are reported elsewhere on the agenda for this meeting of the committee.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

A sound Annual Governance Statement which reflects the reality of the operation of the Fund represents a key assurance for members that the control framework is operating appropriately to manage risk.

### **Local Government (Access to Information) Act 1985 List of Background Papers**

| Paper   | Date     | Contact/Tel                     |
|---|----------|---------------------------------|
| "Coming of Age:<br>Development of the Local<br>Government Pension<br>Scheme" Grant Thornton | Nov 2013 | Abigail Leech (01772)<br>530808 |
| Reason for inclusion in Part II, if appropriate   |          |                                 |