

# National Park Authority Board Meeting

Agenda Item 11

## 2018/19 Annual Accounts Update

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### *Paper for noting*

1. Purpose

1.1. To present the update on the 2018/19 annual accounts.

2. Recommendation

2.1. Members are asked to note the contents of this report.

3. Contribution to National Park Partnership Plan and Our 5-year Plan

3.1. There is a statutory duty to prepare annual accounts. Compliance supports the proper delivery of the organisational processes that underpin all Outcomes and Priorities of the National Park Partnership Plan 2018-23 and Our 5-Year Plan.

4. Background

4.1. At the Audit & Risk Committee on 27<sup>th</sup> June 2019 it was noted that the annual accounts could not be signed. This was as a result of court rulings in relation to transitional provisions in public sector pension schemes, which had implications for local government pension schemes (LGPS). When the LGPS benefit structure was reformed in 2015, transitional protections were applied to certain older members close to normal retirement age, which ensures that these members do not lose out from the introduction of the new scheme.

4.2. In December 2018 the Court of Appeal upheld a ruling that similar transitional protection in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019, which was in line with the anticipated timing of our annual accounts. The Government Actuary Department estimated that the impact for the LGPS England & Wales as a whole could be to increase active member liabilities by 3.2% based on a given set of actuarial assumptions.

5. Annual Accounts Update

5.1. Following discussions with External Audit, it was agreed that we would request the actuaries, Hymans Robertson, to estimate the impact of the ruling on our pension fund, in line with the fund's local assumptions and circumstances. The revised estimated projected a 1.8% increase in active member liabilities, which resulted in an increase in pension costs and the pension liability of approximately £345k.

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- 5.2. This is a non-cash adjustment and is part of the Scottish Government Annually Managed Expenditure (AME) budget.
  - 5.3. The relevant amendments were processed in the annual accounts and the accounts were signed on 7<sup>th</sup> August 2019 by Gordon Watson as Accountable Officer and on 15<sup>th</sup> August 2019 by Joanne Brown, Audit Partner, Grant Thornton. The letter of representation was also signed by Gordon Watson on 7<sup>th</sup> August 2019.
  - 5.4. The final signed accounts will be laid before Parliament by the Scottish Government in the Autumn.
6. Conclusion
- 6.1. Members to note the successful signing of the annual accounts for 2018/19.

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