

Ms Laura Colliss
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23 January 2017

Dear Ms Colliss

Local Government Financial Overview Report 2015-16

I write to advise you that the Commission has published its financial overview report for the financial year 2015-16 accounts and audit.

This is the first year that we have published a financial overview to complement our full overview report which we publish in the Spring. It reports on financial figures arising from the local government accounts, telling the strategic financial story for local government in Scotland in 2015/16, another challenging year for councils.

The report is accompanied by a short supplement on the Local Government Pension Scheme in 2015-16 which I attach for ease of reference. The main report and supplement are both available on the Accounts Commission website linked below:

- <http://www.audit-scotland.gov.uk/report/local-government-in-scotland-financial-overview-201516>

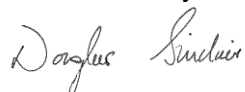
In the supplement we provide an overview of the LGPS in Scotland in 2015-16 and comment on how well pension funds have coped with the introduction of the new Career Average Revalued Earnings scheme and governance arrangements.

Of course there are ongoing challenges for pension funds and we note the work programme of the Scottish Scheme Advisory Board which includes a structural review of the LGPS in Scotland.

In an important milestone for us, we have recently appointed new auditors for the five year period from 2016-17 and issued a new Code of Audit Practice. I hope by now that you have had the opportunity to meet your new auditors and that you look forward to receiving their audit plans and building a relationship with them in the year ahead.

I would commend you to share the LGPS 2015-16 supplement with colleagues, pension board members and officers at your council. (Please note that I have also sent a copy of this letter and the supplement to the Conveners of Local Government Pension Schemes).

Yours sincerely

A handwritten signature in black ink that reads "Douglas Sinclair". The signature is written in a cursive style with a large initial 'D' and 'S'.

Douglas Sinclair
Chair