

PENSIONS COMMITTEE – 24 SEPTEMBER 2021

Report of the Director for Corporate Services and County Treasurer (S151)

Staffordshire Pension Fund Annual Report and Accounts 2020/21

Recommendations of the Chair

1. That the Pensions Committee approve the draft Staffordshire Pension Fund Annual Report and Accounts for 2020/21, attached at Appendix 2, noting the potential need for minor amendments, pending the conclusion of the external audit of the Pension Fund accounts by Ernst and Young (EY), including an updated Independent Auditor's Statement on page 73. And that the final version of the Staffordshire Pension Fund Annual Report and Accounts 2020/21 be signed off by the Chair, prior to publishing the document on the Staffordshire Pension Fund's website, following completion of the external audit.
2. That the Pensions Committee note, following the conclusion of the external audit, the separate Audit Results Report (ISA260) of the Staffordshire Pension Fund's external auditors, Ernst and Young (EY) entitled; Staffordshire Pension Fund Audit Results Report for the Year ended 31 March 2021, will be presented to the Council's Audit and Standards Committee, at its meeting on 26 October 2021, alongside Staffordshire County Council's Annual Report and Accounts for 2020/21 and their own ISA260.

Background

3. Under Regulations, the Pension Fund must publish an annual report, which includes the accounts, by 1 December. The external auditors are also obliged to issue an Independent Auditor's Statement on the accounts.
4. There have not been the same challenges in the audit of the 2020/21 accounts that were experienced during the audit of the 19/20 accounts and the Pension Fund's external audit has been predominantly completed as planned. However, additional, and last-minute assurances in relation to the IAS19 actuarial valuation processes, that are being sought by auditors nationally, has meant that EY now have some additional testing to complete, that they had not originally planned for. This in turn has delayed their ability to issue the ISA260 and their Independent Auditors Statement for the Pension Fund.
5. The Pension Fund's accounts are included within the County Council's Statement of Accounts which are due to be presented to the County Council's Audit and Standards Committee on 26 October 2021. Once the audit work has been completed, EY will undertake a final review of Staffordshire Pension Fund's Annual Report and Accounts for 2021/21 and will issue their final audit opinion, which is likely to be an 'unqualified' audit opinion.

6. EY's Independent Auditors Statement contained within the Pension Fund's Annual Report and Accounts is to confirm that they are consistent with those included within Staffordshire County Council's Statement of Accounts for the year ended 31 March 2021. It also states the accounts were properly prepared in accordance with accounting standards.
7. EY will also provide their Audit Results Report (ISA260). Any matters highlighted in the ISA260 will be drawn to the Chair's attention and reported back to Pensions Committee should they be considered of significance or material importance.

Preparing the Annual Report

8. In March 2019, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued Guidance for Local Government Pension Scheme Funds on Preparing the Annual Report. To date changes following on from this guidance have been incorporated into the report, on a 'best endeavours' basis, particularly in relation to the various information and metrics on Local Government asset pooling, until such time that more consistent data is available to be included.
9. Although the report being presented to Pensions Committee today has not missed the 1 December publishing deadline, delaying approval to the next meeting of the Pensions Committee on 17 December would be too late. Members are asked to note that, following conclusion of the audit by EY, there may still be minor amendments required to the document, including the Independent Auditors Statement. It is recommended that a final version of the Annual Report and Accounts be signed off by the Chair, as soon as this is available and prior to publishing such on the Staffordshire Pension Fund's website.

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Director for Corporate Services

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County Treasurer (S151)

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Background Documents: None

Appendix 1

Equalities implications: There are no direct equalities implications arising from this report.

Legal implications: These have been addressed in the report.

Resource and Value for money implications: There are no direct resource or value for money implications arising from this report.

Risk implications: There are no direct risk implications arising from this report.

Climate Change implications: There are no direct climate change implications arising from this report.

Health Impact Assessment screening: There are no health impact assessment implications arising from this report.