

Agenda Item 6

**Pension Board
19 October 2021**

Pension Fund Draft Annual Report 2020-21 (including the Financial Statements)

Report of the Head of Pensions

Summary

The Local Government Pension Scheme Regulations 2013 requires administering authorities to prepare a Pension Fund Annual Report and specify what it should contain. Principally, the regulations and government guidance require that the Annual Report should include reference to the following documents:

- the management and financial performance during the year;
- the Fund's investment policy and a review of the performance of the Fund's assets;
- administration arrangements;
- a statement by the Funds Actuary of the level of funding disclosed by the most recent valuation and the assets and liabilities of the Fund;
- the Fund Accounts and Net Asset Statement and supporting notes and disclosures in accordance with proper practices;
- progress on investment pooling including the costs and savings resulting from the initiative;
- the current approved versions of:
 - Governance Compliance & Policy Statements
 - Funding Strategy Statement
 - Investment Strategy Statement
 - Communications Strategy

The regulations also require the Annual Report to be published on or before 1st December following the year end.

Please note that the Funds Annual Report can only be published once the Council's Statement of Accounts has been approved.

The recognized audience for the Funds' Annual Report will be:

- employers in the Fund
- employees
- staff (including those not members of the Fund)
- pensioners and their dependents
- other pension funds and financial institutions

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- fund managers
- government departments; and
- interest from the public

Due to the size of the Pension Fund Annual Report, the draft report will be issued to Board via separate email and not form part of their agenda packs.

The draft Annual Report was reviewed by the Committee on 24 September.

Financial Statements 2020-21

One of the main areas of the Annual Report is the provision of audited year-end financial statements of the Gloucestershire Pension Fund

The financial statements are included in detail in the Annual Report, including the Funds income and expenditure, as well as the change in the Fund's value over the year (with the prior year comparators).

As can be seen from the tables in the Annual Report, the Fund has experienced a strong recovery from the fall caused by the Covid-19 pandemic that resulted in a reduction of the Funds value at the end of March 2020.

The accounts show that the overall value of the Fund increased by £657.927m during the 2020/21 financial year, leading to a year-end value of £2,902.490m.

The financial statements were presented to Committee on 24 September, and will be presented to the Audit Committee for approval as part of Gloucestershire County Council's Accounts.

Audit Findings Report

Attached as Appendix 1 is the draft Audit Finding Report that was tabled and noted by Committee at its meeting on 24 September.

The draft report states that the audit work is substantially complete and there are no matters of which they are aware that would require modification of the audit opinion or material changes to the financial statements, subject to a small number of outstanding matters.

The auditors have concluded that the other information to be published with the financial statements, is consistent with their knowledge of our organisation and the financial statements they have audited.

We are anticipating that the audit report opinion will be unmodified on the conclusion of the outstanding matters.

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Once completed the auditors will also provide an opinion of the Annual Report, to be included in the document.

Recommendation

That the Board notes the current draft of the Annual Report 2020-21.

Contact Officer

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