

Local Members Interest	
Nil	

PENSIONS COMMITTEE – 18 DECEMBER 2020

Report of the Director of Corporate Services and County Treasurer

Staffordshire Pension Fund Annual Report and Accounts 2019/20

Recommendations of the Chair

1. That the Pensions Committee approve the draft Staffordshire Pension Fund Annual Report and Accounts 2019/20, <https://www.staffspf.org.uk/Finance-and-Investments/Annual-Reports-and-Accounts/Reports-and-Accounts.aspx> 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 86. And that the final version of the Staffordshire Pension Fund Annual Report and Accounts 2019/20 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 the contents of 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 2020, attached as **Appendix 2**.

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. The Covid-19 pandemic and other extenuating factors at EY, mean that in 2020, this deadline has not been met. The Staffordshire Pension Fund is one of many Local Government Pension Schemes that find itself in this situation, and the Ministry of Housing, Communities and Local Government (MHCLG) have been made aware.
4. The Pension Fund's accounts are included within the County Council's Statement of Accounts. As a result, EY reported the likely outcome, and several outstanding matters arising from their audit, to the County Council's Audit and Standards Committee on 8 December 2020.
5. Since then, EY have continued to work on the outstanding matters and after a final review of Staffordshire Pension Fund's Annual Report and Accounts 2019/20 will be able to issue their final audit opinion. This is likely to be an 'unqualified' audit opinion, but there will be some caveats in relation to matters arising as a result of market

uncertainties created by Covid-19. A representative from EY will explain more about this during the meeting, when they present their report.

6. EY's statement on the Pension Fund 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 2020. It also states the accounts were properly prepared in accordance with accounting standards.

Preparing the Annual Report

7. 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. As the guidance was relatively late in being issued and proposed many changes to the content of the Annual Report, specifically to encompass various information and metrics on Local Government Pools, it was acknowledged that for the 2018/19 report, changes should be done on a 'best endeavours' basis. Whilst the 2019/20 report includes many more of the changes required by the CIPFA Guidance, Members are asked to note that once again, the report has been prepared on a 'best endeavours' basis in certain areas and this may be the case until more consistent data is available to be included.
8. As the report being presented to Pensions Committee today has missed the 1 December publishing deadline, 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. Due to the size of the document, the report has not been included with these papers but can be accessed via the following link.

<https://www.staffspf.org.uk/Finance-and-Investments/Annual-Reports-and-Accounts/Reports-and-Accounts.aspx>

A hard copy can be provided on request.

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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.