

Pensions Committee

29 September 2021

Report title	Annual Report and Accounts 2020-2021	
Originating service	Pension Services	
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Recommendations for noting:

The Pensions Committee is asked to note:

1. Approval of the 2020-2021 Statement of Accounts, certified by the Administering Authority's Section 151 officer and published on 21 June 2021.
2. Grant Thornton's Audit Findings Report for West Midlands Pension Fund (WMPF).
3. That the Management Representations letter to Grant Thornton was signed in September 2021 by the Chair and the Director of Pensions on behalf of the Fund.
4. Delegation of authority to the Chair and Vice Chair of Pensions Committee to approve the final publication of the Fund's 2020-2021 Annual Report as agreed by the Committee in June 2021

1.0 Purpose

- 1.1 The purpose of this report is to update the Committee on the Fund's audit and preparation of the annual report for the year ending 31 March 2021 ahead of publication on the Fund's website.

2.0 Background

- 2.1 Local Government Pension Scheme (LGPS) funds are required by law to produce a Statement of Accounts and an Annual Report. Normally, these must be subject to external audit and published no later than 31 July (accounts) and 1 December (annual report).

With effect from 31 March 2021 and applicable to the Statement of Accounts for the year ended 31 March 2021 the Accounts and Audit (amendment) Regulations 2021 extended the publication deadline for the Statement of Accounts to 30 September 2021.

- 2.2 The draft Statement of Accounts was published on 21 June and presented to Committee on 23 June and has since been audited by the Fund's external auditor, Grant Thornton, who will attend the Committee to present their Audit Findings Report.

3.0 Audit Findings

- 3.1 Subject to the finalisation of certain audit work that was outstanding at the time of writing, it is anticipated that Grant Thornton will issue an unqualified audit opinion for the Fund with the Statement of Accounts having been finalised before the revised statutory deadline of 30 September.
- 3.2 There is one adjustment that the Fund is making voluntarily to the draft Statement of Accounts presented to Committee in June and published on the City of Wolverhampton Council website. Subsequent to preparation of draft accounts, a reconciliation of the pensionable salary assumptions used in order to calculate payment in advance of certain employer's future service contributions for the year against actual pensionable salaries for 2020/21 revealed contributions of some £2.2m due to the Fund. The Fund is accounting for these in the finalised Statement of Accounts by the creation of an additional accrual at 31 March 2021.

The effect of this change is to increase the Net assets of the Fund at 31 March 2021 from £18.913m as reported in June to £18.915m per the final Statement of Accounts.

- 3.3 Grant Thornton's findings for WMPF are summarised in their "Report to those charged with governance" (ISA 260 report) a copy of which is attached at Appendix A.

3.4 In accordance with International Auditing Standards, the Fund is required to confirm to the external auditor that it has complied with all relevant requirements and provided all relevant information to the auditor. This takes the form of a Management Representation letter, signed by the Chair and the Director of Pensions on behalf of WMPF in September and submitted to Grant Thornton.

4.0 Publication

4.1 It is recommended that the Committee notes the draft Annual Report and Accounts which will be finalised in consultation with the Chair and Vice Chair ahead of publication. Committee members are invited to feedback any comments on the report to Officers by 15 October.

4.2 The approved Annual Report will be placed on the Fund's website at the following link, <http://www.wmpfonline.com/annualreports>. A copy of the draft report has been circulated separately to members of Committee.

4.3 The consolidated Scheme Annual Report for the LGPS in England & Wales will be published by the Scheme Advisory Board in due course, expected late Spring 2022.

5.0 Financial implications

5.1 The financial implications are discussed in the body of the report.

6.0 Legal implications

6.1 This report contains no direct legal implications.

7.0 Equalities implications

7.1 This report contains no direct equalities implications.

8.0 Other implications

8.1 There are no other implications.

9.0 Schedule of background papers

9.1 Draft Accounts 2020/21, published online within the City of Wolverhampton's Statement of Accounts

10.0 Schedule of appendices

10.1 Appendix A – Grant Thornton Audit Findings Report, WMPF