

Pensions Board

31 October 2022

Report title	Annual Report and Accounts 2021/22	
Originating service	Pension Services	
Accountable employee	Femi Olatunde	Finance Project Consultant
	Tel	01902 555768
	Email	femi.olatunde@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood	Executive Director of Pensions
	Tel	01902 551715
	Email	rachel.brothwood@wolverhampton.gov.uk

Recommendations for noting:

The Pensions Board is asked to note:

1. Delegation of the authority to the Chair and Vice-Chair of Pensions Committee to approve; the final Statement of Accounts, once the audit is completed, and the final publication of the Fund's 2021-2022 Annual Report, as agreed by the Committee in June 2022.
2. Progress on the Fund Audit and development of the draft Annual report for West Midlands Pension Fund (WMPF).

1.0 Purpose

- 1.1 The purpose of this report is to update the Board on the finalisation of the Statement of Accounts and the Annual Report for the year ending 31 March 2022 and the latter's publication on the Fund's website.

2.0 Background

- 2.1 Local Government Pension Scheme (LGPS) funds are required by law to produce an Annual Statement of Accounts. These form part of the wider Administering Local Authority's accounts and are subject to Local Government Accounts and Audit regulations and publication deadlines. They are also included in the LGPS Fund's own Annual Report and Accounts for audit and publication by the statutory deadline each year (1 December 2022 for current year).
- 2.2 In preparing their accounts, Funds must have regard to proper practice and to any guidance which has the effective standing of 'statutory guidance'. These are for the Statement of Accounts, 'The Code of Practice on Local Authority Accounting in the United Kingdom 2021/22' (Chartered Institute of Public Finance & Accountancy (CIPFA)) ('the Code').
- 2.3 In line with the above, as well as being published in the Fund's own Annual Report, the WMPF accounts are included in the Statement of Accounts of the City of Wolverhampton Council. In line with the LGPS (Management and Investment of Funds) Regulations 2009, the transactions and balances of the Fund are separate and not consolidated with those of the Administering Authority. Monies held by the Fund are for the purposes of the pension fund only.

3.0 Amendments to the Account and Audit Regulations 2015 and Audit Findings

- 3.1 As part of a package of measures to support the improved timeliness of local audit the deadline for local authorities to publish their accounts for the financial year beginning 2021 has been extended from 30 September to 30 November 2022.
- 3.2 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 and the Audit Findings Report circulated to the Pensions Committee during October. The final audit opinion for the Fund's Accounts and Annual Report is subject to completion of the wider Administering Local Authority's accounts.
- 3.3 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, to be signed by the Chair of the Pensions Committee and the Executive Director of Pensions on behalf of WMPF.

4.0 Draft Annual Report 2021/22

4.1 The draft Annual Report is being circulated to all Local Pensions Board and Pensions Committee members for review and comment. The contents of the Annual Report are as follows:

- Introduction and Opening Statements
- Risk Management and Assurance
- Benefit Operations and Pensions Services
- Governance Arrangements
- Our People
- Management and Financial Performance
- Investment Policy and Performance
- Actuarial Statement for 2021/22
- Statement of Accounts as at 31 March 2022
- Strategy and Policy Statements
- Further Information

4.2 The Annual Report provides a thorough review of the Fund's activities during the year and notes some particular successes including:

- The move to our new office space which has been developed to support collaboration, learning and wellbeing whilst also providing a base to serve our customers, Fund members and employers.
- Becoming one of the first group of UK asset owners to be awarded signatory status to the UK Stewardship Code.
- The return of face-to-face events and ongoing member and employer support.
- Continuing to support the development of the Asset Owner Diversity Charter and actively using the toolkit with its own investment managers.
- Winning the Pension Age Award for Pension Marketing Campaign of the Year for the Fund's targeted approach to members approaching their 55th birthday.
- Awarding of Investors in People Gold standard, demonstrating our ongoing commitment to championing people development.

4.3 The final approved Annual Report will be placed on the Fund's website at the following link, <http://www.wmpfonline.com/annualreports>.

4.4 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 2023.

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 has no equalities implications.

8.0 Schedule of Background Papers

8.1 Statement of Accounts 2021/22, Report to Pensions Board, 19 July 2022.
<https://wolverhamptonintranet.moderngov.co.uk/documents/s216441/Statement%20of%20Accounts%202021-%202022.pdf>

9.0 Schedule of Appendices

9.1 This report has no appendices.