

Report Title:	Annual Report and Accounts
Contains Confidential or Exempt Information	No - Part I
Lead Member:	Councillor Simon Bond, Chairman Pension Fund Committee and Advisory Panel
Meeting and Date:	Pension Fund Committee and Advisory Panel – 18 December 2023
Responsible Officer(s):	Damien Pantling, Head of Pension Fund
Wards affected:	None

www.rbwm.gov.uk



REPORT SUMMARY

This report presents the draft Pension Fund annual report and accounts for the year-ended 31 March 2023 for approval prior to formal external publication. The report is currently unaudited due to the requirement for the Administering Authority's statement of accounts to be formally audited and signed off as a pre-requisite.

In addition to approving the draft 2022/23 annual report, the Committee is presented with amendments to the annual reports for the years ended March 2021 and March 2022 whilst these financial periods remain open, noting that draft versions of these were already approved by the Committee in December 2022.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Pension Fund Committee notes the report;

- i) Notes and reviews the amendment to the (prior year) 2021/22 annual reports; and**
- ii) Approves the 2022/23 annual report and statement of accounts for publication.**

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 The LGPS regulations require that audited Pension Fund financial accounts are not independently approved but instead approved as part of their Administering Authority's statement of accounts. This means that the Royal County of Berkshire Pension Fund's audit sign off is driven by the sign off of the Royal Borough of Windsor and Maidenhead as its Administering Authority.

2.2 The 2020/21 Administering Authority (RBWM) statement of accounts are yet to be signed off and this is expected imminently, this is a prerequisite for the 2021/22 and 2022/23 RBWM accounts sign off and as a result the Pension

Fund annual report and financial statements will not be signed off before the date of this meeting.

- 2.3 The Committee is advised to note that draft RBWM accounts for all three periods to 2022/23 are available online with the Pension Fund financial statements forming part of these documents. Thus, approving the Pension Fund annual report for publication does not put any new accounting information into the public domain.
- 2.4 Deloitte were the Pension Fund and RBWM's auditors to 2022/23 and have advised verbally on the quality and provided an update on their audit testing of the 2022/23 annual report, but for the reasons mentioned above cannot give a formal written opinion. For all intents and purposes, the annual reports up to and including 2022/23 are materially correct and show a true and fair view of the Fund's financial position.
- 2.5 The Pension Fund Committee was given the opportunity to ask Deloitte any questions in a non-public setting relating to the accounts, annual report and audit progress at a Committee pre-meet on 13 December 2023. This consultation was not limited to the 2022/23 annual report but all applicable open audit periods.
- 2.6 Since sign off of the prior year draft reports in December 2022, the only change of note is in respect of the 2021/22 financial year, where the closing total scheme assets has been revised down by £24.115m or 0.89% to correct an error previously reported to the Fund by our Custodian service provider. Correcting this closing asset balance has enabled an accurate opening balance to be reported in the 2022/23 annual report.
- 2.7 Appendix 1 (2022/23 draft annual report) is appended to this report, however, the two prior year reports that remain open were already reviewed and approved by the Pension Fund Committee and can be accessed via the [Pension Fund website](#), including any changes noted above since the last approval in December 2022.

3. KEY IMPLICATIONS

- 3.1 A draft Pension Fund Annual Report for the year ended 31 March 2023 as "approved in principle, subject to external audit" shall be published on the Pension Fund's website following Committee Members approving this decision. It shall be made clear in any publication that finalisation is subject to RBWM audit sign off for the current and prior years.
- 3.2 Significant enhancements have been made to the Pension Fund annual report including a full review of its structure in line with the CIPFA LGPS guidance and having reviewed several best-in-class LGPS annual reports. Notable improvements include financial/budget summary pages, investment management fee breakdowns under the cost transparency initiative, asset class splits in line with best practice, and post-pooling fee analysis.

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 LGPS funds are not legally segregated from Local Authorities, nor do they operate under a trust structure like private defined benefit schemes, instead they operate as ringfenced or segregated reserves of the Administering Authority with special investment powers. LGPS funds are fully self-financing meaning that all management expenses are funded from the Fund's operational and investment cash-flows. The Fund's closing financial position including any reported budget variance does not influence (nor is it influenced by) the Administering Authority's financial or reserve balance position.

5. LEGAL IMPLICATIONS

- 5.1 The Administering Authority's Audit and Governance Committee is legally responsible through delegated authority in the constitution for signing off the Administering Authority's audited accounts, of which the Pension Fund forms part. The Pension Fund Committee, therefore, does not legally sign off the accounts, instead formal Committee approval of these draft reports is provided for reasons of transparency and good governance whilst ensuring proper review and scrutiny.

6. RISK MANAGEMENT

- 6.1 The Pension Fund Committee reviews and approves a risk register on a quarterly basis, prepared in line with CIPFA's guidance on "managing risks in the LGPS – 2018". The latest risk register (including relevant actions and mitigations) has been prepared alongside this report, with any relevant changes considered and documented as appropriate in the quarterly risk management report.

7. POTENTIAL IMPACTS

- 7.1 Failure to comply with pension legislation could result in the Administering Authority being reported to the Pensions Regulator where failure is deemed to be of a material significance.
- 7.2 Equalities. The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. An Equality Impact Assessment (EQIA) screening exercise has been completed and approved in respect of this this report and shared with the RBWM Equalities team. It has been determined through the EQIA screening that a full EQIA is not required and is therefore not appended with this report.
- 7.3 Climate change/sustainability: The paperless and reduced-paper approaches detailed in the Communications Strategy generally have a positive impact on sustainability and environmental initiatives.

7.4 Data Protection/GDPR. GDPR compliance is included as a specific risk on the register in regard to processing and handling personal data, this is dealt with in the relevant risk report to the Committee along with the relevant mitigations.

8. CONSULTATION

8.1 The Fund's external auditors were consulted in preparing this report.

9. TIMETABLE FOR IMPLEMENTATION

9.1 Subject to Administering Authority audit timescales

10. APPENDICES

10.1 This report is supported by 2 appendices:

- Appendix 1: 2022/23 Pension Fund Annual Report and Accounts
- Appendix 2: 2022/23 Annual Report Appendices

11. BACKGROUND DOCUMENTS

11.1 This report is supported by 2 background documents, both available via the [Pension Fund website](#):

- 2020/21 Annual Report (Draft, unaudited at the time of writing)
- 2021/22 Annual Report (Draft, unaudited at the time of writing)

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory:</i>			
<i>Statutory Officers (or deputy)</i>			
Elizabeth Griffiths	Executive Director of Resources (Section 151 officer)	24/11/2023	8/12/23
Elaine Browne	Deputy Director of Law and Governance (Monitoring Officer)	24/11/2023	8/12/23
<i>Deputies:</i>			
Andrew Vallance	Deputy Director of Finance (Deputy Section 151 officer)	24/11/2023	24/11/2023
Jane Cryer	Principal Lawyer (Litigation) and Deputy Monitoring Officer	24/11/2023	
<i>Other consultees:</i>			
Cllr Simon Bond	Chairman – Berkshire Pension Fund Committee	24/11/2023	28/11/2023
Alan Cross	Chairman – Local Pension Board	24/11/2023	

13. REPORT HISTORY

Decision type:	Urgency item?	To follow item?
----------------	---------------	-----------------

Pension Committee decision	Fund	Yes/No	Yes/No
----------------------------------	------	--------	--------

Report Author: Damien Pantling, Head of Pension Fund