

SURREY COUNTY COUNCIL**PENSION FUND COMMITTEE****DATE: 11 SEPTEMBER 2020****LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF CORPORATE FINANCE****SUBJECT: DRAFT ANNUAL REPORT & STATEMENT OF ACCOUNTS****SUMMARY OF ISSUE:**

The Pension Fund Committee's role is to approve the Annual report which contains the unaudited statement of accounts together with other information about the Fund's performance during 2019/20. The Annual Report is included in Annex 1.

RECOMMENDATIONS:

It is recommended that the Pension Fund Committee:

- Note and approve the Draft Annual Report with the Audited Pension Fund Accounts for publication subject to audit approval.

REASON FOR RECOMMENDATIONS:

Under the Local Government Pension Scheme (Administration) Regulations 2008, administering authorities of LGPS funds are required to prepare a pension fund annual report. This therefore meets the requirements of the Regulations, the Local Government Scheme Advisory Board (SAB) as well as wider stakeholders who have an interest in the Fund. The Pension Fund Committee must approve all financial statements produced for the Pension Fund.

DETAILS:

1. The Surrey Pension Fund Statement of Accounts was published by the Council on 31 May 2020. The Draft Pension Fund Accounts are included as a hyperlink in the Draft Annual Report and can be found using the link below on pages 121-162.

https://www.surreycc.gov.uk/_data/assets/pdf_file/0009/227385/Statement-of-Accounts-2019-20-DRAFT.pdf

2. Due to resource constraints from the Fund's external auditors however, the final sign off has now been delayed to October 2020, when the Pension Fund Accounts along with the Council Accounts will be presented to the Audit and Governance Committee.
3. The external auditor is required to report on the Pension Fund Financial Statements. During the external audit, Grant Thornton identified some minor issues, which led to minor amendments being made to the 2019/20 draft financial statements and related notes to the accounts.

4. A link to the financial statements and notes to the accounts is included as part of the Pension Fund Annual Report 2019/20 in Annex 1.

Cost Transparency

5. The Fund reported against the Local Government Scheme Advisory Board's (SAB) Cost Transparency Code for the first time in the 2019-20 Annual Report. All of Surrey Pension Fund's 10 Fund Managers are signatories to the LGPS Transparency Code and all but 3 fund managers had provided Cost Transparency templates in time for the production of this year's annual report. More detail on this can be found in page 55 of the Annual Report (Annexe 1) with additional analysis found in Annexe 2.
6. As the final sign off date has been delayed, the letter of representation, signed by the Section 151 Officer and the External Audit findings report will be available in October 2020. The letter of representation confirms that the financial statements have been presented fairly and in accordance with International Financial Reporting Standards and the CIPFA Code of Practice.

CONSULTATION:

7. The Chairman of the Pension Fund has been consulted and offered full support for the proposals.

RISK MANAGEMENT AND IMPLICATIONS:

8. There are risk related provisions detailed within the Hymans report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

9. Financial and value for money implications are contained within the financial statements and the External Audit Findings Report.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

10. The Director of Corporate Finance has overseen the full process of the compilation of the financial statements and the external audit process.

LEGAL IMPLICATIONS – MONITORING OFFICER

11. There are no legal implications or legislative requirements

EQUALITIES AND DIVERSITY

12. The approval of the financial statements does not require an equality analysis, as the initiative is not a major policy, project or function being created or changed.

OTHER IMPLICATIONS

13. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

14. The following next steps are planned:

- Approval of the audited financial statements
- Inclusion of the Investment Strategy Statement and Funding Strategy Statement in the Pension Fund Annual Report 2019/20
- Inclusion of additional work on the Taskforce for Climate Related Financial Disclosures as well as SDG Mapping work into the Annual Report.
- Review by External Auditors, Grant Thornton, to provide Statement of Consistency of Pension Fund Accounts 2019/20 and Pension Fund Annual Report 2019/20

Contact Officer:

Mamon Zaman, Senior Pensions Finance Specialist

Consulted:

Pension Fund Committee Chairman.

Annexes:

1. Surrey Pension Fund Annual Report 2019/20
2. Surrey Pension Fund Annual Report 2019/20 – Fund Manager Cost Transparency Analysis (PART 2)

Sources/background papers:

None

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