

SURREY COUNTY COUNCIL**PENSION FUND COMMITTEE****DATE: 9 JULY 2021****LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF CORPORATE FINANCE****SUBJECT: PENSION FUND ACCOUNTS 2020/21****SUMMARY OF ISSUE:****Strategic objectives****Investment**

This report presents the unaudited financial statements of the Pension Fund for the year ended 31 March 2021, in light of the County Council's obligations as the administering authority under the Local Government Pension Scheme (LGPS) Regulations.

The external auditor (Grant Thornton) will then audit the Accounts, with the Fund aiming for an unqualified opinion.

RECOMMENDATIONS:

The Committee is asked to approve the 2020/21 Pension Fund Accounts in Annex 1, subject to an unqualified opinion issued by Audit.

DETAILS

1. Grant Thornton audits both the County Council and Pension Fund accounts and is required to present separate audit opinions on each. The Audit will commence in June 2021 before presenting their findings of the work carried out, the conclusions reached and recommendations made
2. Annex 1 represents the primary statements and accompanying notes to the accounts.

SUMMARY OF FINDINGS

3. The total value of The Fund was reported at £4.95bn as at 31 March 2021 (£3.83bn in 2019/20)
4. Note 14 also mentions that the Fund paid approximately £1.4m in respect of pooling costs to Border to Coast Pensions Partnership (BCPP)
5. Note 17d summarises the investments held by each fund manager, also showing the UK Equity Alpha Fund & Global Equity Alpha, the two assets transitioned onto BCPP.
6. Note 19 (current liabilities) have increased from £6.4m to £19.6m. £11m of this increase is due to deficit payments made by employers earlier than they

are due. £2m relates to management fees to Fund managers which was accrued at the year end and has since been paid.

7. Note 21 highlights that Pension administration services has increased from £2.3m to £2.4m. This is mainly due to additional staff employed by the admin team to assist with new projects including provision of pension administration migrating back from Orbis to the sovereign authority.

MANAGEMENT REPRESENTATION LETTER

8. Once the audited accounts are approved, the Section 151 Officer of The Fund provides the external auditor with a letter of representation. This expresses an opinion that the financial statements have been presented fairly, in all material aspects in accordance with International Financial Reporting Standards and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom in 2020/21 and applicable law.

CONSULTATION:

9. The Chairman of the Pension Fund has been consulted on the report.

RISK MANAGEMENT AND IMPLICATIONS:

10. Risk related issues have been discussed and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

11. Financial and value for money implications are discussed within the report.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

12. The Director of Director of Corporate Finance is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

13. There are no legal implications or legislative requirements

EQUALITIES AND DIVERSITY

14. The approval of the various options will not require an equality analysis, as there is no major policy, project or function being created or changed.

OTHER IMPLICATIONS

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

WHAT HAPPENS NEXT

16. The following next steps are planned:

- Undertaking the Statement of Accounts Final Audit before achieving an unqualified opinion and presenting to the Audit & Governance Committee
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Contact Officer:

Ayaz Malik, Senior Pensions Finance Specialist

Consulted:

Pension Fund Committee Chairman

Annexes:

Annexe 1: Pension Fund Accounts 2020-21

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