

## CLWYD PENSION FUND COMMITTEE

<b>Date of Meeting</b>	Wednesday, 31 <sup>st</sup> August 2022
<b>Report Subject</b>	Clwyd Pension Fund Annual Report 2021/22
<b>Report Author</b>	Deputy Head Clwyd Pension Fund

### EXECUTIVE SUMMARY

LGPS Regulations require the Clwyd Pension Fund (the Fund) to publish an Annual Report before 1<sup>st</sup> December 2022. The regulations and CIPFA best practice guidance advise on the content.

The draft Annual Report for 2021/22 is attached for member consideration at Appendix 1. The Annual Report includes the Fund's draft Statement of Accounts.

The Annual Report is required to include certain statutory information and this will be included in the report when it is published, along with signposting to non-statutory information which is felt relevant to the report.

The Fund's draft accounts are subject to review by Flintshire County Council's Section 151 Officer prior to the meeting, and he will provide any necessary feedback to the meeting.

At this stage Members are asked to consider the draft Annual Report.

Attached as Appendix 2 is a draft response to the Audit Enquiries Letter for 2021/22 from Audit Wales and Members are asked to note the response.

### RECOMMENDATIONS

1	That Members consider the Fund's draft Annual Report for 2021/22, including the draft Statement of Accounts.
2	That Members note the Audit Enquiries letter and response.

## **REPORT DETAILS**

<b>1.00</b>	<b>Annual Report</b>
1.01	<p>The Annual Report meets the requirement under Regulation 57 of the Local Government Pension Scheme (LGPS) Regulations 2013 which require Administering Authorities of LGPS pension funds to produce an annual report. In Wales this includes the year-end financial statements as there is no longer a requirement for these statements to be included as part of the administering authorities' own statements. The report has been written in accordance with the Regulations and guidance, most notably the guidance produced by CIPFA in 2019 entitled "Preparing the Annual Report".</p> <p>The report covers the activities of the Fund during 2021/22, a year which was dominated by the continuing impact of the COVID-19 pandemic e.g. remote working etc. alongside external factors such as the conflict in Ukraine and the impact of rising inflation. In spite of this, the Fund has continued to operate in a secure and efficient way, with the needs of members and employers being met effectively.</p> <p>Section 2 of the Annual Report is a summary by the Head of the Pension Fund which identifies key issues relating to the activity of the Fund during 2021/22. The summary is supported by more detailed reports from the fund's partners and senior officers. They are:</p> <ul style="list-style-type: none"><li>- A report on the governance of the Fund, the training of Committee and Board members, and risk management</li><li>- A report from the Fund's Independent Advisor</li><li>- A report from the Pension Board</li><li>- A report on the administration of the Fund</li><li>- A report from the Fund's actuary</li><li>- A report from the Fund's investment consultants</li><li>- A report on the Fund's financial activity</li></ul> <p>In addition, the Fund's Statement of Accounts and Annual Governance Statement are included in the Annual Report.</p> <p>The Annual Report includes statutory and best practice policies and statements. These are not attached to the draft report as they have previously been approved by the Committee, but are available on the Fund's website. They will be included in the report when it is published. Other non-statutory information relating to the report, which is all available on the Fund's website, will be signposted in the published version of the report.</p>
1.02	<p>CIPFA updated the guidance they provide to Local Government Pension Schemes to ensure that their annual reports are completed in accordance with best practice in 2018/19, and have not updated that guidance since. The guidance has been followed wherever possible in the preparation of this report.</p>

<b>2.00</b>	<b>Consideration, Audit and Approval of the Annual report</b>
2.01	<p>The Annual Report is provided in draft format for Member consideration, and remains subject to audit. Colleagues from Audit Wales have indicated that the audit is likely to commence in October. The final version of the report will also be updated to meet accessibility requirements.</p> <p>The Fund is required to have an audited Annual Report published before 1st December.</p> <p>With regard to the Audit, attached as Appendix 2 to this report is an Audit Enquiries Letter for 2021/22 from Audit Wales along with a draft response from the Chair of this Committee. The receipt of this letter is normal practice, and is part of Audit Wales' overall approach to its audit of the accounts.</p> <p>The response is broadly the same as that submitted to Audit Wales in respect of the accounts for 2020/21. Changes are highlighted in yellow. Members are asked to note the response.</p>

<b>3.00</b>	<b>RESOURCE IMPLICATIONS</b>
3.01	None directly as a result of this report.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
4.01	None directly as a result of this report

<b>5.00</b>	<b>RISK MANAGEMENT</b>
5.01	The Annual Report and external audit both review and identify whether there are any risks that are not being managed by the Fund. These include strategic, operational and financial risks.
5.02	The external audit of the accounts will specifically consider financial risks and how well the Fund is managing those risks.

<b>6.00</b>	<b>APPENDICES</b>
6.01	<p>Appendix 1 – Draft Annual Report 2021/22</p> <p>Appendix 2 – Audit queries letter</p>

<b>7.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
7.01	<p>None</p> <p><b>Contact Officer:</b> Debbie Fielder, Deputy Head Clwyd Pension Fund  <b>Telephone:</b> 01352 702259  <b>E-mail:</b> debbie.a.fielder@flintshire.gov.uk</p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p>(a) <b>Administering authority or scheme manager</b> – Flintshire County Council is the administering authority and scheme manager for the Clwyd Pension Fund, which means it is responsible for the management and stewardship of the Fund.</p> <p>(b) <b>CPF – Clwyd Pension Fund</b> – The Pension Fund managed by Flintshire County Council for local authority employees in the region and employees of other employers with links to local government in the region</p> <p>(c) <b>CIPFA – Chartered Institute of Public Finance and Accountancy</b> – professional institute for accountants working in the field of public services</p> <p>(d) <b>LGPS – Local Government Pension Scheme</b> – the national scheme, which Clwyd Pension Fund is part of</p>