

## CLWYD PENSION FUND COMMITTEE

<b>Date of Meeting</b>	Wednesday 7 <sup>th</sup> October 2020
<b>Report Subject</b>	Clwyd Pension Fund Annual Report 2019/20
<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 2020. The regulations and CIPFA best practice guidance advise on the content.

The draft Annual Report for 2019/20 is attached for member consideration at Appendix 1. The Annual Report includes the Fund's Statement of Accounts, which has been audited by Audit Wales (AW). The draft AW Audit Report is attached as Appendix 2, the letter of representation as Appendix 3, and a letter in respect of Audit Enquiries and the responses to that letter are included as Appendix 4 for information.

The Annual Report includes statutory and best practice policies and statements. These are not attached to the report as they have previously been approved by the Committee, but are available on the Fund's website. Those which are of a statutory nature 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.

### RECOMMENDATIONS

1	That members approve the Fund's Annual Report for 2019/20, including the Statement of Accounts.
2	That members consider the Audit Report
3	That members approve the Letter of Representation
4	That members note the Audit Enquiries letter and responses.

## **REPORT DETAILS**

<b>1.00</b>	<b>Annual Report</b>
1.01	<p>As in previous years, the main structure of the report consists of a series of reports from senior officers and advisors to the Fund. These 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. 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.</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 for 2018/19. They did not further update the guidance for 2019/20. The guidance has been followed wherever possible in the preparation of this report. Further updated guidance is expected in time for the 2020/21 report.</p>
1.03	<p>Any further minor drafting errors or minor revisions identified will be corrected when the report is loaded onto the website.</p>

<b>2.00</b>	<b>Statement of Accounts</b>
2.01	<p>The Fund's Statement of Accounts is now included as part of the Annual Report. Members will recall that a draft Statement of Accounts was signed off by the Corporate Finance Manager and Section 151 Officer on 15th June 2020. The draft Annual Report including the Statement of Accounts was subsequently circulated to all members of the Committee for them to review on 5th August 2020. A summary of the queries received and responses to them was circulated to members on 3<sup>rd</sup> September 2020.</p>
2.02	<p>The audit of the 2019/20 Statement of Accounts is now substantially complete, although the audit continues up until the point at which the accounts are formally signed off by the auditors</p>
2.03	<p>A copy of the Statement of Accounts for 2019/20 is included as Section 10 in the Annual Report in Appendix 1 and it incorporates all changes agreed with AW during the course of the audit.</p>

2.04	AW are required to provide an opinion and communicate relevant matters arising from the audit to the Committee charged with the governance of the Fund. Attached as Appendix 2 is the Audit of Accounts Report from AW and they will be in attendance at the Pension Fund Committee to present this report.
2.05	The report highlights details of any significant issues arising from the audit together with recommendations from AW, and also a summary of the corrections made to the Statements of Accounts from the draft stage.
2.06	This year's report includes an Emphasis of Matter relating specifically to uncertainties in the valuation of Pooled Property investments as a result of the impact of COVID-19, shown on Page19 of Appendix 2.
2.07	It is pleasing to note that AW have confirmed that the Fund was able to provide good quality draft accounts in the agreed timescale.
2.08	The Letter of Representation shown at Appendix 3 requires the Committee to confirm to the AW that all the information contained in the financial statements is true and accurate and that all information has been disclosed.
2.09	Appendix 4 shows an Audit Queries letter from AW to the Fund and the responses to it for members' information.

<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 report of the accounts did not report any risks that the Fund is not already aware of and taking action to reduce.

<b>6.00</b>	<b>APPENDICES</b>
6.01	Appendix 1 – Draft Annual Report 2019/20 Appendix 2 – WAO Audit Report 2019/20 Appendix 3 – Letter of Representation Appendix 4 – Audit queries letter

<b>7.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
7.01	None  <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

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p>(a) <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>(b) <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>(c) <b>PFC – Clwyd Pension Fund Committee</b> - the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund</p> <p>(d) <b>LGPS – Local Government Pension Scheme</b> – the national scheme, which Clwyd Pension Fund is part of</p>