



Open Report on behalf of Andrew Crookham – (Executive Director of Resources)

Report to:	Lincolnshire Pension Board
Date:	15 July 2021
Subject:	Pension Fund Draft Annual Report and Accounts

Summary:

This reports brings the draft Annual Report and Accounts for the Pension Fund to the Pensions Board.

Recommendation(s):

That the Board note the draft Pension Fund Annual Report and Accounts.

Background

1. The draft Pension Fund Annual Report and Accounts for the year ended 31 March 2021 (included at **Appendix A**) has been completed and is being independently audited by the Council's external auditors, Mazars. The Pension Fund accounts also form part of the Lincolnshire County Council Statement of Accounts, which were published in draft on the Council's website at the end of June.
2. The Annual Report and Accounts have been prepared taking into account the guidance produced by Chartered Institute of Public Finance Accountants (CIPFA) and relevant accounting standards. There have been no changes to the guidance for preparing the annual report 2021. Changes to the Code of Practice on Local Authority Accounting for 2020/21 were presented to the Board in March and have been incorporated into the accounts element of the Annual Report.

Pension Fund Accounts

3. Publicly quoted valuations, such as those for equities and bonds are available shortly after the end of the financial year, however, for unquoted holdings, such as private equity, infrastructure and unquoted alternatives, valuations often take much longer to be prepared. Initial 31 March valuations for these assets are based on audited accounts from earlier periods (such as 31 December) rolled forward for cashflow movements. This approach is allowed by the Code. However, as updated valuations are received, Fund Officers will need to consider their materiality, both individually and collectively, and revise the accounts to reflect this information, if necessary.

4. The draft accounts presented to the Board today include all 31 March valuation information received by the Fund to the end of June. However, at this date there were a significant number of private equity, infrastructure and unquoted alternative holdings where the final 31 March valuation has not been received. All 31 March valuations received for these funds, after 30 June, and in advance of the deadline for publishing audited accounts (30 September) will be reviewed and incorporated into the accounts if considered material, either individually or collectively. Therefore the accounts included in the final Annual Report may differ to those presented today. Any changes will be reported to the Board in October.

Next Steps

5. The draft Pension Fund Accounts, as part of the County Council draft Statement of Accounts, will be approved by the Audit Committee at its meeting on Monday 12 July. Subject to the completion of audit work the final Statement of Accounts will be presented to the Audit Committee for approval at their meeting in September.
6. The final Pension Fund Annual Report and Accounts will then be reported to the Board in October along with comments from the External Auditors on their report to 'Those Charged with Governance'. Following this the Fund's Annual Report will be published.

Conclusion

7. The Lincolnshire Pension Fund Report and Accounts has been produced for the year ended 31 March 2021. The Accounts element of the report may be subject to change in light of outstanding valuation information relating to unquoted asset valuations as at 31 March 2021.
8. Subject to completion of External Audit work the final Annual Report and Accounts will be presented to the Pensions Board in October. Following that, a copy of the Pension Fund Annual Report and Accounts will be distributed to interested parties.

Consultation

a) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the Head of Pensions.

Appendices

These are listed below and attached at the back of the report	
Appendix A	Lincolnshire Draft Pension Fund Annual Reports and Accounts 2021

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020/21	Executive Director of Resources

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