



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	LGPS Local Pension board
Date:	13 July 2023
Subject:	Annual Report and Accounts 2022-23: Draft Annual Report and Accounts

Summary:

The report brings the draft Annual Report and Accounts for the Pension Fund to the Pension Board for review and provides an update on the 2021/22 position.

Recommendation(s):

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

Background

- 1.1 The draft Pension Fund Annual Report and Accounts for the year ended 31 March 2023 (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 presented to the Audit Committee on Monday 19 July.
- 1.2 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 2023, or the accounts for 2022/23.

2022/23 Pension Fund Accounts

- 1.3. 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.

- 1.4. All 31 March valuations received in advance of the deadline for publishing audited accounts (30 September for the Council) 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 this Committee later in the year.
- 1.5 The external auditor's Audit Strategy Development Update was presented to the Audit Committee at its meeting on 19 June, and is attached at appendix B. Mazars, represented by John Pressley, will attend the Board to explain their plan for the audit and answer any questions.

21/22 Pension Fund Accounts Update

- 1.6 As the Board are aware, there have been delays in finalising the external auditor's opinion on the Pension Fund Accounts for 2021/22 due to issues impacting the Council's Statement of Accounts. The completion of the triennial valuation as at 31 March 2022 before the accounts have been signed off has meant that additional work was required to reflect the updated position of the Fund following the valuation work.
- 1.7 This was completed in June and updated accounts were sent to Mazars, and to LCC for inclusion within their Statement of Accounts.

Next Steps

- 1.5. The final Pension Fund Annual Report and Accounts will be reported to this Board later in the year along with comments from the External Auditors in their report to 'Those Charged with Governance'. Following this the Fund's Annual Report will be published to meet the statutory deadline of 1 December.

Conclusion

- 2.1 The Lincolnshire Pension Fund Report and Accounts has been produced for the year ended 31 March 2023. 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 2023.
- 2.2 Subject to completion of External Audit work the final Annual Report and Accounts will be presented to the Pension Board later in the year. Following that, a copy of the Pension Fund Annual Report and Accounts will be published and 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 Pension Fund Annual Report 2023
Appendix B	External Audit - Strategy Development Update

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 2021/22	Executive Director of Resources

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