

Agenda Item

Subject	Draft Annual Report 2023/24	Status	For Publication
Report to	Local Pension Board	Date	8 August 2024
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To present the first draft of the Authority's Annual Report for 2023/24 to the Board for review and comments.
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2 Recommendations

- 2.1 Members are recommended to:
- a. **Review and comment upon the draft Annual Report of the Authority for 2023/24 at Appendix A.**
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3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report do not directly impact any items contained in the Corporate Risk Register.

5 Background and Options

- 5.1 The LGPS Regulations require that each Administering Authority prepare and publish an annual report including the accounts of the Pension Fund on or before 1 December following the scheme year end. The contents of the report are specified in the regulations and guidance issued by CIPFA (the Chartered Institute of Public Finance and Accountancy) which constitutes statutory proper accounting practice.

- 5.2 In April 2024, new statutory guidance was published to assist pension funds with the preparation of the pension fund annual report. This was jointly produced by the Scheme Advisory Board (SAB), CIPFA, and the Department for Levelling Up, Housing and Communities (subsequently re-named to Ministry for Housing, Communities and Local Government – MHCLG) in consultation with funds and other stakeholders. The new guidance is available from the SAB’s website – see link below under ‘Background Papers’.
- 5.3 The guidance applies to annual reports for 2023/24 onwards – although given that it was not published until April 2024, funds are asked to use best endeavours to comply fully with the new guidance, exercising judgement where to do so would require disproportionate effort or cost.
- 5.4 The guidance states that the annual report should be formally reviewed and authorised by those charged with governance and the appropriate senior officer. For SYPA, these are the Audit & Governance Committee and the Director. The final draft annual report will be presented for approval at the September meeting of the Audit & Governance Committee.
- 5.5 As a matter of good practice, it was previously agreed that the draft annual report would be presented to the Board ahead of consideration by the Audit & Governance Committee and subsequent publication. This is reinforced in the new guidance which states that local pension boards should as part of their remit review the pension fund financial statements and annual report prior to their publication.
- 5.6 The Draft Annual Report for 2023/24 is attached at Appendix A, with additional appendices that form part of the annual report attached at Appendix B and C.
- 5.7 The timing of the meetings cycle means that the version of the annual report now presented for the Board’s review is largely complete but is subject to the following additions and changes that were not possible to complete by the date of the August meeting:
- a. Design – the report contents will be converted to the professionally designed format including graphics and images prior to approval and publication. The draft version presented for the Board’s review at Appendix A comprises the collated contents in a standard document format prior to the design work.
 - b. Local Impact Investment – a sub-section to be added within the Responsible Investment section is provided by an external partner and won’t be available until later in August.
 - c. Financial Statements – the financial statements of the Fund will be incorporated into the main body of the annual report as part of the design process. The financial statements attached at Appendix C to this report are the draft, unaudited accounts. The audit is currently in progress and due to be concluded in September. Any changes to the accounts arising from the audit work will be reflected in the annual report.
 - d. External Audit Consistency Opinion - the annual report is subject to a check by the external auditors to ensure that the accounts reflect what they have audited in the accounts and that the report is consistent with their knowledge of the Fund. This results in what is known as the consistency opinion – this will only be provided following conclusion of the audit.
- 5.8 Board members are asked to review and comment on the draft annual report at Appendix A.

6 Implications

- 6.1 The proposals outlined in this report have the following implications:

Financial	None
Human Resources	None
ICT	None
Legal	The preparation and publication of the annual report ensures compliance with regulation 57 of the Local Government Pension Scheme Regulations 2013.
Procurement	None

George Graham

Director

Background Papers	
Document	Place of Inspection
Guidance on preparation of the Pension Fund Annual Report – issued in April 2024.	Preparing the Pension Fund Annual Report - Guidance for Local Government Pension Scheme Funds (APRIL 2024) (lgpsboard.org)