



# Committee report

Committee	<b>ISLE OF WIGHT LOCAL PENSION BOARD</b>
Date	<b>17 JANUARY 2023</b>
Title	<b>ANNUAL REPORT AND ACCOUNTS 2021-22</b>
Report of	<b>PENSION FUND MANAGER</b>

---

## EXECUTIVE SUMMARY

1. This report presents the annual report and accounts for the Isle of Wight Council Pension Fund for the year ended 31 March 2022, which is still subject to external audit.
2. The pension fund accounts contained within the annual report will form part of the accounts of the Isle of Wight Council, as administering authority for the fund, which will be presented to Audit Committee for approval in March 2023.
3. The separate external audit of the pension fund accounts has begun but will not be complete until February 2023. A verbal update on this matter is presented elsewhere on this agenda.
4. This report will be presented to the pension fund committee at its meeting on 8 February 2023, with any update on audit matters at that point.
5. Following the committee meeting, a draft unaudited annual report will be published on the fund's website.
6. A further report will be presented to the Board at its meeting on 5 April 2023, confirming the completion of the external audit, the approval of the Council's financial statements, and the publication of the fund's audited annual report and accounts on the website.

## RECOMMENDATIONS

- |   |
|---|
| <ol style="list-style-type: none"><li>7. That the Local Pension Board notes the draft annual report and accounts for the year ended 31 March 2022.</li><li>8. That the board is notified of the completion of the external audit for both the pension fund and the Council.</li><li>9. That the board is notified when the annual report and accounts is published, both in draft format and in final form.</li></ol> |
|---|

## BACKGROUND

10. Local Government Pension Scheme (LPGS) Regulations 2013 (the regulations) require pension funds to publish an annual report on or before 1 December each year. The content of the annual report is specified by the regulations.
11. For the current year, ended 31 March 2022, the fund has been unable to meet this deadline, due to significant delays in the external audit process for both the fund itself and the council, as administering authority. This breach of the regulations was reported to the LGA and the Pensions Regulator as soon as it became apparent. Both bodies determined that no further action was necessary in respect of this breach,
12. Current guidance from the LGA is that funds should publish their draft, unaudited annual report and accounts as soon as it was available; funds should publish an updated version once the external audit of the relevant administering authority's accounts has been completed.
13. The draft financial result for the pension fund for the year ended 31 March 2022, including investment performance and employers' contributions analysis, was presented to the pension fund committee at its meeting on 27 July 2022. The annual report contains the same information but presented in accordance with statutory reporting guidelines.
14. Regulation 57 of the regulations covers the requirement for, content of, and publication arrangements for LGPS pension fund annual reports.
15. A full list of the contents of the annual report is listed below. The full document is in excess of 250 pages long, so is not presented in its entirety. The full document can be provided if required on request from the Pension Fund Manager.
16. Attached to this report as Appendix 1, is the information that has not been seen previously by this committee, indicated in *italics* in the table below. Where details have been submitted previously a link has been provided to the document.

<b>Table of contents</b>	
<b><i>Foreword</i></b>	<i>As prepared on behalf of the committee chair.</i>
<b><i>Financial summary</i></b>	<i>Extracted from draft financial statements presented to July 2022 committee meeting</i>
<b><i>Scheme management and advisers.</i></b>	<i>Same format as prior year.</i>
<b><i>Investment policy and performance report</i></b>	<i>Report from the fund's investment consultants, Hymans Robertson LLP</i>
<b><u>Investment strategy statement</u></b>	February 2021 version. Approved by previous committee on 3 March 2021. Link to published statement provided.
<b><i>Actuarial statement</i></b>	<i>Report from the fund's actuary, Hymans Robertson LLP.</i>
<b><u>Funding strategy statement</u></b>	Approved and adopted by previous committee at meeting on 13 March 2020. Link to published statement provided.
<b><u>Pension scheme administration information</u></b>	Key performance indicators for 2021-22 previously presented to pension board at meeting on 15 June 2022.

<a href="#"><u>Administration strategy</u></a>	Approved by previous committee November 2018. Link to published statement provided.
<a href="#"><u>Governance policy statement</u></a>	Approved by previous committee 2 September 2020. Link to published statement provided.
<a href="#"><u>Terms of reference of Pension Fund Committee</u></a>	Contained within council's constitution which was last updated August 2022. Link to relevant section of constitution provided.
<a href="#"><u>Terms of reference of Local Pension Board</u></a>	
<a href="#"><u>Governance compliance statement</u></a>	Approved by committee on 25 November 2022. Link to published statement provided.
<b>Knowledge and skills framework compliance statements</b>	<i>Detail of training undertaken both by Pension Fund Committee and Pension Board.</i>
<a href="#"><u>Risk management policy</u></a>	Approved by committee in November 2021. Link to published statement provided.
<a href="#"><u>Communications policy statement</u></a>	Approved by committee on 25 November 2022. Link to published statement provided.
<a href="#"><u>ACCESS Pool Annual Report</u></a>	Adopted by ACCESS Joint Committee at their meeting in October 2022. Link to published statement provided.
<b>Statement of responsibilities for the statement of accounts – not included</b>	Final version to be inserted once council's statement of accounts finalised, expected 20 March 2023.
<b>Financial statements year ended 31 March 2022</b>	Current unaudited version, as published in the Council's <a href="#"><u>draft financial statements</u></a> .
<b>Independent auditors' statement – not included</b>	To be added once council's statement of accounts finalised, expected 20 March 2023.
<b>APPENDIX A – Glossary of terms</b>	<i>As per prior year.</i>

17. There is no annual report from the Local Pension Board presented as part of the fund's annual report and accounts for the current year, as the board was not operational between September 2021 and April 2022.
18. Appendix 2 to this report presents the completed disclosure checklist, as designed by the Chartered Institute of Public Finance and Accountancy (CIPFA) to evidence compliance with the disclosure requirements of the *CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2021/22*.
19. There are no areas where the fund's annual report and accounts do not comply with the disclosure requirements of the code.

## STRATEGIC CONTEXT

20. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the LGPS regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.

21. Approval of the fund's draft annual report and accounts, and the overall stewardship of public funds, form an integral part of the fund's corporate governance framework.

#### APPENDICES ATTACHED

22. Appendix 1: Extracts from the Isle of Wight Council Pension Fund Annual report and accounts for the year ended 31 March 2022.
23. Appendix 2: CIPFA AR disclosure checklist

Contact Point: Joanna Thistlewood, Pension Fund Manager, ☎ 821000  
e-mail [jo.thistlewood@iow.gov.uk](mailto:jo.thistlewood@iow.gov.uk)