



## PENSIONS COMMITTEE

**26 SEPTEMBER 2023**

<b>REPORT TITLE:</b>	<b>MERSEYSIDE PENSION FUND ANNUAL REPORT &amp; ACCOUNTS 2022/23 AND LETTER OF REPRESENTATION</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF PENSIONS</b>

### REPORT SUMMARY

The purpose of this report is to present to Members:

- An update on the 2021/22 Statement of Accounts
- Annual Report & Accounts for Merseyside Pension Fund for 2022/23
- A letter of representation prepared by Officers on behalf of the Committee.

The Statement of Accounts for 2021/22 approved by Pensions Committee in September 2022, is expected to be approved by Audit & Risk Management Committee in October 2023, as part of Wirral Council's accounts approval process. An updated actuary statement for 2021/22 has been obtained and is now included within the 2021/22 reporting. This is due to the outcomes of the 2022 Triennial Valuation being published and considered to be new information being available, before the audit opinion was provided; this change was a national issue and agreed with the auditors.

The Statement of Accounts summarises the Fund's transactions for the 2022/23 financial year and its position at year end. The Fund's financial position for the year ended 31 March 2023 is reported as £10.4bn.

The primary reporting publication for the Fund's Statement of Accounts is as a part of Wirral Council's Accounts, as the Administering Authority. The LGPS Regulations require the Fund's financial statements to also be published within the Fund's statutory Annual Report.

The accounts were prepared and submitted for external audit on 1 June 2023. The external auditors, Grant Thornton, subject to outstanding work, have indicated there will be an unqualified opinion. The audit work has not identified any adjustment to the financial statements' financial position; a small number of changes to the disclosure notes have been made. At the time of preparing this report, the Fund has agreed to these amendments and there are no recommendations. A verbal update will be provided at the meeting.

The Audit Opinion will be issued following final completion of the audit, consideration of the Audit Findings Report and approval of the amended Statement of Accounts at both the Pensions Committee and the Audit and Risk Management Committee.

Subject to this, the accounts will form the basis of the Annual Report for the year ended 31 March 2023.

A Letter of Representation on behalf of the Committee has been prepared, which gives assurances to the Auditor on various aspects relating to the Pension Fund.

### **RECOMMENDATION/S**

That the Pensions Committee be recommended to note the update for 2021/22 reporting.

That the Pensions Committee be recommended to consider the Audit Findings Report, the amendments to the accounts, the Letter of Representation and to approve the audited Statement of Accounts for 2022/23.

That the Pensions Committee be recommended to refer the recommendations above to the Audit and Risk Management Committee.

That the Pensions Committee be recommended to approve the Annual Report of Merseyside Pension Fund for 2022/23 for publication.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION**

- 1.1 As required by International Standard on Auditing and the Code of Audit Practice, the Auditor reports its findings on the audit of the Pension Fund Financial Statements to those charged with governance.
- 1.2 As the Pension Fund receives a separate Audit Findings Report, this report will first be considered by Pensions Committee, and then by Audit and Risk Management Committee.
- 1.3 There is a statutory requirement to produce and publish an annual report for the year to 31 March by 1 December of that year.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 This is a statutory report and no other options were considered to be appropriate.

### **3.0 BACKGROUND INFORMATION**

#### **UPDATE ON 2021/22 ACCOUNTS**

- 3.1 The Statement of Accounts for 2021/22, approved by Pensions Committee in September 2022, is expected to be approved by Audit & Risk Management Committee in October 2023 as part of Wirral Council's accounts approval process. An updated actuary statement for 2021/22 has been obtained and is now included within the 2021/22 reporting. This is due to the outcomes of the 2022 Triennial Valuation being published and considered to be new information being available, before the audit opinion was provided. This change was a national issue and agreed with the auditors.

#### **2022/23 ACCOUNTS**

- 3.2 The primary reporting publication for the Fund's Statement of Accounts is as a part of Wirral Council's Accounts, as the Administering Authority. The LGPS Regulations require the Fund's financial statements to also be published within the Fund's statutory Annual Report.
- 3.3 The purpose of the Statement of Audited Accounts is to present the overall financial position of the Pension Fund as at 31 March 2023 in accordance with prescribed guidance.
- 3.4 The Statement of Accounts, including notes, were prepared and available for audit by 1 June 2023 in line with the statutory deadline for 2022/23 reporting. The Fund's Annual Report was available for audit during August.

- 3.5 Grant Thornton's audit work of the accounts is ongoing and the Audit Findings Report is on this agenda. They may provide a verbal update at the meeting on the report and officers will respond if necessary.
- 3.6 The audit work has not identified any adjustment to the financial statements' financial position.
- 3.7 A small number of disclosure note adjustments to improve the presentation of the financial statements and annual report have been agreed.
- 3.8 A Letter of Representation on behalf of the Committee has been prepared, which gives assurances to the Auditor on various aspects relating to the Pension Fund.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are none arising directly from this report. The purpose of the Statement of Audited Accounts is to present the overall financial position of the Pension Fund as at 31 March 2023 in accordance with prescribed guidance.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 There is a legal requirement to prepare and approve the statement of accounts under Regulation 57 of The Local Government Pension Scheme Regulations 2013 and The Accounts and Audit Regulations 2015.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING; ICT AND ASSETS**

- 6.1 There are none arising directly from this report.

#### **7.0 RELEVANT RISKS**

- 7.1 A failure to provide Pensions Committee with information on legislative changes and the Fund's activities could hinder the Committee in fulfilling its statutory duties.

#### **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The Fund's statement of accounts form part of Wirral Council's accounts and were available for public inspection.

#### **9.0 EQUALITY IMPLICATIONS**

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?  
(b) No because there is no relevance to equality.

#### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 There are no environmental or climate implications arising from this report.

## 11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The content and/or recommendation contained within this report have no direct implications for community wealth.

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## APPENDICES

1. Annual Report & Accounts.
2. Letter of Representation

## BACKGROUND PAPERS

The Fund's Statement of Accounts  
Cipfa The Code of Practice for Local Authority Accounting in the UK 2022/23  
Grant Thornton Audit Findings Report  
Cipfa Guidance for LGPS – Preparing the Annual Report (2019)

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
The Fund's Statement of Accounts are brought annually to this Committee.	<b>28 September 2022</b>
	<b>20 September 2021</b>
	<b>2 November 2020</b>