

## **PENSION FUND ANNUAL REPORT AND ACCOUNTS 2020-21**

Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation: that the Pension Fund Annual Report and Accounts for 2020/21 be adopted, subject to approval of the Statement of Accounts by the Devon County Council Audit Committee and completion of the external audit.

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### **1. Introduction**

- 1.1 The Pension Fund Annual Report, including the Statement of Accounts, is brought to the Committee each year for approval. The draft report for 2020/21 is enclosed.
- 1.2 The Pension Fund Accounts are required to be included within the Devon County Council Statement of Accounts, which are due to be considered by the Council's Audit Committee on 21 September. The Investment and Pension Fund Committee's role is to approve the full Annual Report which contains the statement of accounts together with other information about the Fund's performance during the year.
- 1.3 While the accounts are due to be considered by the Audit committee on 21 September, it is unlikely that the external audit will have been completed by Grant Thornton by the statutory deadline of 30 September, so it will not be possible to formally publish the Annual Report until the audit has been completed. The audit findings report for the Pension Fund will therefore be presented at a future meeting.

### **2. Annual Report and Statement of Accounts**

- 2.1 The Annual Report has been compiled in compliance with guidance issued by CIPFA (the Chartered Institute of Public Finance and Accountancy) in March 2019. The general principles in compiling the Pension Fund accounts are those recommended by CIPFA. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

## 2.2 The Annual Report includes:

- A forward from the (previous) Chair of the Investment and Pension Fund Committee.
- An introduction from the County Treasurer outlining the major issues during the year.
- Details of the training that members have received as required by the CIPFA Code of Practice on Knowledge and Skills.
- Details of attendance at both the Investment and Pension Fund Committee and the Pension Board.
- A market update from the Fund's Independent Advisor.
- An annual report detailing the work of the Pension Board.
- A section on investment pooling, setting out the costs and savings to date resulting from the pooling initiative.
- A cost transparency section highlighting the underlying investment costs over and above those included in the statement of accounts.
- The Fund's key risks from the Risk Register and the mitigating controls.
- Details of the voting and engagement activity undertaken during the year in relation to the Fund's responsible investment policies set out in the Investment Strategy Statement.
- Details of the carbon footprint of the Fund's equity investments and the Fund's approach to climate change.
- A summary of the performance of the Fund's external managers, followed by reports from each manager, including the Brunel Pension Partnership, outlining their performance, stewardship activity and their market outlook going forward.
- Details of pension fund income and expenditure for the year against the budget forecast, and explanation of significant variances.
- Details of the employee and employer contributions paid during the year, split by employer.
- Pensions Administration Performance – additional information on value for money and key performance data in relation to pensions administration.
- The Statement of Accounts.
- More detailed information about the operation of the Fund.
- Details of the Fund's top equity holdings and pooled funds. Given that all of the Fund's equity investments are now in pooled funds this is compiled on a "look through" basis showing the top underlying holdings within the pooled funds that the Fund is invested in.
- The Fund's statutory statements.

## 3. Conclusion

- 3.1 The Committee is asked to adopt the Pension Fund Annual Report and Accounts for 2020/21, subject to approval of the Statement of Accounts by the Audit Committee and completion of the external audit.

Mary Davis  
County Treasurer

Electoral Divisions: All

Local Government Act 1972:

List of Background Papers: Nil

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