

Scheme Advisory Board

MEETING HELD ON 13th DECEMBER 2021

ITEM 9 PAPER E

ANNUAL REPORT SURVEY

Background

1. Last year saw a significant number of fund annual reports delayed beyond the 1st December regulatory deadline for publication. The reason given for the delay in the vast majority of cases was issues with the audit of other sections of the councils accounts rather than the fund accounts themselves. Those funds unable to publish audited accounts did however publish unaudited draft accounts.
2. These delays impacted on the delivery of the Scheme Annual Report which, although it was published as usual in May of this year, relied on aggregating data from both audited final and unaudited draft accounts.

Survey of accounts 2021

3. In anticipation of at least some repeat of last year's audit issues with annual accounts the secretariat circulated, during November, a survey to LGPS authorities requesting information on the publication dates for audited annual accounts for pension funds.
4. Of the 86 Funds surveyed 70 responded and as at 23rd November 2021 four funds have already published an audited annual report.
5. Twenty-five of the funds who responded did not anticipate meeting the 1st December deadline for publication of the annual report. All 25 state the reason is due to audit problems and 18 of those clarified that the audit problems related to the main accounts rather than the LGPS accounts. Four also had problems related to the LGPS accounts and audit resource/experience. No authority stated the problems related to internal issues delaying the audit process with the LGPS accounts
6. Four funds stated they were unsure if they would meet the deadline with the reason being audit problems. One fund was unsure about the source of the audit problems. Two stated the problems related to the main council accounts, one of which also stated the problems related to the LGPS accounts and audit resource/experience.
7. Thirty-seven funds anticipated meeting the December 1st deadline. Six out of the 37 stated if they did not meet the deadline it would be due to audit problems, of which four stated that there were audit problems relating to the main council accounts. A further three funds stated there

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were also problems related to the LGPS accounts and audit resource/experience.

8. The secretariat will monitor the publication of reports during December and report back to the Board at its next meeting at which point the Board will consider what action may be appropriate. In the meantime it is proposed that the Chair raise the matter with the minister at the first opportunity.

Recommendation – that the Board notes the contents of this report