



# South Tyneside Council

## Local Pension Board

Date: 20<sup>th</sup> October 2023

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## Annual Report and Accounts 2022/23 (for information and discussion)

Report of the Head of Pensions

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### Purpose of Report

1. This report updates the Board on the position of the Annual Report and Accounts for the financial years 2021/22 and 2022/23.
2. The Board is asked to:
  - Review and comment on the draft Annual Report and Accounts and the Financial Statements for 2022/23.
  - Note the position on the 2021/22 Report and Accounts and Financial Statements.

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Contact Officer:

Paul McCann, Head of Pensions

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## Background

3. The deadlines for the production and authorisation of the Pension Fund accounts normally follow the timescales outlined in the Accounts and Audit Regulations 2015, as follows:
  - 31<sup>st</sup> May in the year following the end of the financial year, produce draft accounting statements for the Council and the Pension Fund.
  - No later than 31<sup>st</sup> July in the year following the end of the financial year, produce the audited Council's Report and Accounts, which contains the Fund's Financial Statements.
  - 1<sup>st</sup> December publish the Pension Fund Annual Report and Accounts.
4. Due to the impact from Covid-19 and ongoing national audit issues, the Department of Levelling-up, Housing and Communities extended the deadlines for the production of Accounts for 2021/22 to allow organisations more time to complete their financial statements and for auditors to complete their audit work.
5. Despite the ongoing audit issues, the deadlines for 2022/23 accounts reverted to the regulation dates outlined in paragraph 3.

## 2022/23 Report and Accounts

6. At the Committee meeting in June and Board meeting in July, a report was presented which set out the proposed approach to the audit of the 2022/23 Report and Accounts. Ernst and Young (EY), the Fund's external auditor, also presented their audit plan for the year end accounts.
7. A report was taken to Pensions Committee in September which appended a draft of the Pension Fund Report and Accounts. Committee's views were sought on the draft document. This report seeks representations from the Local Pension Board on the draft Report and Accounts. The draft Report and Accounts have been circulated to Board members as a separate document.
8. At the time of writing, it is hoped that EY will complete their audit of the 2022/23 financial statements and the Report and Accounts in November, which would allow the Fund to produce the 2023/23 Annual Report and Accounts by the 1<sup>st</sup> of December deadline. This is, however, subject to the prior completion of the 2021/22 Report and Accounts (see below).
9. Subject to the above timescales being met, the Report and Accounts will be brought back to Pensions Committee at its meeting on 1<sup>st</sup> of December for formal approval, on the statutory deadline date for the

completion and publication of the Report and Accounts. EY will attend this meeting to present the findings of their audit work. An update report will be provided to the Board at its meeting on 20<sup>th</sup> December. A representative from EY will be present at the meeting.

## **2021/22 Report and Accounts**

10. Whilst this report is primarily intended to cover the position on the 2022/23 Financial Statements and Report and Accounts, it needs to be recognised that the Fund's 2021/22, Financial Statements and Report and Accounts have not yet been signed off by EY.
11. As previously reported, this is due to national issues impacting on all local authority financial statements including those of South Tyneside Council. This has nothing to do with the Pension Fund, but as noted above, because the Fund's Financial Statements are included in the Council's Report and Accounts, they and the Fund's Report and Accounts cannot be signed off until the Council position has been resolved.
12. It is understood that an approach has now been agreed between local authorities, audit firms and accountancy professional bodies, which will allow councils to get their 2021/22 Report and Accounts signed off.
13. Consequently, it is expected that the Council's Report and Accounts for 2021/22, including the Fund's Financial Statements will be signed off by the auditor in the near future. The Fund will then be able to get its own Financial Statements and Report and Accounts signed off and receive its own clean audit opinion from EY.

## **Recommendation**

14. The Board is asked to:
  - Review and comment on the draft Annual Report and Accounts and the Financial Statements for 2022/23.
  - Note the position on the 2021/22 Report and Accounts and Financial Statements.

## Annual Report and Accounts 2022/23

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**The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:**

<b>Background Paper</b>	<b>File Ref:</b>	<b>File Location</b>
Final Accounts File 2022/23	N/A	Investments Office, South Shields Town Hall