

<b>Essex Pension Fund Strategy Board</b>	<b>PSB 08</b>
<b>Date: 07 July 2021</b>	

**Essex Pension Fund Draft Accounts 2020/21**

Report by the Director for Essex Pension Fund

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**1. Purpose of the Report**

1.1 To provide Members with a summary of the process for the publication of the Pension Fund's Financial Statements for 2020/21.

**2. Recommendation**

2.1 That the Board should note the content of the report.

### **3. Background**

- 3.1 The Pension Fund's Financial Statements are currently required to be included within the Annual Accounts of Essex County Council (ECC).
- 3.2 Each year the County Council's Audit, Governance and Standards Committee (the Audit Committee) is required to consider and approve the Accounts after the external audit has been completed.

### **4. Publication Timetable**

- 4.1 The County Council and Pension Fund are statutory required to present its annual draft accounts for external audit by 31 May and publish its final audited and approved accounts by 31 July each year.
- 4.2 In recognition, however, of the continued pressures on local authorities responding to the Covid-19 pandemic, the Government resolved in March 2021 to once again amend the Accounts and Audit Regulations 2015 so that the accounts timetable for the 2020/21 and 2021/22 financial year be extended, deferring the date by which the draft accounts for 2020/21 must be provided to 31 July (previously 31 August) and the deadline for publication for final, audited accounts to 30 September (previously 30 November).
- 4.3 Taking the above into consideration, ECC's intention is to present its annual draft Accounts for external audit by 30 June and publish its final audited and approved Accounts by 30 September.
- 4.4 The Fund is also required to publish a separate Annual Report and Accounts by 1 December. This will be submitted to the Chairman of the Board nearer the time for approval. A copy of the approved Annual Report will then be uploaded to the Essex Pension Fund website.

### **5. Draft Accounts 2020/21**

- 5.1 The Pension Fund successfully closed the accounts in accordance with the Funds year-end closure timetable.

- 5.2 The draft County Council Statement of Accounts for 2020/21 (incorporating draft Pension Fund financial statements) were submitted to the Audit Committee on 28 June 2021. The full Financial Statements are provided at Appendix A. In addition a supplementary paper has been provided presenting an overview of the Pension Fund's financial information.
- 5.3 In accordance with the statutory requirements, the Executive Director for Finance and Technology will then certify the draft (unaudited) County Council Statement of Accounts for 2020/21 (incorporating the draft Pension Fund financial statements) on 30 June and present the Accounts to the external auditor on this date.
- 5.4 The Fund is subject to a separate external audit. Colleagues from BDO are due to commence the Pension Fund external audit on 21 July 2021.
- 5.5 It is anticipated that BDO will report the results of the County Council's and Pension Fund audit work to the Audit Committee on 27 September, at which stage the Audit Committee will be required to consider the external auditor's findings before being asked to approve the Statement of Accounts and the final Annual Governance Statement for publication.
- 5.6 The final Pension Fund Financial Statements will be brought to the PSB 22 September meeting for information.

## **6. Link to Essex Pension Fund Objectives**

- 6.1 Audit work assists the Fund in achieving a number of its objectives, including:
- ensuring the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
  - act with integrity and be accountable to our stakeholders;
  - understand and monitor risk and compliance; and

- provide a high-quality service whilst maintaining value for money.

## **7. Risk Implications**

7.1 Audit work is a means of both identifying and mitigating risk.

## **8. Communication Implications**

8.1 Other than ongoing reporting to the Board and ECC's Audit, Governance and Standards Committee, there are no communications implications.

## **9. Finance and Resources Implications**

9.1 As highlighted in the Audit Planning Report, the charge to the Fund in 2020/21 will be £39,500 (2018/19: £40,250), of which £6,500 (2019/20: £12,250) will be recharged back to those employers in respect of assurance required for IAS19 purposes. This will be met within the existing 2020/21 Budget.

## **10. Background Papers**

10.1 The Local Government Pension Scheme (Administration) Regulations 2008.

10.2 The Accounts and Audit Regulations 2015.