

NORTH YORKSHIRE COUNCIL

PENSION FUND COMMITTEE

24 NOVEMBER 2023

PENSION FUND ANNUAL REPORT 2022/23

Report of the Treasurer

1.0 PURPOSE OF THE REPORT

- 1.1 To ask Members to approve the draft Pension Fund Annual Report for 2022/23.
- 1.2 To provide Members with an update on the status of the Pension Fund Annual Report for 2021/22.

2.0 FINAL ACCOUNTS AND ANNUAL REPORT 2022/23

- 2.1 The draft North Yorkshire Pension Fund (NYPF) Statement of Accounts was circulated to members of the Pension Fund Committee soon after the Committee meeting on 30 June 2023. It was not possible to present the Accounts at the meeting, due to phasing of work and internal priorities.
- 2.2 The deadline for the publication for the Council's audited Accounts, which includes the Accounts of NYPF, was 30 September 2023. Due to nationwide audit pressures, the start of the audit of many local authority financial accounts for the 2022/23 financial year was delayed. North Yorkshire Council is one of the many authorities which has been impacted by this issue, and whilst the audit of the Council's 2022/23 Accounts has formally commenced and is ongoing, the 30 September deadline has been missed. Nationally, only 5 out of 467 audit opinions were issued on government body accounts by that date. Responsibility to approve the Council's Accounts, once they have been audited, rests with the Audit Committee.
- 2.3 NYPF is also required to produce an Annual Report, which includes the Fund's Statement of Accounts. The publication deadline for the audited Annual Report is 1 December each year, and for the same reason this deadline will also be missed. It is the responsibility of the Pension Fund Committee to approve NYPF's Annual Report.
- 2.4 The audit of NYPF's accounts is substantially complete and it is expected that the Fund's auditor Deloitte will issue an unqualified opinion in due course. No material issues have been identified. Deloitte will take an Audit Update Report to the Audit Committee once the audit process has been completed. This Report will highlight the areas of focus and any issues identified.
- 2.5 Due to these circumstances, the intention is to publish a draft of the Pension Fund Annual report, along with a note explaining the position, by the 1 December 2023

deadline. This mirrors the approach taken last year, for the 2021/22 Annual Report. The 2022/23 Annual Report is attached as **Appendix 1**, and Members are asked to approve it.

- 2.6 Once the audit has been completed and the Accounts approved, the Council will publish its audited Accounts and the Pension Fund will publish its audited Annual Report.
- 2.7 At this late stage, material adjustments to the NYPF Annual Report and Accounts are not expected, but if this does happen the Committee will be informed.

3.0 FINAL ACCOUNTS AND ANNUAL REPORT 2021/22

- 3.1 The draft NYPF 2021/22 Annual Report and Accounts was approved by Pension Fund Committee on 24 November 2022, which allowed it to be published by the 1 December 2022 deadline.
- 3.2 To remind Members, the accounting treatment of infrastructure assets such as roads and bridges caused significant delays in the audit process for councils across the country, including North Yorkshire Council. Although this issue has been resolved, this was not until after 31 March 2023, by which time the outcome of the 2022 Valuation was known. It was therefore necessary to adjust the Council's Accounts in relation to pension liabilities. As with infrastructure assets, this is a national issue. At the time of writing, the audit remains ongoing, with the team at Deloitte considering the treatment of pensions liabilities in the Council's Accounts.
- 3.3 No material issues have been identified from the audit of the 2021/22 Fund Accounts and it continues to be expected that the Fund's auditor Deloitte will issue an unqualified opinion in due course. As the Fund Accounts are a part of the Council's accounts, this cannot happen until the Council's Accounts have been completed. Once the Council's audit has been completed and the Accounts approved, the Council will publish its audited Accounts and the Pension Fund will publish its audited Annual Report.

4.0 RECOMMENDATIONS

- 4.1 Members are asked to approve the draft Pension Fund Annual Report for 2022/23.

GARY FIELDING
Treasurer to North Yorkshire Pension Fund
North Yorkshire County Council
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14 November 2023