

Audit and Standards Committee

28 November 2024

Warwickshire Pension Fund Statement of Accounts 2023/24

Recommendation

That the Audit and Standards Committee considers the 2023/24 Pension Fund Statement of Accounts and recommends them to Council for approval.

1. Executive Summary

- 1.1 The Warwickshire Pension Fund Statement of Accounts for the financial year 2023/24 are presented at Appendix A.
- 1.2 The Statement of Accounts comprises the following:
 - Pension Fund Account (Appendix A, page 11). This statement sets out all of the revenue income and expenditure relating to the financial year.
 - Net Assets Statement (Appendix A, page 12). This statement sets out the total assets and liabilities of the Fund as at 31 March 2024, i.e. a snapshot at a moment in time.
 - Notes to the Accounts (Appendix A, pages 13 – 55). These notes provide further detail and explanation of the figures in the accounts.
- 1.3 The scheme is governed by the Public Service Pensions Act 2013 and the Fund is administered in accordance with the relevant secondary legislation.
- 1.4 As at 31 March 2024, the scheme had net assets of £2.969bn and membership of 58,034 people.
- 1.5 The draft accounts were published for public consultation and have been audited by Grant Thornton. The detail of the audit of the accounts is reported elsewhere on the agenda. The accounts presented in Appendix A have been updated for any feedback from the external auditors and the public consultation.
- 1.6 The Council submits a “Letter of Representation” to the external auditors confirming that appropriate and adequate steps have been taken in the production of the accounts and to the best of our knowledge and belief the statement gives a true and fair view. The Letter of Representation is also set

out elsewhere on this agenda.

2. Financial Implications

2.1 The report sets out the financial position of the Pension Fund for the 2023/24 financial year but does not have any wider financial implications.

3. Environmental Implications

3.1 None arising directly from this report.

4. Supporting Information

4.1 Points raised where no amendments have been made.

- Note 7 employers contributions. The audit findings report noted some differences within one month of contributions and extrapolated to an assumed aggregate amount of differences. However, contribution differences in one month are not unusual and can have been cleared in subsequent months so it does not necessarily follow that an error in one month can be extrapolated to a year. We have found no fundamental issue and there is no cause to amend the accounts on this point.
- Note 24 Level 3 investments. There is a built in lag between the data used for the accounts and the final year end figures for some level 3 investments due to the more complex work required to value these assets. The final updated end of March 2024 valuations are £2.86m higher than the figures in the accounts. This difference is due to the timing of the availability of information; it is not due to any issues with controls or reporting standards and it is not material.

4.2 Other than minor points of presentation the following amendments have been made compared to the published draft:

- A £2.7m amendment to private equity manager fees (Note 11 and Note 12) reduced from £19.7m to £17.0m to amend for an incorrect journal. The other side of the correction impacted on private equity income in Note 13.
- Note 32 Related Parties was amended to correctly reflect membership of the Fund amongst the pension fund committees and Local Pension Board.
- Note 33 Contingent Liabilities and Contractual Commitments, prior year figures for Infrastructure and Private Debt were not correctly brought across into the 31 March 2023 column and have now been updated.

- Note 4 Critical Judgements in applying Accounting Policies – reference to McCloud has been removed as this is more historic in nature and reference to investments in Russia has been removed as it is not material in size.

5. Timescales associated with the decision and next steps

- 5.1 The Statement of Accounts will be presented to Council for final approval before being published.
- 5.2 The Accounts will also be published within the Pension Fund Annual Report. The Annual Report will be updated with the final accounts once approved by Council.

Appendices

Appendix 1 – Warwickshire Pension Fund Statement of Accounts 2023/24.

Background Papers

None.

	Name	Contact Information
Report Author	Chris Norton, Head of Investments, Treasury and Audit	chrisonorton@warwickshire.gov.uk
Director	Purnima Kandula, Director of Finance	purnimakandula@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): not applicable

Other members: Councillor Peter Butlin