

# Annual Report Checklist

## Section 1 – Overall Fund Management

| Scheme Management and Advisors |                                                                                                                                                                             | Compliant | Update |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|
| 1.1                            | The senior officers responsible for the pension fund and their job title                                                                                                    | ✓         | Must   |
| 1.2                            | The asset pool and asset pool operator (England & Wales)                                                                                                                    | ✓         | Must   |
| 1.3                            | Investment managers used by the fund                                                                                                                                        | ✓         | Must   |
| 1.4                            | The fund custodian                                                                                                                                                          | ✓         | Must   |
| 1.5                            | The fund actuary                                                                                                                                                            | ✓         | Must   |
| 1.6                            | AVC providers                                                                                                                                                               | ✓         | Must   |
| 1.7                            | Fund legal advisors                                                                                                                                                         | ✓         | Must   |
| 1.8                            | The fund bankers                                                                                                                                                            | ✓         | Must   |
| 1.9                            | The fund accountant/director of finance                                                                                                                                     | ✓         | Must   |
| 1.10                           | The external auditor                                                                                                                                                        | ✓         | Must   |
| 1.11                           | Scheme administrators (if functions are outsourced)                                                                                                                         | ✓         | Must   |
| 1.12                           | Any independent advisors or consultants retained by the fund                                                                                                                | ✓         | Must   |
| Risk Management                |                                                                                                                                                                             |           |        |
| 1.13                           | How risk management is integrated within the governance structure                                                                                                           | ✓         | May    |
| 1.14                           | How risks are identified, managed, and reviewed                                                                                                                             | ✓         | May    |
| 1.15                           | What actions are being taken to mitigate the key risks (covering investment, governance, and administration)                                                                | ✓         | May    |
| 1.16                           | The approach taken to managing cyber risk, while protecting appropriate confidentiality for the pension fund's internal controls                                            | ✓         | May    |
| 1.17                           | The approach taken to risks relating to investment and pooling Arrangements                                                                                                 | ✓         | May    |
| 1.18                           | The approach taken to managing third party risk such as late payment of contributions and provision of data by scheme employers and overall performance by scheme employers | ✓         | May    |
| 1.19                           | The approach taken to risks which arise because of the fund's relationship to the administering authority, such as where reliance is put on shared polices and resources    | ✓         | May    |

## Section 2 – Governance and Training

|     |                                                                                                                        |   |        |
|-----|------------------------------------------------------------------------------------------------------------------------|---|--------|
| 2.1 | Funds should set out their governance structure and how the fund has complied with its Governance Compliance Statement | ✓ | Should |
|-----|------------------------------------------------------------------------------------------------------------------------|---|--------|

### Section 3 – Financial Performance

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |        |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------|
| 3.1 | The report must provide an overview of the fund's financial performance, focused primarily on income, expenditure, and cash Flows                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ✓                     | Must   |
| 3.2 | An analysis or narrative explanation of in-year expenses and income together with a comparison over time or against budget.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ✓                     | Must   |
| 3.3 | Explain the relationship between changes to costs and income and factors such as changes in membership numbers, age profile of pensioners, bulk transfers etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ✓                     | Should |
| 3.4 | Include: <ul style="list-style-type: none"> <li>• a brief commentary on any significant changes to non- investment assets and liabilities during the year</li> <li>• employers' and employees' contributions as a percentage of pensionable pay, details of late and overdue contributions, and of whether the option to levy interest on overdue contributions has been exercised</li> <li>• analysis of pension overpayments, recoveries and any amounts written off</li> <li>• commentary on actions taken to deal with fraud (including participation in the National Fraud Initiative and areas such as data matching, overpayments identified or the use of other data quality and tracing resources)</li> <li>• other examples of fraud, credit losses, provisions, contingent liabilities, or impairments</li> </ul> | ✓<br>✓<br>✓<br>✓<br>✓ | Must   |

### Section 4 – Fund account, net assets statement and notes

|     |                                                                                                                                                   |                                             |      |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------|
| 4.1 | Must include a fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper accounting practices | x<br>Will be inserted upon audit completion | Must |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------|

### Section 5 – Investments and Funding

|     |                                                                                                                                            |   |      |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------|---|------|
| 5.1 | Demonstrate how the ISS has been put into practice during the year and how this links to the FSS                                           | ✓ | Must |
| 5.2 | Set out the fund's investment management arrangements and the risks, returns and management costs associated with the investment portfolio | ✓ | Must |

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                       |        |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------|
| 5.3  | Provide a commentary and data on how the fund has implemented the policy on pooling its assets in its chosen LGPS pool during the year as set out in its ISS, a narrative on the pace of pooling and an explanation for assets which have not been pooled                                                                                                                                                                                                                                                                                                                                                                                              | ✓                     | Must   |
| 5.4  | Include a commentary on the implementation and application of the FSS during the reporting period. Reference <b>should</b> be made to what extent the ISS and FSS are compliant with statutory guidance and explain any reasons for non-compliance                                                                                                                                                                                                                                                                                                                                                                                                     | ✓                     | Must   |
| 5.5  | Include details of investment administration and custodianship and describe who looks after which part of the portfolio (if not already provided elsewhere)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Provided in section 1 | Must   |
| 5.6  | Investment performance net of fees for the 12 months corresponding to the accounting period for each fund manager or asset class must be reported alongside an appropriate benchmark chosen by the authority and the choice of benchmark must be stated                                                                                                                                                                                                                                                                                                                                                                                                | ✓                     | Must   |
| 5.7  | Provide details of the environmental, social and governance issues, and other initiatives such as engagement with companies and any collaborative ventures with other funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ✓                     | Should |
| 5.8  | <p>The CIPFA publication “Accounting for Local Government Pension Scheme Management Expenses” and the relevant accounting guidance recommends that this section of the annual report should also be used to:</p> <ul style="list-style-type: none"> <li>• identify fees and costs incurred by third parties which affect overall investment returns</li> <li>• explain the relationship between fees, risk and investment return</li> <li>• indicate how the pension fund is responding to the Scheme Advisory Board’s Code of Transparency, and the use being made of data provided by fund managers using the transparency Code templates</li> </ul> | ✓                     | Should |
| 5.9  | Must compare the strategic asset allocation as set out in the most recent ISS with the actual allocation of assets at the end of the accounting period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ✓                     | Must   |
| 5.10 | Should provide a commentary and data on how the fund has implemented the policy on pooling its assets in its chosen LGPS pool during the year as set out in its ISS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ✓                     | Must   |
| 5.11 | The costs incurred, gross savings achieved, and the resulting net savings achieved as a result of pooling assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ✓                     | Must   |
| 5.12 | Progress in pooling their assets in this section through the asset table and the supplementary table. In both tables, assets must be divided into “pooled”, “under pool management” and “not pooled”                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ✓                     | Must   |

|      |                                                                                                                                                                                                 |   |      |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------|
| 5.13 | All funds must set out their asset allocation at the end of the accounting period by completing the asset table. Definitions / guidance are provided for each aspect of this table              | ✓ | Must |
| 5.14 | The annual report must also include data in the supplementary table, to provide additional information on investment in the UK. Definitions/guidance are provided for each aspect of this table | ✓ | Must |

### Section 6 – Administration

|     |                                                                                   |   |      |
|-----|-----------------------------------------------------------------------------------|---|------|
| 6.1 | A summary of activities undertaken by the administration function during the year | ✓ | Must |
| 6.2 | Report on performance against administration Key Performance Indicators (KPIs)    | ✓ | Must |
| 6.3 | Report on member and employer numbers by category                                 | ✓ | Must |
| 6.4 | Report on actions taken to deliver the communications policy                      | ✓ | Must |
| 6.5 | Report on value for money achieved by the administration function                 | ✓ | Must |
| 6.6 | Report on complaints and dispute resolution cases                                 | ✓ | Must |

### Section 7 – Actuarial reports on funds

|     |                                                                                                                                                                                     |   |      |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------|
| 7.1 | Statement by the actuary who carried out the most recent valuation of the assets and liabilities of the level of funding as reported by the actuary at the last actuarial valuation | ✓ | Must |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------|

### Section 8 – External audit opinion

|     |                                                                                                                                                                                     |                                             |      |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------|
| 8.1 | Statement by the actuary who carried out the most recent valuation of the assets and liabilities of the level of funding as reported by the actuary at the last actuarial valuation | ✗<br>Will be inserted upon audit completion | Must |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------|

### Section 9 – Additional Information

|     |                                                                                                                                            |   |     |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------|---|-----|
| 9.1 | The statement of compliance with the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills                         | ✓ | May |
| 9.2 | Evidence to demonstrate compliance with the Knowledge Code of Practice                                                                     | ✓ | May |
| 9.3 | The role played by Internal Audit in providing assurance and managing risk, and a summary of assurance activity undertaken during the year | ✓ | May |
| 9.4 | A summary of Freedom of Information requests                                                                                               | ✓ | May |
| 9.5 | A glossary of commonly used pension fund terms                                                                                             | ✓ | May |