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| Non-Executive Report of the:<br><br><b>Pension Board</b><br><br><del>Monday, 24<sup>th</sup> June 2024</del> Monday, 8 <sup>th</sup> July 2024 | <br><b>TOWER HAMLETS</b> |
| <b>Report of:</b> Julie Lorraine, Corporate Director, Resources  | <b>Classification:</b><br>Open  |
| <b>Tower Hamlets Pension Fund Closing 2023/24 and External Audit</b>   |   |

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| <b>Originating Officer(s)</b> | Paul Audu, Head of Pensions and Treasury (Interim) |
| <b>Wards affected</b>         | All  |

### Reasons for urgency

The report was not published five clear days in advance of the meeting. Therefore, before this item can be considered at this meeting, the Chair of the Board needs to be satisfied that it is necessary to consider Tower Hamlets Pension Fund Closing 2023/24 and External Audit at this meeting. The Board may also take the view that it is important that there should not be an extended period without any member oversight.

### Executive Summary

This report updates the Pension Board on the 2023/24 Tower Hamlets Pension Fund year-end closing, preparation of financial statements and external audit work.

### Recommendations:

The Pension Board is recommended to:

1. Note this report and the draft Unaudited Tower Hamlets Pension Fund Statement of Accounts included in the Council's Draft Annual Financial Report 2023/24 (pages 110-136) appended to this report (**Appendix 1**).

#### 1. REASONS FOR THE DECISIONS

- 1.1 The Accounts of the London Borough of Tower Hamlets including the Pension Fund Statement of Accounts for the financial year ended 31 March 2024 have been published and available for public inspection pending external audit by EY LLP.

#### 2. ALTERNATIVE OPTIONS

- 2.1 None.

#### 3. DETAILS OF THE REPORT

- 3.1 Tower Hamlets Council's Statement of Accounts for 2023/24 including the Pension Fund Accounts for the period 1 April 2023 to 31 March 2024 have been published pending statutory audit by EY LLP.
- 3.2 The Council's Statement of Accounts has been prepared in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) for 2023/24.
- 3.3 The Pension Fund Statement of Accounts is a summary of the Fund's transaction for the 2023/24 financial year and its financial position at 31 March 2024. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector.
- 3.4 Officers are currently working with EY to conduct the essential Walkthroughs ahead of the main audit work commencing in July 2024, with the results and sign-off due at a future Audit Committee.
- 3.5 At the time of writing the EY TH Pension Fund planning materiality in terms of the % of the year's net assets of the Fund has not been established.
- 3.6 Also, EY are yet to clarify the key audit risks, in terms of the main areas of focus for specific audit work in 2023/24.
- 3.7 The basic fees for 2023/24 Pension Fund audit is £TBC, and officers estimate additional fees of £TBC could be incurred and the actual amount will be confirmed to the Board in due course.
- 3.8 Nationally, there are widespread delays in the completion of LGPS Pension Funds' external audits. Since the global pandemic, a significant number of audits are pending completion.

#### **4. EQUALITIES IMPLICATIONS**

- 4.1 There are no specific equalities implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

#### **5. OTHER STATUTORY IMPLICATIONS**

- 5.1 There are no specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

#### **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

6.1 This is a noting report. There are no direct financial implications arising as a result of this report.

## **7. COMMENTS OF LEGAL SERVICES**

7.1 Section 249B of the Pensions Act 2004 requires the administering authority to manage risk by establishing and operating internal controls which are adequate for the purpose of securing that the scheme is administered and managed:

- (a) in accordance with the scheme rules
- (b) in accordance with the requirements of the law

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- Appendix 1 – LBTH Draft Annual Financial Report 2023/24 Unaudited

#### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of “Background Papers” used in the preparation of this report.**

- NONE

#### **Officer contact details for documents:**

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