



Supplement for

AUDIT AND GOVERNANCE COMMITTEE - TUESDAY, 25 JULY 2023

Agenda No	Item
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| 8. | External Auditors Annual Report 2021/22 3 - 4
Supplement to provide an update to the pension fund liability |
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Agenda Item 8

Adjustments to 2021/22 Statement of Accounts to reflect changes identified as a result of March 2022 Triennial valuation (Events after the Balance Sheet Date)

The draft 2021/2022 statement of Accounts were published in August 2022 and the pension disclosures and balances were informed by the 2019 Gloucestershire LGPS triennial valuation. The publication of the 31 March 2022 Gloucestershire LGPS triennial valuation, published in April 2023, is an event after the 2021/22 reporting period which needs to be considered in line with the CIPFA Code of Practice on Local Authority Accounting and the underlying requirements of IAS 10 'Events After the Reporting Period'.

The triennial valuation is used to set the employer contribution rate for the next three years. It involves a more detailed estimate of the Council's obligations and a more comprehensive and precise calculation.

Following advice from Grant Thornton, the Council requested an updated schedule of results from the Actuary, Hymans Robertson LLP to allow for an assessment of the impact of the 31 March 2022 valuation on the Council's balance sheet at the same date.

The updated schedule of results for Cotswold District Council reported a material increase of £2.404m in the pension liability from £35.516m (report dated 21 April 2022) to £37.920m (report dated 13 June 2023). The movement is a result of changes in financial (salary increases, inflation) and demographic (increases in life expectancy) assumptions and other experience remeasurement losses.

The accounts and relevant pension notes have been updated to reflect the impact of these changes and are summarised below.

Balance Sheet

	Original £	Revised £	Difference £
	-	-	-
Pension Liability	35,516,000	37,920,000	2,404,000
Pension Reserve	35,516,000	37,920,000	2,404,000

	Original £	Revised £	Difference £
Other Post employment benefit charged to Comprehensive Income and Expenditure Account			
Return on Plan Asset	-4,437,000	-4,437,000	0
Actuarial (gains)/losses arising on changes in financial assumptions	-8,523,000	-7,250,000	1,273,000
Actuarial (gains)/losses arising on changes in demographic assumptions	-644,000	-2,097,000	1,453,000
Experience (gains)/ losses	260,000	2,844,000	2,584,000

Remeasurement of net defined benefit liability	-13,344,000	10,940,000	-	2,404,000
Other Comprehensive Income and Expenditure				