

External Auditor Report on the Pension Fund Annual Report and Accounts

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SUMMARY

The attached report summarises the findings of the External Auditor on the audit of the 2014/15 Pension Fund Accounts. The auditor has indicated that, subject to clearance of final points they expect to issue an unmodified opinion on the financial statements. A verbal update on the final outcome will be given at the meeting.

RECOMMENDATIONS

To note the auditor's findings on the audit of the Pension Fund accounts for 2014/15.

BACKGROUND

1. The Council as an administering authority under the Local Government Pension Scheme Regulations is required to produce a separate set of accounts for the scheme's financial activities and assets and liabilities.
2. The contents and format of the accounts are determined by statutory requirements and mandatory professional standards as established by the Chartered Institute of Public Finance (CIPFA) in their Code of Practice (The Code).
3. The Pension Fund Accounts were subject to a separate audit by the Council's external auditors, Deloitte LLP, which must be completed by 30 September 2015.

SCOPE OF THE EXTERNAL AUDIT

4. Auditors are required to communicate to elected Members matters of governance that arise from the audit of the financial statements. These cover, in addition to an update on the audit status:
 - Significant audit risks
 - Accounting and internal controls
 - Consideration of Fraud

5. In addition, the Auditor requires a “Representation Letter” to be signed by management. The contents of this letter are set out at Appendix 1 to the attached Deloitte report. The letter has to include representations from management on matters material to the statement where sufficient appropriate evidence cannot reasonably be expected to exist.

COMMENT ON THE CONTENTS OF THE REPORT

6. The report gives a comprehensive account of the work undertaken during the audit and includes several auditor mandatory reporting requirements. The report is positive and reports satisfactorily on the key audit risks. There were no required adjustments to the Pension Fund accounts as a result of the audit testing.
7. In relation to accounting and internal control systems, Deloitte have made one best practice recommendation regarding frequency of management reviewing reconciliation of fund manager and custodian to ensure management are confident in the pricing of Pension Fund asset valuations being reported throughout the year.

FINANCIAL IMPLICATIONS

The financial implications are contained within the body of the report

LEGAL IMPLICATIONS

The legal implications are mentioned within the report.

BACKGROUND DOCUMENTS

None