

External Auditor Report on the Pension Fund Accounts

Contact Officers

Nancy le Roux, 01895 250353

Papers with this report

EY: Report on the financial statement audit for the year
ended 31 March 2016
Pension Fund Accounts 2015/16

SUMMARY

The attached draft report details the work of the External Auditor on the audit of the 2015/16 Pension Fund Accounts. At this stage there is a substantial amount of work outstanding and a fuller verbal update will be provided to Committee. The auditor has indicated that, subject to clearance of final points they expect to issue an unmodified opinion on the financial statements.

Also attached to this report is a draft of the Pension Fund Annual Report for 2015/16 for Committee approval for publication.

RECOMMENDATIONS

1. To note the initial auditor's findings on the audit of the Pension Fund accounts for 2015/16.
2. To delegate authority to the Pension Committee Chairman to sign the Pension Fund accounts on completion of the audit.
3. To approve the Fund Annual Report for publication.

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, EY LLP, which must be completed by 30 September 2016.
4. Whilst Audit Committee formally approves the Council's Statements of Accounts, which incorporates the Pension Fund Accounts, the Pension Fund Accounts also requires the approval of Pensions Committee. This report on the Pension Fund accounts will also be taken to Audit Committee on 22 September 2016.

SCOPE OF THE EXTERNAL AUDIT

5. 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
6. In addition, the Auditor requires a “Representation Letter” to be signed by management. The contents of this letter are set out at Appendix F to the attached EY 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 AUDITOR'S REPORT

7. 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. As yet there have been no required adjustments to the Pension Fund accounts as a result of the audit testing.

ANNUAL REPORT

The fund is required to produce an Annual Report and to publish by 1 December each year. The draft report for 2015/16, attached, contains information on the Fund's activities over the last year and is brought to Committee for consideration and approval to publish.

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