

EXTERNAL AUDITOR REPORT on the PENSION FUND ACCOUNTS	ITEM x
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<i>Papers with this report</i>	EY: Pension Fund Audit Results Report, year ended 31 March 2018 Pension Fund Annual Report 2017/18
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SUMMARY

The Draft Pension Fund Annual Report for 2017/18 is attached to this report for Committee approval; which includes the Pension Fund Accounts from page 34.

The attached draft report details the work of the External Auditor – EY, on the audit of the 2017/18 Pension Fund Accounts. Due to the timing of the committee meeting and progress of the audit, a verbal update will be provided at the meeting on progress from the report date. The auditor has indicated that, they expect to issue an unqualified audit opinion on the financial statements; however, there are still a number of items not yet completed.

RECOMMENDATIONS

- 1. To note the auditor’s findings on the audit of the Pension Fund accounts for 2017/18.**
- 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 subject to no material changes resulting from the audit of the Pension Fund accounts.**

BACKGROUND

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 including its assets and liabilities.

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 & Accountancy (CIPFA) in their Code of Practice (The Code).

The Pension Fund Accounts were subject to a separate audit by the Council’s external auditors, EY LLP. 2017/18 is the first year of the early close deadlines, due to a change in legislation introduced through the Accounts and Audit Regulations 2015, which required the draft accounts completion date to move from 30 June to 31 May and the final approved audited accounts to be published by 31 July (previously 30 September).

Whilst Audit Committee formally approves the Council’s Statements of Accounts, which incorporates the Pension Fund Accounts, the Pension Fund Accounts also come to Pensions Committee for approval as part of the Annual report. The Audit Report report on the Pension Fund accounts will also be taken to Audit Committee on 26 July 2018.

SCOPE OF THE EXTERNAL AUDIT

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

In addition, the Auditor requires a “Representation Letter” to be signed by management. The letter has to include representations from management on matters material to the statement where sufficient appropriate evidence cannot reasonably be expected to exist.

ANNUAL REPORT

The fund is required to produce an Annual Report and to publish by 1 December each year. The draft report for 2017/18, 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.
