

<b>EXTERNAL AUDITOR REPORT on the PENSION FUND ACCOUNTS</b>	<b>Item 5</b>
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Committee	Pensions Committee
Officer Reporting	James Lake, Finance
Papers with this report	EY: Pension Fund Audit Results Report, year ended 31 March 2020 Pension Fund Accounts 2019/20

## HEADLINES

The draft Pension Fund Accounts for 2019/20 as taken from the Councils financial statements are attached to this report for Committee review, prior to the Councils Financial statements sign off at Audit Committee.

The attached draft report details the work of the External Auditor – EY, on the audit of the 2019/20 Pension Fund Accounts. The auditor has reported an unqualified audit opinion on the financial statements.

## RECOMMENDATIONS

**It is recommended that Pensions Committee:**

- 1. Note draft EY’s findings on the audit of the Pension Fund accounts for 2019/20.**

## SUPPORTING INFORMATION

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. Whilst the Audit Committee formally approves the Council’s Statements of Accounts, which incorporates the Pension Fund Accounts, the Pensions Committee reviews them first. The Pension Fund Accounts also make up part of the Pension Fund Annual report, which has been brought to Pension Committee in October for formal approval. The Audit report on the Pension Fund accounts will be taken to Audit Committee on 24 November 2020.

## **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.

Due to COVID-19 areas of risk assessment were adapted to include:

- Valuation of Investments
- Disclosures on Going Concern
- Events after the balance sheet

In addition, the auditor requires a “Management Representation Letter” to be signed by management, outlined in Appendix C. The letter includes representations on matters material to the statement of accounts, where sufficient evidence cannot reasonably be expected to exist.

## **FINDINGS**

At the time of reporting, there were no corrected material misstatements over the updated materiality threshold of £9.920 million. In addition there and no uncorrected misstatements to report over the updated reporting threshold of £0.496 million. Officers remain in discussion with EY to clarify a number of points within the report.

## **FINANCIAL IMPLICATIONS**

The financial implications are contained within the body of the report

## **LEGAL IMPLICATIONS**

The legal implications are mentioned within the report.