

EXTERNAL AUDITOR REPORT on the PENSION FUND ANNUAL REPORT and ACCOUNTS

Contact Officers

Nancy le Roux, 01895 250353

Papers with this report

None

SUMMARY

The attached report summarises the findings of the External Auditor on the audit of the 2009/10 Pension Fund Annual Report and Accounts. The report is in draft pending the conclusion of the audit. It is expected the audit will be largely complete by the time the committee meets and a verbal update of the final outcome will be given at the meeting.

The auditor has indicated that it is expected that an unqualified opinion will be given on the Pension fund statements and will be issued by 30 September 2009.

RECOMMENDATIONS

To note the auditor's findings and to approve the Annual Report of the Pension Fund.

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 Statement of Recommended Practice (SORP).
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 2010.
4. Whilst Audit Committee formally approves the Council's Statements of Accounts, which incorporates the Pension Fund Accounts, the Annual Report requires the approval of Pensions Committee. This report was also taken to Audit Committee on 21 September 2010.

International Standard on Auditing Report 260 (ISA 260)

5. The ISA 260 requires that auditors should communicate to elected members matters of governance that arise from the audit of the financial statements. These cover:
 - Key audit risks
 - Accounting and internal control systems
-

6. In addition, the Auditor requires a "Representation Letter" to be signed by management and the Committee. The contents of this letter are set out at Appendix 3. 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

7. There were no audit adjustments to report.

Accounting and internal control systems

8. During the audit, Deloitte identified two areas of improvement in relation to the internal control system, relevant to the pension fund accounts. Management has agreed with the recommendations which are discussed in Section 2 of 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.

BACKGROUND DOCUMENTS

None
