

Committee name	Pensions Committee
Officer reporting	James Lake, Finance
Papers with report	2022/23 Draft Pension Fund Audit Results Report 2023/24 EY Audit Plan London Borough of Hillingdon Pension Fund
Ward	All

HEADLINES

The attached reports were taken to the Audit Committee in April 2024 as the committee charged with governance. They are now brought to Pensions Committee for noting.

The 2022/23 Pension Fund audit is materially complete with only minor items outstanding. It is expected the audit opinion will state the Pension Fund financial statements give a true and fair view of the financial transactions of the Fund and the statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting.

The initial plans for the 2023/24 Pension Fund audit detail the approach to the audit, including a broad timetable which should enable the whole process to be completed around November 2024. Whilst the Pension Fund forms part of the Council’s published Financial Statement of Accounts, a separate plan is prepared for that audit.

RECOMMENDATIONS:

That the Committee:

- 1. Note this report**

SUPPORTING INFORMATION

2022/23 Pension Fund Audit Results Report

The 2022/23 Pension Fund audit is materially complete. Since the issue of the report to the Audit Committee two outstanding areas have progressed. Once the government confirm the outcome of the recent consultation EY will be in a position to issue the final Audit Results Report. The following remains outstanding:

- Review of audit work by the Engagement Partner and Quality Control Reviewer, which could lead to further queries
- Receipt and check of a signed accounts and a signed letter of management representation

The report gives a provisional audit assessment stating:

In our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2023 and the amount and disposition at that date of its assets and liabilities; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Fees attributable to this audit are forecast to be between £67,738 and £77,738 (2021/22 £75,307).

Pension Fund Audit Plan

Timeline

As with the Council, EY undertook interim audit work between February and early April 2024. The Pension Fund main audit will run alongside the Council audit and is forecast to be completed in November 2024.

Materiality

Materiality remains unchanged on a basis of 1.0% of the prior year's net assets of the fund, which for 2022/23, which for planning is estimated as £11.8m (2021/22 £11.6m). Based on this amount, EY have set a 75% performance materiality of £8.9m They expect to report on all unadjusted misstatements greater than £0.6.

Key Financial Statement Risks

The plan highlights the key audit risks, these being the main areas on which specific audit work will focus. For 2022/23 there has been no change with audit risk areas including:

- Misstatement due to fraud or error
- Risk of incorrect valuation of level 3 unquoted investments
- Classification of level 2 and 3 investments
- IAS26 Disclosure Actuarial Present Value of Promised Retirement Benefits.

Fees

EY forecast scale fees to be £81,688 for the main audit with an additional £6,500 for separate IAS19 assurance work.

Financial Implications

Included within the body of this report.

Legal Implications

Included within the body of this report.