

	<p style="text-align: center;">Pension Fund Committee</p> <p style="text-align: center;">29 July 2014</p>
<p style="text-align: right;">Title</p>	<p>Pension Fund Annual Report and External Auditor's Report under International Standard on Auditing (ISA) 260 for the year 2013/14</p>
<p style="text-align: right;">Report of</p>	<p>Chief Operating Officer</p>
<p style="text-align: right;">Wards</p>	<p>Not Applicable</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A – ISA 260 report</p> <p>Appendix B – Grant Thornton LB Barnet Pension Fund Audit Plan</p> <p>Appendix C – Pension Fund Annual Report 2013/14 (including pension fund accounts)</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Iain Millar, Head of Treasury Services iain.miller@barnet.gov.uk 0208 359 7126</p>

Summary

This report considers the detailed report from the external auditors on matters arising from the audit of the 2013/14 pension fund accounts and annual report.

Recommendations

- | |
|---|
| 1. That the Committee note the audit approach set out in Annex 1. |
| 2. That the Committee approve the Annual Report 2013/14. |
| 3. That the matters raised by the external auditor relating to detailed aspects of the 2013/14 accounts audit, including the pension fund accounts and officers responses to matters raised be noted |
| 4. That the Committee consider whether there are any areas on which they require additional information or action |

1. WHY THIS REPORT IS NEEDED

- 1.1 Under Section 151 Local Government Act 1972- “every local authority shall make arrangements for the proper administration of their financial affairs. Additionally in accordance with International Standard on Auditing (ISA) 260, the external auditor is required to issue detailed reports on matters arising from the audit of the council’s accounts and pension fund accounts. The final report of the auditors will be provided at the meeting.

2. REASONS FOR RECOMMENDATIONS

- 2.1 So that the Council can meet its obligations as set out in paragraph 1 above..

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not Applicable

4. POST DECISION IMPLEMENTATION

- 4.1 None

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Review of reports made under the International Standard on Auditing (ISA) 260 are an integral part of corporate governance. This is in line with Barnet’s Corporate Plan within “Better services with less money.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 This report sets out the framework for the assessment of the Pension Fund’s financial reporting and management as well as value for money.
- 5.2.2 The revised external audit fees for 2013-14 are £25,500 and were £29,776 in 2012-13.

- 5.2.3 The audit identified the requirement for off site testing of member and a delay in the preparation of some pension fund working papers which increased the cost of auditing the fund statements by £4,500.
- 5.2.4 In accordance with International Standard on Auditing (ISA) 260, the External Auditor is required to issue detailed reports on matters arising from the audit of the Council accounts and pension fund accounts.
- 5.2.5 The ISA 260 report has to be considered by “those charged with governance” before the External Auditor can sign the accounts, which legally has to be done by 30 September 2013.
- 5.2.6 The External Auditor, Grant Thornton (GT) was presented with the draft financial statements in June 2013.
- 5.2.7 It is anticipated that there will be an unmodified opinion on the accounts

5.3 Legal and Constitutional References

- 5.3.1 Constitution –Responsibility for Functions Responsibility for Council Functions delegated to the Pension Fund Committee through the Pension Fund Governance Compliance Statement Paragraph 2.2.3 of the Statement lists one of the responsibilities of the Committee as ‘To receive and approve the Pension Fund Annual Report’

5.4 Risk Management

- 5.4.1 A positive external audit opinion on the Pension Fund’s Annual Report plays an essential and key role in providing assurance that Barnet’s financial risks are managed in an environment of sound stewardship and control.

5.5 Equalities and Diversity

- 5.5.1 Ensuring the long term financial health of the Pension Fund will benefit everyone who contributes to it. Access to and participation in the Pension Fund is open to those with and those without protected characteristics, alike, provided that the criteria set out within the relevant Regulations are met

5.6 Consultation and Engagement

- 5.6.1 Not Applicable

6. BACKGROUND PAPERS

- 6.1 None