



Local Pension Board

19 June 2018

Title	External Audit Plan 2017/18
Report of	Director of Finance
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Audit Plan
Officer Contact Details	George Bruce, Head of Treasury & Pensions 0208 359 7126 george.bruce@barnet.gov.uk

Summary

This report contains the external auditor's plan for the audit of the Pension Fund Accounts and Annual Report for the year ended 31 March 2018.

Recommendations

That the Board Note the audit plan and identify matters that the Board wish to bring to the attention of the Auditor.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Board's role is to assist the administering authority in securing compliance with scheme regulations and other legislation relating to the governance and administration of the scheme. The Board's terms of reference also includes "ensuring the effective and efficient governance and administration of the Pension Fund". As part of the annual audit of the Pension Fund Financial Statements the auditors will provide a report setting out any matters they have identified including weaknesses in the control environment.
- 1.2 Attached (appendix A) is the audit plan for the 2017/18 Annual Report and Accounts of the Pension Fund. The purpose of this report is to highlight and explain the key issues which the auditor believes to be relevant to the audit of the annual accounts of the pension fund for the year ended 31 March 2018.
- 1.3 The report includes the following sections:

Timetable	page 3
Scope	page 4
Materiality	page 5 & 14
Audit strategy	page 6
Key risks	page 7
Independence	page 12
Fees	page 13

- 1.4 Within the key risks section, there are two references to issues identified last year (page 8) relating to membership data and bank accounts that will form part of the 2017/18 audit.

2. REASONS FOR RECOMMENDATIONS

- 2.1 It is appropriate for the Board to review the auditor's work programme and have the opportunity to influence the testing undertaken by the auditor.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

- 4.1 None.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 A positive external audit opinion on the Pension Fund's Annual Report and Accounts plays an essential and key role in providing assurance that the Pension Fund's financial risks are managed in an environment of sound stewardship and control. This is in line with the aims set out in the Council's

Corporate Plan 2015-2020, to ensure that services are delivered efficiently to get value for money for the taxpayer.

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

5.2.1 The audit fees for 2017/18 are budgeted as £21,000 (2016/17: £21,000). Additional charges are levied if the auditor is not provided with adequate working papers.

5.2.2 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.

5.3 Social Value

5.3.1 Arrangements for proper administration of financial affairs and contributions to the Pension Fund ensure that members have a secured income on retirement.

5.4 Legal and Constitutional References

5.4.1 The requirement for an administering authority to prepare a Pension Fund annual report and provide the auditor's report to bodies who have employees who are active members of the scheme are contained in Regulation's 56 and 57 of the Local Government Pension Scheme Regulations 2013.

5.4.2 The Board's Terms of Reference include "ensuring the effective and efficient governance and administration of the LGPS for the LBB Pension Fund".

5.5 Risk Management

5.5.1 The external audit ISA 260 report will highlight areas of good control and areas of weakness which need to be addressed. Failure to do so carries the risk of adverse financial and/or reputational consequences.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equalities Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation. 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

5.7 Consultation and Engagement

5.7.1 Not required.

5.8 **Insight**

5.8.1 Not applicable in the context of this report.

6. BACKGROUND PAPERS

6.1 None