



LONDON BOROUGH OF BARNET PENSION FUND

Audit Progress Report

January 2016

INTRODUCTION

Background

This report is intended to provide the Pension Fund Committee with an outline of our proposed work for 2015/16.

The Local Audit and Accountability Act 2014 makes the Comptroller and Auditor General of the National Audit Office responsible for the preparation, publication and maintenance of the Code of Audit Practice.

The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act. For the pension fund, this covers:

Audit of the financial statements

- to be satisfied that the pension fund accounts present a true and fair view, and comply with the requirements of the enactments that apply to them
- to be satisfied that proper practices have been observed in the preparation of the accounts




Reporting

- to issue an audit plan that sets out how the auditor intends to carry out their duties
- to report the findings of the audit to those charged with governance
- to express an opinion on the pension fund accounts.

Progress to date

We have assessed whether the arrangements put in place by the Council will allow us to complete our work by the expected deadlines and whether there are any issues that are likely to have a significant impact on our ability to provide unmodified audit reports and opinions.

This is included as a 'RAG' assessment in the report.

ASSESSMENT		EXPLANATION
RED		Unlikely to be able to meet reporting deadlines, significant concerns over governance or finance, or expected modification of audit report or opinion.
AMBER		Some concerns around meeting reporting deadlines, some concerns over governance or finance, or potential risk of modification of audit report or opinion.
GREEN		On target to meet deadlines and no current concerns over governance or finance.
	TBC	Work not yet started or sufficiently progressed to include a 'RAG' assessment


Please note that this report does not cover progress on our audit of the London Borough of Barnet Council, which will be reported separately to the Audit Committee.

Tracking progress

In order to allow you to track our progress, where work has been completed and previously reported to you we have 'greyed' out the text.


The key completion and reporting dates are also noted in the following tables.

AUDIT PROGRESS 2015/16

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
PLANNING				
Planning letter	We are required to provide you with a planning letter setting out the scope of the audit for the year and the proposed fees set by Public Sector Audit Appointments Limited (PSAA).	We have issued our planning letter and the proposed fee for the NAO Code audit is £21,000.	Planning Letter Issued 23 March 2015.	
Audit plan	We are required to report to you the results of our audit planning, our risk assessment and the proposed audit response to significant audit risks ahead of commencement of the audit work.	Detailed audit planning commenced in January 2016, and is currently still ongoing. This has included a planning visit to the Council in order to document key financial systems and controls. This will allow us to assess risks and agree our audit strategy for 2015/16.	Audit Plan Audit plan to be issued at the next Pension Fund Committee meeting.	TBC April 2016
FINANCIAL STATEMENTS				
Review of internal controls	Review of the significant financial systems that support the financial statements to be completed before draft accounts are prepared.	Preliminary review of the key financial systems, including an assessment of the design and implementation of key controls commenced in January 2016. Further review and testing of the operating effectiveness of selected internal controls in place for the pension fund will be carried out at our interim audit visit in February 2016.	Report on significant deficiencies in internal controls Where appropriate, significant deficiencies in internal controls will be reported in April 2016. All other observations on internal controls will be reported in our Final Audit Report in July 2016.	TBC April 2016

AUDIT PROGRESS 2015/16

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
Financial statements audit	<p>Audit of the draft financial statements to determine whether these give a true and fair view of the pension fund's financial position as at 31 March 2016 and the income and expenditure for the year.</p> <p>The audit also includes a review of whether the other information published with the financial statements (such as the Narrative Statement) is consistent with the pension fund financial statements.</p>	<p>Final audit testing of the financial statements will commence in June 2016.</p> <p>The deadline for submission of the audited financial statements is 30 September 2016.</p>	<p>Final Audit Report</p> <p>The findings of our audit on the financial statements will be reported to the Pension Fund Committee in July 2016.</p> <p>Auditor's report</p> <p>The opinion on the pension fund financial statements will be included in the auditor's report and issued following the Pension Fund Committee's approval of the pension fund accounts.</p>	<p>TBC</p> <p>July 2016</p> <p>Deadline</p> <p>30 September 2016</p>



The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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