

	<h2>Pension Fund Committee</h2> <h3>14 March 2017</h3>
<p style="text-align: right;">Title</p>	<p>External Audit Plan for the year ended 31 March 2017</p>
<p style="text-align: right;">Report of</p>	<p>Chief Executive</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>No</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A - BDO External Audit Plan Work Plan 2016/17</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Iain Millar, Head of Treasury Services 0208 359 7126</p>

Summary

In line with International Standard on Auditing 260 (ISA 260) the Pension Fund’s external auditors, BDO, should be provided with access to those charged with governance. BDO are the Pension Fund’s appointed external auditors for the 2016/17 financial year.

Appendix A to this report sets out the audit plan for external audit activities for 2016/17 which will be presented to Pension Fund Committee by BDO.

Recommendations

- 1. That the Pension Fund Committee note the audit strategy for the 2016/17 external audit of the Pension Fund.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The audit plan contained at appendix A of the report highlights the key elements of the external auditor's proposed audit strategy for the benefit of those charged with governance.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The recommendations are required in order for the Council to comply with statutory audit requirements.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None - statutory function

4. POST DECISION IMPLEMENTATION

- 4.1 The external auditor will report to the next Pension Fund Committee to provide a follow up on the previous period's detailed audit findings.

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 Statement of 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.

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 financial management as well as providing value for money.
- 5.2.1 The external audit fees for 2016/17 are £21,000 (external audit fees were £31,000 in 2015/16).

5.3 Social Value

- 5.3.1 Contributing to the Pension Fund ensures that contributing members have a secured income on retirement.

5.4 Legal and Constitutional References

- 5.4.1 The Council's Constitution – Part 15 – Annex A - Responsibility for Functions, Responsibility for Council Functions outlines the terms of reference of the

Pension Fund Committee which include the approval of the Pension Fund Statement of Accounts; to consider advice given by independent advisors at Pension Fund Committee meetings and to determine the appropriate course of action on any matter that pertains to the leadership and/ or strategic management of the Pension Fund.

5.5 Risk Management

5.5.1 The external audit progress report attached highlights 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.

5.7 Consultation and Engagement

5.7.1 Not required.

5.8 Insight

5.8.1 Not used - external report.

6. BACKGROUND PAPERS

6.1 None