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| Meeting        | Pension Fund Committee   |
| Date           | 6 June 2013  |
| <b>Subject</b> | <b>External Auditor: Audit Approach Memorandum for the year ended 31 March 2013</b>                              |
| Report of      | Chief Operating Officer  |
| Summary        | To note a detailed Audit Approach Memorandum report from the external auditors for the year ended 31 March 2013. |

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| Officer Contributors                        | John Hooton, Deputy Chief Operating Officer<br>Iain Millar, Head of Treasury |
| Status (public or exempt)                   | Public   |
| Wards Affected                              | Not Applicable   |
| Key Decision                                | Not Applicable   |
| Reason for urgency / exemption from call-in | Not Applicable   |
| Function of                                 | Council  |
| Enclosures                                  | Audit Memorandum 31 March 2013   |
| Contact for Further Information:            | Iain Millar, Head of Treasury Services<br>0208 359 7126                      |

## **1. RECOMMENDATIONS**

**1.1 That the audit strategy for the 2012/2013 external audit be noted**

## **2. RELEVANT PREVIOUS DECISIONS**

2.1 None

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1 Effective monitoring of the Pension Fund will provide support towards the Council's corporate priorities

## **4. RISK MANAGEMENT ISSUES**

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. EQUALITIES AND DIVERSITY ISSUES**

5.1 Accurate financial reporting is important to ensure the management of resources to enable the equitable delivery of services to all members of the community and to reduce the differential impact of the services received by all of Barnet's diverse communities

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

6.1 This report sets out the framework for the assessment of the Pension Fund's financial reporting and management as well as value for money.

6.2 The external audit fees for 2012-13 are £20,226 and were £35,000 in 2011-12.

## **7. LEGAL ISSUES**

7.1 None other than contained in the body of the report and appendix.

## **8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)**

8.1 Constitution – Part 3 Responsibility for Functions –Responsibility for Council Functions delegated to the Pension Fund Committee through the Pension Fund Governance Compliance Statement.

## **9. BACKGROUND INFORMATION**

9.1 In accordance with International Standard on Auditing (UK and Ireland) 260, the memorandum highlights the key elements of the external auditor's proposed audit strategy for the benefit of those charged with governance.

- 9.2 The key audit issues include:
- Valuation and existence of investments
  - Completeness and accuracy of contributions
  - Completeness, accuracy and validity of benefits
  - Ensure the accounts format and disclosure are consistent with the requirements of IFRS
  - Ensure compliance with the Pensions SORP, as applicable to LGPS

9.3 The audit will also provide a follow up on the previous period's detailed findings and outline the cost of the audit.

## 10. LIST OF BACKGROUND PAPERS

10.1 None

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| <b>Cleared by Finance (Officer's initials)</b> | <b>MT</b> |
| <b>Cleared by Legal (Officer's initials)</b>   | <b>SS</b> |