
Meeting	Pension Fund Committee
Date	11 July 2013
Subject	External Auditor's Report under International Standard on Auditing (ISA) 260 for the year 2012/13
Report of	Chief Operating Officer
Summary	This report considers the detailed report from the external auditors on matters arising from the audit of the 2012/13 pension fund accounts.

Officer Contributors	John Hooton, Deputy Chief Operating Officer 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	Appendix A – ISA260 report Appendix B – Pension Fund Annual Report 2012/13 (including pension Fund Accounts)
Contact for Further Information:	Iain Millar, Head of Treasury Services 0208 359 7126

1. RECOMMENDATIONS

- 1.1 **That the Committee approve the audited Pension Fund Accounts and Annual Report 2012/13 and they be signed by the Chairman as having been approved.**
- 1.2 **That the matters raised by the external auditor relating to detailed aspects of the 2012/13 accounts audit, including the pension fund accounts and officers responses to matters raised be noted.**
- 1.3 **That the Committee consider whether there are any areas on which they require additional information or action.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Pension Fund Committee approved the audit strategy on 6th June 2013

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 revised external audit fees for 2012-13 are £29,776 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 Council's Constitution –Responsibility for Functions – Section 2 – 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 (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.
- 9.2 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.
- 9.3 The External Auditor, Grant Thornton (GT) was presented with the draft financial statements in June 2013. GT identified a number of adjustments which are set out in their report.
- 9.4 It is anticipated that there will be an unmodified opinion on the accounts.
- 9.5 The audit identified the need for improvement in the preparation of pension fund accounts as errors and delays in providing working papers resulted in delay to completing the audit and increased the cost of auditing the Fund statements.

10. LIST OF BACKGROUND PAPERS

- 10.1 None

Cleared by Finance (Officer's initials)	MT
Cleared by Legal (Officer's initials)	