

Regulatory and Other Committee

Open Report on behalf of Executive Director of Finance and Public Protection

Report to:	Pensions Committee
Date:	06 October 2016
Subject:	Pension Fund External Audit Progress Report

Summary:

This report brings to the Committee the Audit Progress Report to those charged with governance of the Pension Fund, submitted by the external auditors for the Council, KPMG.

Recommendation(s):

That the Committee note the Audit Progress Report.

Background

1. The Pension Fund Annual Report and Accounts for the year ended 31st March 2016 have been completed and were approved by this Committee in July. These have now been independently audited by the Council's external auditors, KPMG. In previous year KPMG have produced a separate ISA 260 report for the Pension Fund. This year it was approved by Lincolnshire County Council (LCC) that a joint ISA 260 would be prepared for LCC and the Pension Fund. At the time of writing this report, this is not yet available. In order to give reassurance to the Committee about the quality and accuracy of the Pension Fund accounts, officers requested a Progress Report from KPMG. Once finalised, the final ISA260 and Audit Opinion will be presented to the Audit Committee of the Council.
2. The Audit Progress Report is shown as Appendix A. The key points to note from the external auditor are:

Planning:

- Two significant risks were identified for the 2015/16 Pension Fund accounts:

- The change to the Authority's corporate financial systems in the year.
- The change in the Pension Fund's pension administration support services provider.

Financial Statements Audit:

- No material misstatements were identified and there were no adjusted or unadjusted audit differences that they need to report to the Audit Committee.
- No matters were identified directly arising from their audit work on the significant risks that apply to the Pension Fund.
- The draft Pension Fund Annual Report was reviewed and it was confirmed that:
 - It complies with the requirements of the LGPS (Administration) Regulations 2008; and
 - The financial information it contains is not inconsistent with the financial information contained in the audited financial statements.

Completion:

- It is anticipated that an unqualified audit opinion on the Pension Fund accounts will be issued, following approval of the LCC Statement of Accounts by the Audit Committee and the signing of the standard Letter of Management Representations. The audit opinion is currently expected in mid October 2016.
 - It is anticipated that an unqualified opinion on the Pension Fund Annual Report will be issued at the same time as their opinion on the LCC Statement of Accounts.
3. No amendments were made to the core financial statements that were presented to this committee on 14 July 2016.
 4. The draft annual report will be finalised once the external auditor has issued his formal opinion and this has been incorporated into the report. Once finalised, a copy of the annual report will be put on both the Pension Fund and the County Council websites, and all Fund employers will be notified. In addition, the link will be emailed to all County Councillors, trade unions who represent contributing members of the Fund and on request to any other individuals or organisations. A summary of the annual report will be sent to all scheme members in the Autumn newsletters sent by WYPF, as the Fund's scheme administrator.

Conclusion

5. The audit of the Pension Fund Accounts for the year ended 31st March 2016 has been completed. It is anticipated that the External Auditor, KPMG, will issue an unqualified audit opinion. Once the formal opinion has been received, a copy of the Pension Fund Annual Report and Accounts will be distributed to interested parties.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	Lincolnshire Pension Fund External Audit Progress Report

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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