

Members of the Audit Committee
 Durham County Council
 County Hall
 Durham
 DH15UE

Direct line +44 (0)191 383 6314

Email cameron.waddell@mazars.co.uk

30 September 2013

Dear Members

Conclusion of pending matters – Durham County Pension Fund Audit Completion Report

As required by International Standards on Auditing (UK and Ireland), I am writing to communicate the conclusion of those matters that are marked as outstanding on page 2 of our Audit Completion Report which we will be presenting to the Audit Committee on 30 September 2013.

The outstanding matters and the conclusions reached are detailed in the table below.

Outstanding matter	Conclusion reached
Purchases and sales of investments	<p>Testing has been completed and highlighted the need for amendments to Note 15 Investments - 'Reconciliation of Movements in Investments 2012/13' as a result of errors in accounting for the transfer of investments from one fund manager to another.</p> <p>Purchases amended from £5,990 million to £5,711 million and Sales from £5,945million to £5,665million.</p> <p>In addition, a net amount of £0.81m has been allocated to loss on sale of investments which represents differences in trades caused by foreign exchanges and other sundry items. We have been unable to agree this amount to the custodians report as it is spread over a number of accounts.</p>
Annual report checking	Testing completed and no matters to report to members.

Mazars LLP – The Rivergreen Centre - Aykley Heads - Durham - DH1 5TS
 Tel: +44 (0) 191 383 6300 – Fax: +44 (0) 191 383 6350 – www.mazars.co.uk

Mazars LLP is the UK firm of Mazars, an integrated international advisory and accountancy organisation. Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at Tower Bridge House, St Katharine's Way, London E1W 1DD.

Registered by the Institute of Chartered Accountants in England and Wales to carry out audit work.



INVESTOR IN PEOPLE



Outstanding matter	Conclusion reached
Checking the revised statement of accounts	The revised statements have been checked and agreed. Amendment made to Note 16 comparatives for valuation of Financial instruments carried at Fair value. No further matters to report to members.

If you wish to discuss these or any other points discussed at the meeting then please do not hesitate to contact me or Catherine Banks. (Catherine.Banks@mazars.co.uk).

Yours sincerely

Cameron Waddell

Director

cc Mr Don McLure, Corporate Director Resources