

Pension Fund Committee

6 September 2018



Audit Completion Report for the year ended 31 March 2018

John Hewitt, Corporate Director of Resources

Purpose of the Report

- 1 To inform Members of the completion of the audit of the Pension Fund Accounts and to present the Audit Completion Report for the financial year ended 31 March 2018.

Background

- 2 A report to the Pension Fund Committee on 14 June 2018 included the draft Pension Fund Statement of Accounts. At that time, the Accounts were subject to review by our external Auditor, Mazars LLP.
- 3 The Statement of Accounts was approved by the Audit Committee on 31 July 2018 and the External Auditor has expressed his opinion on the County Council and Pension Fund Accounts.
- 4 The Annual Report and Accounts of the Pension Fund, which contains the audited Statement of Accounts, has been published on the County Council's website. The intention is to circulate the Pension Fund Annual Report and Accounts 2017/18 to Members for presentation at the annual meeting of the Pension Fund on 5 November 2018.

Audit Completion Report

- 5 The Audit Completion Report and the letter from the External Auditor presented to the Audit Committee on 31 July 2018 are attached at Appendix 1 and 2 for information.
- 6 Appendix B of the Audit Completion Report provides the Auditor's unqualified opinion on the Pension Fund's Financial Statements and the Annual Report stating:

"In our opinion the financial statements:

- *give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2018 and the amount and disposition of the fund's assets and liabilities as at 31 March 2018 other than liabilities to pay pensions and other benefits after the end of the scheme year; and*

- *have been properly prepared in accordance with the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.”*
- 7 Appendix C of the Audit Completion Report gives the Auditor’s opinion on the consistency of the Pension Fund’s Annual Report with the County Council’s Statement of Accounts.
- “In our opinion, the Pension Fund financial statements are consistent with the audited financial statements of Durham County Council for the year ended 31 March 2018 and comply with applicable law and the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.”*
- 8 Section 4 of the Audit Completion Report outlines the misstatements identified during the course of the audit.
- 9 There were no material adjustments made to the draft accounts, and only one non-trivial adjustment which relates to fund manager transaction costs. This information had not been received from fund managers in time to be included in the draft accounts produced for the 31 May 2018 deadline. The amendment did not impact on the net assets available for benefits and therefore the value of assets as reported to Committee in June remains the same.
- 10 The financial statements have also been amended for a small number of minor errors, omissions, rounding error corrections, clarifications and typographical errors.
- 11 The External Auditor reports that no significant difficulties were encountered and that they had the full co-operation of management during the audit.

Recommendation

- 12 Members are asked to note the contents of this report.

Background Papers

- (a) Pension Fund Committee – 14 June 2018 - Statement of Accounts for the year ended 31 March 2018
- (b) Audit Committee – 31 July 2018 - External Audit: Audit Completion Report 2017/18 – Pension Fund