



## PENSIONS COMMITTEE

23 September 2014

**Subject Heading:**

**Response to Auditors: Report To Those Charged With Governance International Standard of Auditing (ISA) 260**

CMT Lead

**Report Author and contact details:**

**Andrew Blake Herbert**

Contact: Debbie Ford

Designation: Corporate Finance and Manager

Telephone: (01708) 432217

E-mail address:

Debbie.ford@havering.gov.uk

Pensions Committee responsible for noting the accounts

**Policy context:**

**Financial summary:**

N/A

**The subject matter of this report deals with the following Council Objectives**

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input type="checkbox"/>
Value and enhance the life of every individual	<input type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

**SUMMARY**

This report provides the Committee with a draft ISA 260 report from the external auditor PWC. The ISA 260 report covers a combined audit of the Council's Statement of the Accounts and Pension Fund Accounts for the year ended 31 March 2014. The combined ISA 260 will be considered by the Audit Committee on the 25 September 2014.

The management responses to any issues raised by the external auditors as a result of their audit of the 2013/14 accounts are set out in the Appendix to this report.

## **RECOMMENDATIONS**

To consider and note the responses from management to the “To Those Charged With Governance (ISA260)” and the draft Letter of Representation and consider any issues raised for those items applicable to the Pension Fund Audit only.

## **REPORT DETAIL**

The ISA 260 report covers a combined audit of the Council’s Statement of the Accounts and Pension Fund Accounts for the year ended 31 March 2014. The combined ISA 260 will also be considered by the Audit Committee on the 25 September 2014.

The ISA260 report, attached as Appendix A, incorporates the following:

- Audit Approach for the Audit
- Summary of Significant Audit and Accounting matters
- Internal Controls
- Risk of Fraud
- Fee Update

The summary of significant Audit and Accounting matters contains a list of deficiencies in internal Control that was found during the audit process with recommendations for further action. The management responses to any issues raised by the external auditors are included in the Appendix to this report.

The Committee is to consider and note the report and in particular to items that are applicable to the Pension Fund.

## **IMPLICATIONS AND RISKS**

### **Financial Implications and Risks:**

There are no financial implications or risks arising directly from this report. Any financial consequences arising from the outcome of the audit of accounts and

recommendations set out by the external auditor will be addressed as part of the Council's response.

**Legal Implications and risks:**

On the basis that there are no specific issues raised by the external auditor, there are no legal implications arising directly from this report.

**Human Resources Implications and risks:**

None arising directly

**Equalities and Social Inclusion Implications and risks:**

None arising directly

**BACKGROUND PAPERS**

Working papers for the statement of accounts.