



## PENSIONS COMMITTEE

14 June 2016

**Subject Heading:**

**PENSION FUND AUDIT PLAN 2015/16**

**CMT Lead:**

**Andrew Blake Herbert**

**Report Author and contact details:**

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**Policy context:**

**Planned audit of the 2015/16 Pension Fund Accounts**

**Financial summary:**

Indicative fee scale is £21,000.

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

Havering will be clean and its environment will be cared for  
People will be safe, in their homes and in the community  
Residents will be proud to live in Havering

### SUMMARY

This report provides members with an Audit Plan as issued by Ernst & Young LLP for the work they plan to undertake for provision of an audit opinion on the pension fund accounts for the year ending 31 March 2016.

### RECOMMENDATIONS

That the Committee note the 2015/16 Audit Plan.

## REPORT DETAIL

### 1 Background

- 1.1. The Audit Plan covers the work that Ernst and Young plan to perform to provide an audit opinion on whether the financial statements of the Havering pension fund give a true and fair view of the financial position as at 31 March 2016. They will also review the pension fund's annual report.
- 1.2. The Audit Plan can be seen as attached in **Appendix A**.
- 1.3. Ernst and young replace Price Waterhouse Coopers as the Councils appointed auditors for the financial years 2015/16 and 2017/18. This will be the first audit undertaken by Ernst & Young for the Havering Pension Fund.
- 1.4. The council's external auditors are appointed by the Audit Commission in accordance with statutory provisions. It is normal practice to change auditors on a five yearly cycle.
- 1.5. It is expected that the audit of accounts will be completed by September and the final audit report will be presented to the Pensions Committee at the September Pension Committee meeting.

## IMPLICATIONS AND RISKS

### **Financial implications and risks:**

The agreed fee of £21,000 is based on the following assumptions:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;
- Officers meeting the agreed timetable of deliverables;
- The opinion being unqualified;
- Appropriate quality of documentation is provided;
- There is an effective control environment; and
- Prompt responses are provided to draft reports

A variation to the fees will be sought if any of the above assumptions are not met.

**Legal implications and risks:**

There are no legal implications arising directly from this report.

**Human Resources implications and risks:**

There are no immediate HR implications.

**Equalities implications and risks:**

None arising that directly impacts on residents or staff.

**BACKGROUND PAPERS**

**Ernst & Young LLP Audit Plan**