



PENSIONS COMMITTEE 26 June 2013	REPORT

Subject Heading:	EXTERNAL AUDIT PLAN 2012/13 PENSION FUND AUDIT
CMT Lead:	Andrew Blake Herbert
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Policy context:	To note the External Audit plan for the Pension fund audit.
Financial summary:	This report sets out the planned area of work for the Pension Fund Audit. The indicative fee is £21,000.

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 checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

The attached report, Appendix 1, advises the Pensions Committee of the proposed 2012/13 External Audit Plan for the Pension Fund.

RECOMMENDATIONS

1. To note the auditors proposed scope and confirm that the committee is comfortable with the audit risks and approach.
2. Note the matters relating to fraud, and
3. Approve the proposed audit fees for the year.

REPORT DETAIL

PricewaterhouseCoopers (PwC) are the current External Auditor for the London Borough of Havering, as appointed by the Audit Commission. This report deals with the audit of the Pension Fund.

This plan has been developed with the assistance of Council officers.

The attached plan contains the following sections to outline the External Auditors planned approach:

- Introduction and purpose of the audit plan
- Risk Assessment
- Audit approach
- Risk of Fraud
- The audit team and communications
- Timetable
- Audit Fees.

The broad approach to the audit work is set out in pages 4 and 5.

As set out in the Plan, the overall direction of the Fund's Investment Strategy is delegated to the Council's Pensions Committee. The Council acts as the administering authority for the Fund, and as such is accountable for the stewardship of the Fund. It is PwC's responsibility to carry out an audit in accordance with the Audit Commission's Code of Audit Practice.

IMPLICATIONS AND RISKS

Financial implications and risks:

The attached plan reflects the fee for the Pensions Fund element of the 2012/13 audit and is set out below:

Element	2012/13 Fee £	2011/12 Final Fee £
Pension Fund	21,000	35,000

The indicative fee is based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timescales.

The 40% savings reflect the outcome of the Audit Commission's procurement process to outsource the work of the audit practice, awarding five-year contracts to four private sector firms and their own internal efficiencies.

The cost of the audit fees will be met from the pension fund.

There are no other financial implications or risks arising directly from this report.

Legal implications and risks:

None arising directly from this report

Human Resources implications and risks:

None arising directly from this report

Equalities implications and risks:

None arising directly from this report

BACKGROUND PAPERS