



AUDIT COMMITTEE

25 April 2012

REPORT

Subject Heading:

Report Author and contact details:

**EXTERNAL AUDIT PLAN 2011/12
PENSION FUND AUDIT**

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Policy context:

To consider the External Audit plan for the Pensions fund audit.

Financial summary:

This report sets out the planned area of work for the Pension Fund audit. The proposed fee has previously been reported to the Committee.

REPORT OF THE CHIEF EXECUTIVE

SUMMARY

The attached report, Appendix 1, advises the Audit Committee of the proposed External Audit Plan for 2011/12 for the Pension Fund.

RECOMMENDATIONS

1. To note the contents of the plan.
2. To raise any issues of concern and ask specific questions of officers or external auditors where required.

REPORT DETAIL

PricewaterhouseCoopers (PwC) are the current External Auditor for the London Borough of Havering, as appointed by the Audit Commission. The previous report to the Committee set out the main audit plan for financial year 2011/12. This report deals specifically with the audit of the Pension Fund.

This plan has been developed with the assistance of Council officers and has been approved by the Chief Financial Officer.

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

- Introduction and developments
- Communicating and reporting
- Audit approach
- Project management
- Independence.

The broad approach to the audit work is set out in pages 3, 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 2011/12 audit, as previously reported to the Committee, and now confirmed as set out below:

| Element | 2011/12 Fee £ | 2010/11 Final Fee £ |
|--------------|------------------|---------------------------|
| Pension Fund | 35,000 | 35,000 |

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As previously advised to the Committee, the quoted fee is an estimate and may change to reflect the actual content of the audit plan.

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

London Borough of Havering Pension Fund 2011/12 Audit Plan –
PricewaterhouseCoopers