

Bath & North East Somerset Council

MEETING:	Corporate Audit Committee	
MEETING DATE:	30th SEPTEMBER 2010	AGENDA ITEM NUMBER
TITLE:	GOVERNANCE REPORT FOR THE PENSION FUND 2009/10	EXECUTIVE FORWARD PLAN REFERENCE: E
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Governance Report for the Pension Fund		

1 THE ISSUE

1.1 The Annual Governance Report for the Pension Fund summarise the results of the Audit Commission's audit of the 2009/10 accounts. It includes the issues arising from the audit of the financial statements and those issues which they are formally required to report to you under the Audit Commission's Code of Audit Practice and International Standard of Auditing (UK & Ireland) (ISA (UK&I) 260) – "Communication of audit matters with those charged with governance".

2 RECOMMENDATION

2.1 The Corporate Audit Committee is asked to note the issues raised in the Governance report, specifically the matters raised in –

- a) Pages 7 to 9 of the Governance Report – Financial Statements
- b) Appendix 2 of the Governance Report with regard to the adjustment of the financial statements
- c) Appendix 3 of the Governance Report – with regard to approving the letter of representation

3 FINANCIAL IMPLICATIONS

3.1 The adjustments to the Accounts are laid out in the report, they do not affect the Pension Funds financial position as previously reported.

4 REPORT

- 4.1 There have been some presentational and technical changes to the accounts since they were presented to the Committee in June. The revised accounts are presented in the next paper which covers the Governance Report for the Council.
- 4.2 The main change is the insertion of a note to the Net Assets Statement regarding a non-adjusting post balance sheet event, being the announcement in the budget of 22nd June that pension increases will be based on Consumer Price Index instead of retail price index. This will reduce the Fund's pension obligation by an estimated 5 to 8%.
- 4.3 Subject to satisfactory clearance of outstanding matters, the external auditor plans to issue and audit report including an unqualified opinion on the financial statements.
- 4.4 Key issues are as follows –
 - a) There are two non-trivial misstatements which have not been amended.
 - b) There is one disclosure issue affecting an investments note which has also not been amended.
 - c) Electronic working papers were available at the start of the audit providing a clear audit trail.
- 4.5 The report will be taken to the Pension Fund Audit Committee on the 24th of September for information and any relevant update will be given at the Audit Committee's meeting.

5 RISK MANAGEMENT

- 5.1 A proportionate risk assessment has been carried out in relation to the Councils risk management guidance. Management of the Pension Fund remains a key risk although the work in relation to this years audit has not identified any new corporate risks or significant changes.

6 EQUALITIES

- 6.1 A proportionate equalities impact assessment has been carried out and there are no significant issues to report.

7 RATIONALE

- 7.1 Approval of the amended audited Statement of Accounts for 2009/10 is required by statute as is the receipt of the Governance report at this time.

8 OTHER OPTIONS CONSIDERED

8.1 None as this report is a statutory requirement.

9 CONSULTATION

9.1 Consultation has been carried out with the Section 151 Finance Officer.

10 ISSUES TO CONSIDER IN REACHING THE DECISION

10.1 No decision as this is a statutory requirement.

11 ADVICE SOUGHT

11.1 The Council's Section 151 Officer has had the opportunity to input to this report and have cleared it for publication.

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Background papers	None
Please contact the report author if you need to access this report in an alternative format	