

<b>Bath &amp; North East Somerset Council</b>		
MEETING:	<b>Corporate Audit Committee</b>	
MEETING DATE:	<b>29<sup>th</sup> SEPTEMBER 2011</b>	<b>AGENDA ITEM NUMBER</b>
TITLE:	<b>ANNUAL GOVERNANCE REPORT FOR THE AVON PENSION FUND 2010/11</b>	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b>  <b>Appendix 1 – Annual Governance Report for the Avon Pension Fund</b>		

## **1 THE ISSUE**

- 1.1 The Annual Governance Report for the Avon Pension Fund summarise the results of the Audit Commission's audit of the 2010/11 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 –
- a) To take note of the adjustment to the financial statements which is set out on page 18 of Appendix 2.
  - b) To approve the letter of representation on behalf of the Avon Pension Fund which is set out on page 9.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The adjustments to the Accounts are laid out in the report; they do not affect the Avon Pension Funds bottom line or its financial position.

## **4 REPORT**

- 4.1 The Governance Report sets out the findings from the 2010/11 audit of the financial statements.
- 4.2 There have been some presentational and technical changes to the accounts and one small error related to a deferred charge which has been corrected.
- 4.3 Therefore subject to satisfactory clearance of outstanding matters, the external auditor plans to issue an audit report including an unqualified opinion on the financial statements.
- 4.4 The report will be taken to the Pension Fund Committee on the 23rd of September for information and any relevant update will be given at the Audit Committee's meeting.
- 4.5 A verbal update will be given at the Committee meeting on any outstanding issues and recommendations contained within the report.

## **5 RISK MANAGEMENT**

- 5.1 A proportionate risk assessment has been carried out in relation to the Councils risk management guidance. Management of the Avon Pension fund finances remain 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 Statement of Accounts for 2010/11 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 and Monitoring 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 and Monitoring Officer have had the opportunity to input to this report and have cleared it for publication.

<b>Contact person</b>	Irene Draper/Tim Richens/Jeff Wring (01225) 477325;
<b>Background papers</b>	None
<b>Please contact the report author if you need to access this report in an alternative format</b>	