



Audit & Governance Committee
31 July 2014

**Surrey Pension Fund Accounts 2013/14 and
Grant Thornton External Audit Findings Report**

SUMMARY

This report presents the audited financial statements of the Pension Fund for the year ended 31 March 2014, in light of the County Council's obligations as the administering authority under the Local Government Pension Scheme (LGPS) Regulations.

The external auditor (Grant Thornton) has issued an unqualified opinion on the accounts and this will be outlined in the Grant Thornton External Audit Findings for Surrey Pension Fund Report.

PURPOSE

Grant Thornton, as the Council's external auditor, has completed its audit and the Pension Fund financial statements are being presented to this Committee to be approved prior to publication.

The primary statements and accompanying notes to the accounts are attached as Annex A. Any amendments that have been made to the draft financial statements following submission to the external auditor, with an explanation for the changes alongside a reference to the statement or note that has been amended, are included as Annex B.

The result of the external audit is reported in the External Audit Findings for Surrey Pension Fund Report which is presented at Annex C.

RECOMMENDATIONS:

The Committee is asked to:

- (i) Approve the 2013/14 Pension Fund financial statements as attached at Annex A.
- (ii) Consider the content of the External Audit Findings for Surrey Pension Fund Report at Annex C.
- (iii) Determine any issues that need to be referred to Cabinet in relation to the external auditor's conclusions and recommendations.

- (iv) Consider the content of the draft representation letter as set out in Annex D and authorise the Director of Finance to sign it on the authority's behalf.

2013/14 PENSION FUND ACCOUNTS

1. Grant Thornton audits both the County Council and Pension Fund accounts and is required to present separate audit opinions on each.
2. During the audit, Grant Thornton identified some issues, which have led to minor amendments being made to the 2013/14 draft financial statements and related notes to the accounts.
3. Annex A represents the Pension Fund primary statements and accompanying notes to the accounts.
4. The financial statements and notes to the accounts included in Annex A will be published in the Pension Fund Annual Report 2014.
5. Changes to the statements of accounts following submission to the external auditor are shown in Annex B.

2013/14 EXTERNAL AUDIT REPORT

6. The external auditor is required to report on the Pension Fund financial statements. The auditor's report for the Surrey Pension Fund is presented at Annex C and sets out a summary of the work carried out, the conclusions reached and recommendations made.
7. The Committee will note that the auditor issued an unqualified opinion on the financial statements.

MANAGEMENT REPRESENTATION LETTER

8. It is considered good practice for those charged with governance to provide the auditor with a letter of representation in respect of matters that are material to the financial statements, but appropriate audit evidence cannot reasonably be expected to exist.
9. A draft letter of representation is included at Annex D.

IMPLICATIONS

- A) Financial
There are no direct financial implications.
- B) Equalities
There are no direct equality implications.

- C) Risk Management and Value for Money
Pension Fund risks are proactively monitored by officers and the Surrey Pension Fund Board.

WHAT HAPPENS NEXT

10. The Pension Fund Annual Report will be received by the Pension Fund Board at its meeting on 19 September 2014 and will subsequently be published and distributed among employer bodies.
11. The Pension Fund annual meeting which is open to all employer bodies in the Fund will take place on 21 November 2014.

REPORT AUTHOR:

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CONTACT DETAILS:

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Sources/background papers:

Closure of Accounts Working Papers 2013/2014

Computerised Accounts of the County Council

Quarterly Investment and Performance reports for the year to 31/3/2014

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