



Audit & Governance Committee
29 July 2019

**SURREY PENSION FUND
LOCAL GOVERNMENT PENSION SCHEME ACCOUNTS 2018/19
AND
GRANT THORNTON EXTERNAL AUDIT FINDINGS REPORT**

SUMMARY AND PURPOSE:

This report presents the audited financial statements of the Pension Fund for the year ended 31 March 2019, in light of the County Council's obligations as the administering authority under the Local Government Pension Scheme (LGPS) Regulations.

There have been no material misstatements in the financial statements and the external auditor (Grant Thornton) has issued an unqualified opinion having completed their audit.

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

Annex 1 represents the primary statements and accompanying notes to the accounts.

The result of the external audit is reported in the Audit Findings for Surrey Pension Fund Report, which is presented at Annex 2.

RECOMMENDATIONS:

The Committee is asked to:

- (i) Approve the Pension Fund Accounts 2018/19 in Annex 1.
- (ii) Consider the content of the Audit Findings for Surrey Pension Fund Report in Annex 2.
- (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 3 and authorise the Deputy Chief Finance Officer to sign it on the Council's behalf.

2018/19 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 a few minor issues, which have led to a number of minor, non-material amendments being made to the 2018/19 draft financial statements and related notes to the accounts.
3. Annex 1 represents the Pension Fund Accounts 2018/19.
4. The Pension Fund Draft Accounts 2018/19 were presented to and approved by the Pension Fund Committee on 7 June 2019 and the Fund expects to present the Pension Fund Draft Annual Report 2018/19 (which include the audited Pension Fund Accounts 2018/19) on 13 September 2019 for the Committee, subject to audit approval
5. As part of Central Government's proposal to pool Local Government Pension Scheme assets into regional asset pools, Surrey Pension Fund is now a partner fund of Border to Coast Pensions Partnership (BCPP) and had completed its first transition of UK Equities onto BCPP in Autumn 2018. The Fund has made commitments to BCPP's Private Markets and Infrastructure Funds and also expects to transition its Global Equities and Fixed Income to the pool in 2019/20.

2018/19 AUDIT FINDINGS REPORT

6. The external auditor is required to report on the Pension Fund financial statements. The Audit Findings for Surrey Pension Fund Report 18/19 is presented at Annex 2 and sets out a summary of the work carried out, the conclusions reached and recommendations made.
7. The Committee will note that the auditor is anticipating issuing an unqualified opinion on the financial statements

MANAGEMENT REPRESENTATION LETTER

8. It is considered good practice for those charged with governance to provide the external 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.

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 Committee.

REPORT AUTHOR:

Mamon Zaman, Senior Accountant

CONTACT DETAILS:

Tel: 020 8213 2738

Email: mamon.zaman@surreycc.gov.uk

Annexes:

1. Pension Fund Accounts 2018/19
 2. Audit report 2018/19
 3. Draft letter of representation
-

This page is intentionally left blank