

**AUDIT & GOVERNANCE COMMITTEE**  
**2 September 2013**

**SURREY PENSION FUND**  
**LOCAL GOVERNMENT PENSION SCHEME ACCOUNTS 2012/2013**  
**AND**  
**GRANT THORNTON AUDIT FINDINGS FOR SURREY PENSION FUND REPORT**

**SUMMARY:**

This report presents the audited financial statements of the Pension Fund for the year ended 31 March 2013, 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) expects to issue an unqualified opinion on the accounts and this is outlined in the 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 re-presented to this Committee to be approved prior to publication.

Annex A represents the primary statements and accompanying notes to the accounts. This report summarises the amendments that have been made to the draft financial statements, with an explanation for the changes alongside a reference to the statement or note that has been amended.

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

**RECOMMENDATIONS:**

The Committee is asked to:

- (i) Approve the 2012/13 Pension Fund financial statements as attached at Annex A.
- (ii) Consider the content of the Audit Findings for Surrey Pension Fund Report (Annex B).
- (iii) Determine any issues that need to be referred to Cabinet in relation to the auditor's conclusions and recommendations.
- (iv) Consider the content of the draft representation letter as set out in Annex D and authorise the Chief Finance Officer to sign it on the authority's behalf.

## **2012/13 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.

### **Audited Pension Fund Accounts**

2. The Pension Fund statement of accounts was presented to this Committee at its meeting on 24 June 2013 and approved, subject to the completion of the external audit.
3. During the audit, Grant Thornton identified some issues, which have led to minor amendments being made to the 2012/13 draft financial statements and related notes to the accounts.
4. Annex A represents the Pension Fund primary statements and accompanying notes to the accounts, with updated figures and amendments highlighted.
5. A copy of the financial statements and notes to the accounts included in Annex A will replace the version included in the County Council's draft Statement of Accounts which was presented to this Committee on the 24 June 2013 and will be published in the Pension Fund Annual Report 2013.

### **Notes to the Statement of Accounts**

6. Changes to the notes of the statements of accounts are shown in Annex C.

## **2012/13 ANNUAL GOVERNANCE REPORT:**

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

## **MANAGEMENT REPRESENTATION LETTER:**

9. 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.
10. 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.

<b>WHAT HAPPENS NEXT:</b>
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11. The Pension Fund Annual Report will be received by the Pension Fund Board at its meeting on 20 September 2013 and will subsequently be published and distributed among employing bodies.
12. The Pension Fund annual meeting which is open to all employing bodies in the Fund will take place on 22 November 2013.

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**Sources/Background Papers:**

Closure of Accounts Working Papers 2012/2013

Computerised Accounts of the County Council

Quarterly Investment and Performance reports for the year to 31/3/2013

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