

**Report for: Pension Fund
Committee**

Date of Meeting: 25 November 2020

Subject: Pension Fund Annual Report and
Accounts 2019-20 - Outcome of Audit

Responsible Officer: Dawn Calvert – Director of Finance
and Assurance

Exempt: No

Wards affected: All

Enclosures: Appendix 1 – Pension fund Audit
Completion Report
Appendix 2 – Pension Fund Annual
Report and Accounts 2019-20
Appendix 3 – Pension Fund
Management Review Letter

Section 1 – Summary and Recommendations

This report sets out the auditor's findings arising from their audit of the Fund's 2019-20 Accounts.

Recommendations:

The Committee is requested to

- i. Consider the draft Audit Completion Report of the External Auditor on matters arising from the audit of the Pension Fund Annual report and Accounts 2019-20,
- ii. Note the auditor's findings and action being taken to address those
- iii. Approve the audited Pension Fund Annual Report and Accounts 2019-20 shown at appendix 2 and authorise the signing thereof by the Director of Finance and Assurance, and
- iv. Authorise the Director of Finance and Assurance to make any final amendments to the Pension Fund Annual Report 2019-20 arising from the external audit prior to the signing by the auditor.

Section 2 – Report

1. The Committee considered the draft Pension Fund Annual Report and Accounts for 2019-20 at its meeting on 9 September 2020. At that time the document was subject to audit.
2. Since that meeting, Mazars have carried out the detailed audit work, and their draft Audit Completion report is attached at Appendix 1. This draft was prepared for the Governance, Audit, Risk Management and Standards (GARMS) Committee on 22 October 2020, and at that point there was some residual audit work outstanding.
3. The detailed audit fieldwork has now been completed and at the time of writing this report, the management review process by the senior audit managers / partner is underway. Any supplementary audit questions arising from the senior management / partner review will be responded to promptly by officers.
4. Week commencing 23rd November will be used for preparation and sign-off of the LBH management review letters - the letter is included at Appendix 3, with the physical signing of the accounts by Mazars being done on 30th November.
5. The audit of accounts has resulted in very few changes being made from the draft which was reviewed in detail by this Committee on 8 September 2020. The changes made are summarised as follows:
 - Presentational – to achieve consistency with the Council's main accounts, the format of presentation of the "year" headings was changed from 2019/20 to 2019-20.
 - In Note 2, page 24, paragraph 1, the words "on a going concern basis" were inserted.
 - Note 3, pages 26 and 27 – additional notes g (Contingent Liabilities) and h (Contingent Assets) were added.

- Note 5, page 28 – an additional paragraph summarising the impact of Covid 19 on valuations was inserted.

This small number of changes reflects the high standard to which the draft accounts were prepared.

6. The published version will include the actual dates on which the document is formally signed, and the auditors' report. Should any changes be required from the "partner review" process these will be notified to the Committee and incorporated into the published version.

Legal Implications

7. There are no legal implications arising from this report.

Financial Implications

8. Whilst the performance and effective controls of the fund managers is of paramount importance in the performance of the Pension Fund, there are no financial implications arising from this report.

Risk Management Implications

9. The Pension Fund has a risk register which includes all the risks identified which could affect the management of the Fund. The register is reviewed elsewhere on this agenda.

Equalities implications / Public Sector Equality Duty

10. Was an Equality Impact Assessment carried out? No
There are no direct equalities implications arising from this report.

Council Priorities

11. The performance of the Pension Fund directly affects the level of employer contribution which then, in turn, affects the resources available for the Council's priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 12 November 2020

Statutory Officer: David Hodge
on behalf of the Monitoring Officer

Date: 11 November 2020

Statutory Officer: Charlie Stewart
Signed by the Corporate Director

Date: 11 November 2020

Mandatory Checks

Ward Councillors notified: NO

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Consultant
Email: Jeremy.randall@harrow.gov.uk

Background Papers: None