

Non-Executive Report of the: Audit Committee 21 July 2020	 TOWER HAMLETS
Report of: Neville Murton, Corporate Director, Resources	Classification: Unrestricted
2019/20 Pension Fund Accounts Audit Plan	

Originating Officer(s)	Miriam Adams, Interim Pensions & Investments Manager
Wards affected	All wards

SUMMARY

Deloitte are the Council's appointed external auditors. This report details their proposed audit scope for the Tower Hamlets Pension Fund for the year ending 31 March 2020, attached as Appendix A to this report. Each year the external auditor prepares an Audit Plan for the work they are required to undertake by the Code of Audit Practice. The Audit Plan for 2019/20 has been prepared by Deloitte LLP, the plan includes work to provide an audit opinion on the financial statements of the Pension Fund and the income and expenditure for 2019/20. The Pensions Committee considered the Pension Fund Audit Plan during their meeting of 18 June.

RECOMMENDATIONS

The Committee is recommended to:

- Note the Audit Planning report from Deloitte that relates to the Tower Hamlets Pension Fund accounts as set out in Appendix A.

1. REASONS FOR THE DECISION

- 1.1 The purpose of the audit planning report is to set out to the Committee the key consideration of planning for this year's audit with a view to ensuring that the year-end activities can be managed smoothly.
- 1.2 The responsibilities of the auditors are set out in Appendix A of this report. The auditors are asked to treat the Local Government Pension Scheme as a stand-alone body, with separate plan and report to those charged with governance.

2. DETAILS OF REPORT

- 2.1 The audit plan sets out the approach the auditors will take, key issues, staffing, time scales and fees. The plan for 2019/20 has been prepared by Deloitte and includes work to provide an audit opinion on the financial statements of the Pension Fund and of the income and expenditure for 2019/20.
- 2.2 Officers will provide the auditors with all necessary information during the audit. Deloitte will then report back to those charged with governance.
- 2.3 The work programme and scale of fees for 2019/20 were published by the Public Sector Audit Appointments (PSAA).

Details of indicative fees are provided on page 15 of the Pension Fund Audit Plan. The proposed fees are £21,000 for the audit of the Pension Fund. The PSAA has published a scale of fees for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the National Audit Office (NAO) Code.

3. COMMENTS OF THE CHIEF FINANCE OFFICER

- 3.1 The audit fee payable is £21,000. The fees are set centrally by Public Sector Audit Appointments Ltd.

4. LEGAL COMMENTS

- 4.1 Part of the Council's duty as administering authority for the Tower Hamlets Pension Fund is to ensure that the annual accounts are properly audited and the audit plan sets out how and when the audit will be carried out.
- 4.2 By virtue of section 20 of the Local Audit and Accountability Act 2014 ("the Act"), the auditor must be satisfied that the accounts comply with the requirements of the enactments that apply to them, proper practices have been observed in the preparation of the statement of accounts, the statement of accounts presents a true and fair view and that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

5. ONE TOWER HAMLETS CONSIDERATIONS

- 5.1 The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will reduce the contribution and increase the funds available for other corporate priorities.

6. BEST VALUE (BV) IMPLICATIONS

6.1 The Pension Fund accounts external audit plan sets out the work to be carried out by Deloitte.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

7.1 There is no direct Sustainable Action for a Greener Environment implication arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

8.1 There is no direct risk management impact arising from this report. Deloitte will consider a number of factors when deciding on significant audit risks, such as audit planning procedures, risks previously reported and critical estimates.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

9.1 There are no crime and disorder reduction implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

Appendix A – Tower Hamlets Pension Fund Accounts Audit Plan 2019/20

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

Officer contact details for documents:

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