



# South Tyneside Council

## Local Pension Board

Date: 7<sup>th</sup> July 2020

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## External Audit Plan for 2019/20 Accounts

(for information and discussion)

Report of the Head of Pensions

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1. Ernst and Young will undertake the 2019/20 external audit of the Fund.
2. Representatives from Ernst and Young will attend the meeting to brief the Local Pension Board on the audit plan.
3. The Local Pension Board is recommended;
  - to consider the presentation and the audit plan, and comment on it
  - to note the approach to the 2019/20 external audit.

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Contact Officer: Ian Bainbridge, Head of Pensions – Tel. 424 4112

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## Audit Plan

4. Prior to the year-end audit of the accounts, the Fund's external auditor, Ernst and Young usually presents an audit plan to the Council's Audit Committee, the Pensions Committee and the Local Pension Board, summarising the work to be undertaken. A copy of this plan is attached.
5. The audit plan is addressed to the Audit Committee as they are formally charged with the governance of the Council's and the Pensions Fund's accounts. However, in recognition of the fact the Local Pension Board has a role in considering such matters relating to the Fund, it is also considered appropriate that the plan and the final report from Ernst and Young is also reported here.
6. It had initially been intended that a representatives from Ernst and Young will attend the meeting in March to brief the Board on the 2019/20 audit. Unfortunately, this meeting was cancelled as the result of Covid-19.
7. It has subsequently been agreed with the Chair and Vice Chair of the Local Pensions Board that this report and the initial audit plan would still be presented to this meeting but there was no required for a representative from Ernst and Young to attend. Should any member of the Board have any issues or concerns about the audit plan this can be raised directly with the Audit lead for the Pensions Fund, details below:

Mark Rutter - [Mark.Rutter@uk.ey.com](mailto:Mark.Rutter@uk.ey.com)

8. It should also be noted that Ernst and Young has advised the Fund they it is planning on re-issuing an updated audit plan to address the impacts of Covid-19 issues. This will be circulated to all Local Pension Board and Committee members. Once again, members will have the option of contacting the auditor directly, should there be any issues or concerns.

## Approval Process

9. Each year the Pension Fund is required to produce a set of accounting statements for inclusion in South Tyneside Council's Report and Accounts. This is in addition to producing the Fund's Report and Accounts.
10. The Fund's accounting statements in the Council's version are exactly the same as those in the Fund's Report and Accounts, but the supporting material and background information is significantly less.
11. The statutory deadlines for the production of both the accounting statements and the Report and Accounts are different. The normal deadlines are set out below:

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- 31<sup>st</sup> May for the draft accounting statements for the Council and the Pension Fund
  - 31<sup>st</sup> July for the publication of the Council's Report and Accounts
  - 1<sup>st</sup> December for the Pension Fund's Report and Accounts.
12. However, following the Covid-19 outbreak in March 2020, "The Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/04)" were published changing these deadlines for the 2019/20 reporting period to:
- 31<sup>st</sup> August for the draft accounting statements for the Council and the Pension Fund
  - 30<sup>th</sup> November for the publication of the Council's Report and Accounts
  - 1<sup>st</sup> December for the Pension Fund's Report and Accounts
13. Therefore this has resulted in the Council is adopting the following deadlines for approving the accounting statements for 2019/20:
- The draft Fund accounting statements will be published before the 31<sup>st</sup> July 2020
  - These draft accounting statements will be presented at the Pensions Committee meeting which takes place in September, for information and comment
  - The Council's Accounts, which include the Fund's accounting statements will then be formally approved at the meeting of the Audit Committee towards the end of September, ahead of the statutory deadline for publication of 30<sup>th</sup> November 2020
  - For the Fund's Annual Report and Accounts, including the accounting statements, it is expected that these should also be available for the Pensions Committee in September. However, should it not be possible to make this meeting there is the option that they can be presented at the November meeting, which is still ahead of the statutory deadline of 1<sup>st</sup> December. Ernst and Young will attend to go through the findings of the audit.
14. For future years the normal deadlines will apply. The changes noted above are purely for the 2019/20 accounts.

### **Local Pension Board - Annual Report and Accounts 2019/20**

15. The Fund's Annual Report and Accounts for 2019/20 will be presented to the Local Pension Board at its meeting in October 2020. This assumes that the Report and Accounts will have been approved by Pensions Committee in September 2020. If this is not the case and the approval of the Report and Accounts by Pensions Committee slips to November 2020, the final version will be reported to the Local Pension Board in December 2020. Ernst and Young will attend to go through the findings of the audit.

### **Recommendation**

16. The Local Pension Board is recommended;
- to consider the presentation and the audit plan and comment on it
  - to note the approach to the 2019/20 external audit.

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## External Audit Plan for 2019/20 Accounts

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**The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:**

<b>Background Paper</b>	<b>File Ref:</b>	<b>File Location</b>
Annual Report and Accounts File 2019/20		Investments Office, South Shields Town Hall