

## REPORT BY EXTERNAL AUDIT ON THE 2015/16 AUDIT OF DUMFRIES & GALLOWAY COUNCIL PENSION FUND

### 1. Purpose of Report

The purpose of this report is to present the Pension Fund's audited annual accounts and the external auditors' report on the 2015/16 audit of the Pension Fund to this Committee in line with the requirements of the International Standards on Auditing 260 (ISA 260).

### 2. Recommendation

Members are asked to:

- 2.1 receive the external auditors' report on the 2015/16 audit;
- 2.2 note that no issues have been identified in the course of the audit which have impacted on the fairness of the financial statements submitted for audit;
- 2.3 approve the audited accounts which will be certified by the Head of Finance and Procurement and PWC after this meeting; and
- 2.4 note that the certified accounts will be made available to all Members before 31 October 2016, when they will be available on the Council's website.

### 3. Considerations

3.1 The Council's external auditors are PricewaterhouseCoopers (PWC) who were appointed on a five year appointment from 2011/12. PWC have now concluded their audit of the Council's Annual Accounts for the year ended 31 March 2016. There are no qualifications in the audit report on the Annual Accounts. It is the opinion of the External Auditor that the financial statements provide a true and fair view of the Council's financial position and income and expenditure for the year.

3.2 PWC are required to present a report to those charged with governance in the Council before 30 September 2016. The report before this committee also covers the external auditors' wider role, extending to areas such as governance and accountability and performance management & improvement. The report is attached here as **Appendix 1**.

3.3 The main purpose of the external auditors' report to Members is to highlight any significant matters that have arisen during the course of the audit. There has been no significant matters highlighted for financial year 2015/16.

3.4 The International Standard on Auditing 580 (ISA 580) requires auditors to obtain assurances from the proper officer on certain issues relating to the annual accounts. A copy of the letter relating to the 2015/16 accounts which will be signed by the Head of Finance and Procurement is contained as Appendix 1 in the external auditors' report.

3.5 The Local Authority Accounts (Scotland) Regulations 2014 require the audited accounts to be approved by the relevant committee by 30 September each year, prior to being signed by the Head of Finance and Procurement. Therefore, the unsigned audited accounts have been included as part of this report for approval, and are attached in **Appendix 2**.

3.6 Once PWC have discussed the points arising with the Audit and Risk Management Committee they will be in a position to sign off the audit certificate. The final certified accounts will therefore be made available to Members before 31 October 2016, when they will be published on the Council's website.

#### 4. Governance Assurance

The external auditor is required to audit the Pension Fund's financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission.

#### 5. Impact Assessment

As this report does not propose a change in policy/strategy/plan/project, it is not necessary to complete an Impact Assessment.

##### Author(s)

NAME	DESIGNATION	CONTACT DETAILS
Karen McNish	Finance Officer	01387 260452

##### Approved by

NAME	DESIGNATION
Paul Garrett	Head of Finance and Procurement

##### Appendices - 2

Appendix 1 – Annual Report to Members and the Controller of Audit for the year ended 31 March 2016

Appendix 2 – Dumfries & Galloway Council Pension Fund Audited Annual Accounts 2015/16 (uncertified)

**Background Papers** - none