

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Committee

18th June 2020

Report by: Head of Pensions

Subject:	Cambridgeshire Pension Fund Audit Plan - year ended 31 March 2020
Purpose of the Report:	To present Ernst & Young's audit plan for the Cambridgeshire Pension Fund's Statement of Accounts for the year ended 31 March 2020
Recommendations:	That the Pension Fund Committee: 1. Note the presentation of the audit plan by Ernst & Young, the Fund's Independent External Auditors
Enquiries to:	Name – Ben Barlow Tel – 07896 890375 E-mail – bbarlow@northamptonshire.gov.uk

1. Background

- 1.1 Ernst & Young (EY) continue as the Cambridgeshire Pension Fund's Independent External Auditors to provide an audit opinion on:
- 1.1.1 whether the financial statements of the Fund give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2020 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2020; and
 - 1.1.2 the consistency of the financial statements within the Fund annual report with the published financial statements of Cambridgeshire County Council.
- 1.2 EY have produced an audit plan, setting out identified audit risks, expected materiality levels, the scope of their audit and the planned delivery of the audit process. An Associate Partner from Ernst & Young, Mark Hodges, will attend this meeting to present the audit plan.

2. Report Content

- 2.1 Pages 5 and 6 of the accompanying report identifies the key risks and areas of auditor focus. Pages 10 and 11 of the report details the Auditor's planned approach to the most significant risk areas – investment income and asset valuations, and unusual investments.
- 2.2 Page 16 of the accompanying report sets out the planned materiality levels for the audit.
- 2.3 Page 25 of the accompanying report sets out the proposed timeline for delivery of the audit, with the Audit Results Report due in July 2020.

3. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.

Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.

4. Risk Management

- 4.1 This item is for the information of the Committee and therefore does not give rise to identifiable risk. The audit process however, is required by regulation and it is therefore important that Committee members are informed of the planned process and receive appropriate updates.
- 4.2 The risks associated with the audit process, which EY's audit plan informs, have been captured in the Fund's risk register as detailed below

Risk No	Risk	Residual risk rating
8.	Those charged with governance are unable to fulfil their responsibilities effectively.	Green
9.	Risk of fraud and error.	Green
13.	Pension Fund systems and data may not be secure and appropriately maintained – including cyber risk.	Green
18.	Pension Fund investments may not be accurately valued.	Green
25.	Incorrect production of accounts, notices, publications and management reports leading to possible financial and reputational damage.	Green

- 4.3 The Fund's full risk register can be found on the Fund's website at the following link: <https://pensions.northamptonshire.gov.uk/app/uploads/2019/10/RiskRegisterCPF.pdf>

5. Communication Implications

5.1. None.

6. Legal Implications

6.1 None.

7. Consultation with Key Advisers

7.1. The Audit Plan has been produced by the Fund's external auditors, EY.

8. Alternative Options Considered

8.1. None applicable.

9. Background papers

9.1. None.

10. Appendices

10.1. **Appendix 1** – Cambridge Pension Fund Audit Plan Year ended 31 March 2020, dated 4 May 2020. Author: Ernst & Young (EY)

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Section 151 Officer?	Sarah Heywood – 28 th May 2020
Has this report been cleared by Head of Pensions?	Mark Whitby – 18 th May 2020
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 5 th June 2020
Has this report been cleared by Legal Services?	Fiona McMillan – 1 st June 2020