Agenda Item

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **28 February 2012**

By: **Director of Corporate Resources**

Title of report: **External Audit Plan for East Sussex Pension Fund 2011/12**

Purpose of report: **To inform the Committee of the content of the external audit plan the East Sussex Pension Fund for 2011/12**

RECOMMENDATION: The Committee is recommended to consider and comment upon the External Audit Plan for the East Sussex Pension Fund for 2011/12.

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1. Financial Appraisal

1.1 The Plan confirms the external audit fee for the Pension Fund as £43,750 a reduction of c3% on 2010/11. The fee is charged to the Pension Fund and not to the Council itself.

2. Supporting Information

2.1 The Plan sets out in more detail the work the external auditors will conduct in order to audit the Pension Fund's 2011/12 accounts. The Plan now reflects any relevant issues that have arisen as a result of the audit of the 2010/11 Pension Fund accounts and other work carried out by PKF. The main risks identified by PKF are:

- management override inherent risk
- valuation of private equity and infrastructure assets
- income from admitted and scheduled bodies
- financial instruments disclosures.

2.2 Officers will continue to liaise with PKF to ensure that their work is delivered as efficiently and effectively as possible and that internal and external audit plans are complementary and make best use of audit resources. The Plan will be reported to the Governance Committee (the parent committee for the Pension Fund) for approval on 6 March 2012.

SEAN NOLAN
Director of Corporate Resources

Contact Officer: Duncan Savage, 01273 482330

Local Member: All

Background Documents

None

PKF

Accountants & business advisers

East Sussex Pension Fund

Audit Plan 2011/12

February 2012

Local Public Services

Contents

Appendices

1 Executive summary

1.1 We are pleased to present our Audit Plan for the year ended 31 March 2012. This plan summarises the work that we propose to undertake in respect of our audit of East Sussex Pension Fund for the 2011/12 financial year. It also updates our audit fee letter that was presented to the Audit, Best Value and Community Services Scrutiny Committee in June 2011.

Scope of the audit

1.2 The scope of the audit is determined by the Audit Commission's *Code of Audit Practice for Local Government (2010)* (the '*Code*'). Our responsibility is to audit the financial statements of the Pension Fund, which are published alongside the financial statements of East Sussex County Council. We are also required to include a report in the Pension Fund Annual Report on our audit of the financial statements and various other matters related to the content of the Annual Report.

Significant risks

1.3 Our audit is designed to respond to significant risks where we intend to focus additional resources in providing our opinion on the financial statements. The key audit risks identified by our risk assessment are:

- management override inherent risk
- valuation of private equity and infrastructure assets
- income from admitted and scheduled bodies
- financial instruments disclosures.

Fees

1.4 The fee for the audit of the Pension Fund for the year is £43,570. It has not been necessary to make any amendments to the audit fee proposed in our audit fee letter.

Key outputs

1.5 The key reports, opinions and conclusions from the audit will be:

- report on any significant deficiencies in internal controls in June 2012
- detailed report on the findings from the audit to the Audit, Best Value and Community Services Scrutiny Committee and the Governance Committee in September 2012
- audit opinion covering the Pension Fund financial statements, issued alongside East Sussex County Council's financial statements, by 30 September 2012
- audit opinion within the Pension Fund's Annual Report, including reference to the content of the Annual Report, by 30 September 2012.

2 Scope of the audit

Code audit

2.1 The scope of the audit is determined by the Audit Commission's *Code of Audit Practice for Local Government (2010)* (the '*Code*'), which requires us to audit the financial statements of the Pension Fund, which are published alongside the financial statements of East Sussex County Council. We are also required to include a report in the Pension Fund Annual Report on our audit of the financial statements and various other matters related to the content of the Annual Report.

2.2 The financial statements audit requires that we obtain assurance:

- that the accounts comply with statutory requirements
- that proper practices have been observed in compiling the accounts
- that they give a true and fair view of the financial position and the amount and disposition of the Fund's assets and liabilities at year end, other than liabilities to pay pensions and other benefits after the end of the scheme year
- the information given in the Statement of Accounts is consistent with the financial statements.

Purpose of the audit plan

2.3 The purpose of this audit plan is to:

- ensure that there is mutual understanding of our respective responsibilities
- provide you with an overview of the planned scope of the audit for the year
- ensure that the areas of potential risk of material misstatement which we have identified are consistent with the areas which you perceive to be the key areas and to promote effective two-way communication between us.

2.4 We will also provide reports to management and members on the findings of the audit which will focus on the key issues for the Pension Fund regarding internal control, financial governance, accounting arrangements and operational performance. We aim to provide management with clear recommendations to assist with governance and service improvements that will add value to the audit.

Co-operation with other bodies

2.5 The *Code* requires co-operation between auditors and other regulatory bodies to facilitate an efficient audit. In preparing this plan, we have assumed that the Council has provided us permission to discuss issues relevant to the audit with regulators and other auditors.

3 Risk assessment

3.1 We are committed to targeting work to where it will have the greatest effect, based upon assessments of risk and performance. This means planning our audit work to address areas of risk relevant to our audit responsibilities and reflecting this in the audit fees. For each of the significant risks identified, we consider the arrangements put in place to mitigate the risk and plan our work accordingly. Current and emerging risks that do not impact on our audit are also discussed with management so that we may add value to the risk assessment process and highlight any areas of concern to management.

3.2 If you consider there to be other significant risks of material misstatement in the financial statements, whether due to fraud or error, please let us know.

3.3 Summarised below are the significant financial statement risks that impact on our audit of which we are currently aware. More detail on our proposed approach to addressing these risks can be found in Appendix A.

Management override inherent risk

3.4 Auditing standards presume that a risk of management override of controls is present in all entities and require us to respond to this risk by testing the appropriateness of accounting journals and other adjustments to the financial statements, reviewing accounting estimates for possible bias and obtaining an understanding of the business rationale of significant transactions that appear to be unusual.

3.5 We will carry out audit procedures to review significant journals and other adjustments in preparing the financial statements, review the reasonableness of assumptions used by management when including accounting estimates, and obtain an understanding of unusual transactions.

Valuation of private equity and infrastructure assets

3.6 Assets held in private equity and infrastructure funds are required to be held at fair value for inclusion in the pension fund accounts. The valuations may be subject to a significant level of assumption and estimation of their fair value by the fund managers or general partners, may not be coterminous with the pension fund’s year end, and valuation of the investment in the fund is not based on observable market data. Additional information on these valuations will also need to be provided in the financial instruments disclosures (see below).

3.7 There is therefore a risk that private equity and infrastructure assets may not be appropriately valued in the financial statements.

Income from admitted and scheduled bodies

3.8 There is a risk that employee contributions from admitted and scheduled bodies are not accurately and completely deducted and paid over to the Pension Fund as there are a variety of deduction bandings based on levels of pay across the different admitted bodies.

3.9 Management carries out high level analytical procedures over the level of contributions received from admitted and scheduled bodies and annual LGPS 31 returns are obtained. In addition, from 2010/11 the Pension Fund has requested assurance statements from the relevant bodies to confirm that contributions deducted from payroll are accurate and complete for current members of the pension scheme. This is a useful control, which we will seek to place reliance on in 2011/12, although we will also need to see underlying evidence of checks carried out on contributions for a sample of admitted and scheduled bodies.

Financial instruments disclosures

3.10 The 2010/11 Code was silent with regards to financial instrument disclosures in pension funds. However, the 2011/12 Code clarifies that International Financing Reporting Standards (IFRS) that govern the recognition, measurement, presentation and disclosure of financial instruments (IAS 39, IAS 32 and IFRS 7) apply to pension funds, although many requirements are not applicable as all material financial instruments are carried at fair value through profit or loss.

3.11 IFRS 7 includes specific requirements to report on the risks to which financial instruments expose an entity. This includes significant levels of disclosure around the basis of valuation of investments and classification as: quoted on active markets (level 1), those where quoted prices are not actively traded or estimated on observable market data (level 2), and investments where at least one significant input is not based on observable market data.

3.12 The investing powers relating to pension funds are more permissive than those available generally to local authorities, as pension funds are able to invest in currencies other than sterling or take part in stock lending. Use of these powers exposes fund investments to extra risks in the form of exchange rate risks and counter-party default risks. Paragraph 6.5.5.1 of the 2011/12 Code requires disclosures relating to some of the different financial instrument transactions. The Code guidance notes for practitioners suggests further that authorities might consider that a general note about risk should be provided in the Pension Fund financial statements in addition to the minimum Code requirements.

3.13 As the Pension Fund will be including a note on financial instruments disclosures in its financial statements for the first time this year, there is a risk that the disclosures will not accurately and completely present all matters that are material to an understanding of the financial instruments held by the Pension Fund, in particular the risks to which the Pension Fund is exposed.

4 Fees

Code audit

4.1 We have applied a risk based assessment of expected resources, taking into account work required to comply with Practice Note 15 *The Audit of Occupational Pension Schemes in the United Kingdom*, planning and reporting requirements, and work on the Annual Report. Based on this assessment, we propose a fee of £43,570 plus VAT, which will be charged directly to the Pension Fund. This fee is at the scale fee level calculated in accordance with the Audit Commission's *Work programme and scale of fees 2011/12 for local government*.

4.2 The fee is the same as that proposed in our audit fee letter presented to the Audit, Best Value and Community Services Scrutiny Committee in June 2011. It is £1,308 lower than the fee charged for the 2010/11 audit, due to a decrease in the value of net assets used in the scale fee calculation.

4.3 The fee is based on the following assumptions:

- Internal Audit will have completed its systems testing in accordance with the plans and agreed timetable, to an adequate standard, and we are able to place full reliance on this work
- there are no significant changes to your main financial systems, procedures or internal controls
- you will provide the information requested in our records required listing in accordance with the agreed deadline and that there will be no significant departures from the timetable
- you will ensure that audit reports are responded to promptly and the implementation of recommendations by the due date is actively monitored
- appropriate assurances are obtained by the Pension Fund in respect of the accuracy of employee contributions from admitted and scheduled bodies
- there are no major changes to Audit Commission instructions or guidance.

4.4 The fee assumes efficient co-operation as set out above and is set at the minimum level to carry out the audit. We reserve the right to increase fees should the above assumptions not be met or where we encounter unexpected problems, or issues arise, causing significant additional work. Time spent dealing with problems or issues arising is usually that of senior people and hence the cost will necessarily often be disproportionate to the original fee.

4.5 If we need to make significant amendments to the audit fee during the course of the audit, we will first discuss this with the Director of Corporate Resources and then prepare a report outlining the reasons why the fee needs to change for discussion with the Audit, Best Value and Community Services Scrutiny Committee.

Billing arrangements

4.6 Your Code audit fee is being billed in 4 instalments of £10,892.50 from June 2011.

5 Key outputs

5.1 The key reports, opinions and conclusions from the audit will be:

Output	Dates
Financial statements	
Review of internal controls	April 2012
Final audit visit	June – July 2012
Audit opinion covering the Pension Fund financial statements, published alongside East Sussex County Council's financial statements • 'true and fair' opinion on the financial statements • information in the Statement of Accounts being consistent with auditor's knowledge	Clearance meeting to be held on 17 August 2012 Audit, Best Value and Community Services Scrutiny Committee meeting 4 September 2012 Governance Committee meeting 11 September 2012 Certification deadline 30 September 2012
Audit opinion within the Pension Fund's Annual Report, including reference to the content of the Annual Report	September 2012
Reporting	
Report on any significant deficiencies in internal controls	June 2012
Annual Governance Report to the Audit, Best Value and Community Services Scrutiny Committee and the Governance Committee	September 2012

5.2 We will agree specific dates for our visits with officers in advance of each part of our programme, and we will work closely with officers during the year to ensure that all key deadlines are met. We will also meet regularly with senior officers to discuss progress on the audit and obtain an update on relevant issues.

Staffing

5.3 The following staff will be involved in the audit throughout the course of the year:

- Leigh Lloyd-Thomas – Engagement Partner
- Janine Combrinck / Emma Liddell – Project manager
- Katherine Needham / Ronesh Nandha – Audit Senior

Communication

5.4 Auditing Standards require auditors to communicate relevant matters relating to the audit to "those charged with governance". Relevant matters include issues on auditor independence, audit planning information and findings from the audit.

5.5 We will communicate matters of governance interest that have come to our attention as a result of the performance of the audit. The audit is not designed to identify all matters that may be relevant to you. Communication may take the form of discussions or, where appropriate, be in writing.

5.6 Our contact for communications will be the Director of Corporate Resources and the Audit, Best Value and Community Services Scrutiny Committee. When communicating with the Audit, Best Value and Community Services Scrutiny Committee we will consider all individuals representing those charged with governance as informed and our responsibilities for communicating relevant matters will be discharged.

Matters that are communicated

5.7 We will communicate the following matters to you, where applicable:

- significant deficiencies in internal control identified during the audit
- significant qualitative aspects of the entity's accounting practices including the application of the applicable financial reporting framework
- significant matters discussed, or subject to correspondence with management or other employees
- uncorrected misstatements
- material misstatements that have been corrected by management
- other significant matters relevant to the financial reporting process
- material uncertainties relating to going concern
- written representations that we are requesting from you or from other parties
- expected modifications to the opinion or emphasis of matter (or other matter) paragraphs in the auditor's report
- significant difficulties that we have encountered during the course of the audit.

5.8 If we identify significant deficiencies in internal controls, we will communicate such deficiencies to you, in writing, as soon as is practicable.

Materiality and triviality

5.9 Materiality is the expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. In carrying out our work we will apply an appropriate level of materiality and as such the audit cannot be relied upon to identify all potential or actual misstatements.

5.10 For reporting purposes, we consider misstatements of less than £615,000 for investments and £100,000 for transactions other than investment movements in the Fund Account to be trivial, unless the misstatement is indicative of fraud.

Uncorrected misstatements

5.11 We will report to you all uncorrected misstatements that relate to the current financial year (including those arising in previous periods that have an effect on the current year financial statements) and the effect that they have individually, or in aggregate, on the opinion in the auditor's report except for those that are clearly trivial. We will identify material uncorrected misstatements individually. We will request that any uncorrected misstatements be corrected.

Independence and objectivity

5.12 Auditors appointed by the Audit Commission are subject to the *Code of Audit Practice and Standing Guidance for Auditors* which include the requirement to comply with International Standards on Auditing (ISA). ISA (UK and Ireland) 260 requires auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff.

5.13 In relation to the audit of the financial statements for East Sussex Pension Fund for the financial year ending 31 March 2012, we are able to confirm that the Audit Commission's requirements in relation to independence and objectivity have been complied with.

5.14 Under the requirements of ISA (UK & Ireland) 260 – Communication with those charged with governance, we are not aware of any relationships that may bear on the independence and objectivity of the engagement partner and audit staff which are required to be disclosed.

Quality of service

5.15 We aim to provide a high quality of service to you at all times. If, for any reason or at any time, you would like to discuss how we might improve the service, or if you are in any way dissatisfied, please contact Leigh Lloyd-Thomas in the first instance. Alternatively you may wish to contact our Managing Partner, Martin Goodchild. Any complaint will be investigated carefully and promptly.

5.16 If you are not satisfied you may take up the matter with the Institute of Chartered Accountants in England and Wales ("ICAEW"). In addition, the Audit Commission's complaints handling procedure is detailed in their leaflet "How to complain: What to do if you want to complain about the Audit Commission or its appointed auditors", which is available on their website http://www.audit –commission.gov.uk/complaints/.

Appendix A – Risk assessment matrix

Financial statements significant risks

	Audit risk identified from planning	Accounts area and assertions	Audit response
1	**Management override** Auditing standards presume that a risk of management override of controls is present in all entities and require us to respond to this risk by testing the appropriateness of accounting journals and other adjustments to the financial statements, reviewing accounting estimates for possible bias and obtaining an understanding of the business rationale of significant transactions that appear to be unusual.	Financial statement level risk across all account headings and assertions	We will carry out audit procedures to review significant journals and other adjustments in preparing the financial statements, review the reasonableness of assumptions used by management when including accounting estimates, and obtain an understanding of unusual transactions.
2	**Valuation of private equity and infrastructure assets** Assets held in private equity and infrastructure funds are required to be held at fair value for inclusion in the pension fund accounts. The valuations may be subject to a significant level of assumption and estimation of their fair value by the fund managers or general partners, may not be coterminous with the pension fund's year end, and valuation of the investment in the fund is not based on observable market data. Additional information on these valuations will also need to be provided in the financial instruments disclosures. There is therefore a risk that private equity and infrastructure assets may not be appropriately valued in the financial statements.	Valuation of investments	We will review the balances in the financial statements through to underlying accounts of the limited partnership investment vehicles provided by the fund managers and information regarding the Pension Fund's share of the holdings. We will also review the AAF 01/06 or SAS 70 assurance reports for the relevant fund managers.
3	**Income from admitted and scheduled bodies** There is a risk that employee contributions from admitted and scheduled bodies are not accurately and completely deducted and paid over to the Pension Fund as there are a variety of deduction bandings based on levels of pay across the different admitted bodies.	Accuracy and completeness of income	We will review the LGPS 31 returns and assurance certificates received from admitted and scheduled bodies and we will request sight of underlying evidence of checks carried out on deductions at a sample of admitted and scheduled bodies. We will also vouch a sample of employees from AXISe to information provided by admitted and scheduled bodies to confirm the completeness of contributions being made in respect of employees accruing benefits.

	Audit risk identified from planning	Accounts area and assertions	Audit response
4	**Financial instruments disclosures** The 2010/11 Code was silent with regards to financial instruments disclosures in pension funds. However, the 2011/12 Code clarifies that International Financing Reporting Standards (IFRS) that govern the recognition, measurement, presentation and disclosure of financial instruments (IAS 39, IAS 32 and IFRS 7) apply to pension funds, although many requirements are not applicable as all material financial instruments are carried at fair value through profit or loss. IFRS 7 includes specific requirements to report on the risks to which financial instruments expose an entity. This includes significant levels of disclosure around the basis of valuation of investments and classification as: quoted on active markets (level 1), those where quoted prices are not actively traded or estimated on observable market data (level 2), and investments where at least one significant input is not based on observable market data. The investing powers relating to pension funds are more permissive than those available generally to local authorities, as pension funds are able to invest in currencies other than sterling or take part in stock lending. Use of these powers exposes fund investments to extra risks in the form of exchange rate risks and counter-party default risks. Paragraph 6.5.5.1 of the 2011/12 Code requires disclosures relating to some of the different financial instrument transactions. The Code guidance notes for practitioners suggests further that authorities might consider that a general note about risk should be provided in the Pension Fund financial statements in addition to the minimum Code requirements. As the Pension Fund will be including a note on financial instruments disclosures in its financial statements for the first time this year, there is a risk that the disclosures will not accurately and completely present all matters that are material to an understanding of the financial instruments held by the Pension Fund, in particular the risks to which the Pension Fund is exposed.	Accuracy and completeness of disclosures	We will review the financial instruments disclosures in the Pension Fund to ensure that they comply with the Code and that they accord with our understanding and knowledge of the Pension Fund's financial instruments, including risk exposures.

Appendix B – Our responsibilities

Financial statements

The Code requires us to provide an opinion on whether your financial statements are "true and fair" and have been prepared properly, in accordance with relevant legislation and applicable accounting standards.

We will consider the adequacy of your arrangements for closing down the ledger and producing accurate, timely and comprehensive financial statements and supporting working papers. We will provide officers with a detailed list of schedules and working papers required for the audit.

We will review the appropriateness and consistency of application of the accounting policies adopted by the Pension Fund and ensure that these are consistent with the Code.

We will report to you significant aspects of the accounting practices adopted by the Pension Fund, including the application of the Code and other significant matters relevant to the financial reporting process.

We will also report uncorrected misstatements and material uncertainties relating to going concern.

We will read the other information included in East Sussex County Council's Statement of Accounts and the Pension Fund's Annual Report, to ensure this is consistent, complete and not misleading based on our overall knowledge.

We will report to you significant matters discussed, or subject to correspondence with management or other employees; and also any significant difficulties that we encountered during the course of the audit.

We will seek written representations from the Pension Fund or from other parties to acknowledge and understand responsibilities for preparing the financial statements, for the internal controls necessary to enable preparation of the financial statements that are free from material misstatement whether due to fraud or error, and that we have been provided with access to all information of which you are aware of that is relevant to the preparation of the financial statements.

Where we propose any modifications to the audit opinion or emphasis of matter paragraphs in the auditor's report, we will report this to you along with the reasons for the modifications.

Internal controls and significant financial systems

International Standards on Auditing (UK and Ireland) require auditors to obtain a detailed understanding of an organisation, its environment, risk assessment processes, the information systems, internal controls and monitoring activities. This must be sufficient to identify and assess the risks of material misstatement of the financial statements whether due to fraud or error and be sufficiently well documented to enable the auditor to design and perform further audit procedures based on identified risks.

Where the audit intends to rely on identified controls to reduce risk or the level of detailed testing the auditor must also undertake tests of the operating effectiveness of the relevant controls. The key financial systems upon which the accounts are based will therefore require additional testing and review in order to arrive at our opinion on the financial statements.

Your significant financial systems are:

- Main accounting
- Cash and bank
- Contributions receivable
- Benefits payable
- Membership information
- Investments and investment income

We will report to management any deficiencies in internal control identified during the audit. Where we identify significant deficiencies in internal control identified during the audit we will also report those to those charged with governance.

Working with Internal Audit

In order to achieve an efficient and cost effective audit, we aim to work closely with Internal Audit and to effectively target work and minimise duplication and the overall level of audit resource input.

We have planned the audit on the basis that we will be able to place full reliance on the work of Internal Audit and that its work will be directed to each of the key financial systems noted above.

Fraud risk assessment

We have a responsibility to consider specifically the potential risk of material misstatement of your financial statements as a result of fraud and error, including the risk of fraudulent financial reporting.

The primary responsibility for ensuring that your internal control frameworks are robust enough to prevent and detect fraud and corrupt practices lies with management and "those charged with governance" (the Audit, Best Value and Community Services Scrutiny Committee) and the Governance Committee.

We will make appropriate enquiries and review the counter fraud arrangements in place in order to identify the fraud risks, and the controls you have put in place on which we will seek to place reliance to mitigate those risks.

For all fraud risks, and for any actual frauds that have been identified and we have been informed of, we will consider the possible impact on your financial statements and our audit programme.

Assessment of compliance with laws and regulations risks

We have a responsibility to consider specifically the potential risk of material misstatement of your financial statements as a result of significant financial transactions that are outside of the powers available to the Pension Fund.

The primary responsibility for compliance with relevant laws and regulations is with management and those charged with governance, which will include establishing internal controls to ensure that statutory powers are available to support all significant transactions and actions of the Pension Fund.

We will review the internal controls in place and take reasonable steps to inform ourselves of significant financial transactions that are unusual or of questionable legality.

There is a legal obligation for participating employers to ensure that employees' contributions are paid into the fund by due dates. East Sussex County Council, as the administering authority, should ensure that the scheme is receiving the right contributions at the right time. We will review the arrangements in place for preparing, maintaining and monitoring the payments of contributions towards the scheme on behalf of the active members of the scheme.

Planned audit approach

Our audit assurance will be derived from a combination of our review of the effectiveness of internal controls (see above) and further substantive audit procedures such as analytical review and detailed tests of transactions and balances where appropriate.

Analytical procedures will focus on the relationship of transactions and balances to supporting evidence and on the reported performance for the year compared to the annual budget, including review of variances where appropriate.

Depending on the nature of the risk of misstatement of classes of transactions and balances, taking into account the strength of internal controls, we will test a sample of transactions for agreement to underlying evidence provided by third-parties and management. This will include a review of the assumptions applied in assessing the financial impact from uncertainties and estimation.

Additional audit effort and procedures will be directed to areas of greater risk such as higher value items, and items subject to a greater degree of uncertainty or estimation.

Reliance on experts and others

Where the financial statements or disclosures include amounts derived from information or estimates provided by management's experts, the auditor may seek to place reliance on that work in obtaining audit evidence. As part of our work we expect to obtain assurance on the work undertaken by Hyman's Robertson for the actuarial valuation and other disclosures of the Pension Fund.

Pension Fund Annual Report

We are also required to include our audit opinion on the Pension Fund financial statements within the Pension Fund Annual Report. Our report contained within the Annual Report additionally includes reference to various other matters related to the content of the Annual Report:

- We are required to report whether, in our opinion, the commentary on the financial performance included within the Pension Fund Annual Report is consistent with the Pension Fund financial statements.
- We are required to review whether the Pension Fund Annual Report reflects compliance with the requirements of Regulation 34 (1) (e) of the Local Government Pension Scheme (Administration) Regulations 2008.
- We are also required to read other information published in the Pension Fund Annual Report and consider the implications for our audit report if we become aware of any apparent misstatements or material inconsistencies with the Pension Fund financial statements.