

Audit Completion Report

West Yorkshire Pension Fund – year ended 31 March 2016

29 September 2016

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Governance and Audit Committee
City of Bradford Metropolitan District Council
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September 2016

Dear Members

Audit Completion Report – Year ended 31 March 2016

We are delighted to present our Audit Completion Report for the year ended 31 March 2016. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and areas of management judgement was outlined in our Audit Strategy Memorandum which we presented on 15 April 2016. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks remain appropriate.

We would like to take this opportunity to express our thanks to your officers for their assistance during the course of our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 0191 3836300 or mark.kirkham@mazars.co.uk.

Yours faithfully

Mark Kirkham
Partner and Engagement Lead

Mazars LLP

Contents

01 Executive summary	3
02 Financial highlights	4
03 Significant findings	5
04 Internal control recommendations	7
05 Summary of misstatements	8
Appendix A – Draft management representation letter	10
Appendix B – Draft audit report	13
Appendix C – Draft consistency report	16
Appendix D – Independence	17

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01 Executive summary

Purpose of this document

This document has been prepared to communicate the findings of our audit for the year ended 31 March 2016 to the Governance and Audit Committee of West Yorkshire Pension Fund and forms the basis for discussion at the Governance and Audit Committee meeting on 29 September 2016.

Our communication with you is important to:

- share information to assist both the auditor and those charged with governance to fulfil our respective responsibilities;
- provide you with constructive observations arising from the audit process;
- ensure, as part of the two-way communication process, we gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing West Yorkshire Pension Fund; and
- receive feedback from yourselves as to the performance of the engagement team.

As outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards of Auditing (UK and Ireland) which means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement. Section 3 of this report includes our conclusions on the significant risks that we set out in our Audit Strategy Memorandum.

We also set out details of internal control recommendations in section 4 and a summary of misstatements discovered as part of the audit in section 5.

Status and audit opinion

We have substantially completed our audit of the financial statements for the year ended 31 March 2016.

At the time of preparing this report, the following matters remain outstanding:

- review of events after the balance sheet date; and
- completion of our review procedures.

Subject to the satisfactory conclusion of the remaining audit work, we anticipate issuing an unqualified opinion, without modification, on your statement of accounts.

Our proposed audit report is set out in Appendix B.

02 Financial highlights

Fund Account

The statement shows the Fund's dealings with pension fund members, employers, returns on investments and management expenses for the year. Expenditure has decreased from last year by £142m as there have been no further bulk outward transfers. Last year's transfer of £170m to Greater Manchester Pension Fund for probation service members was a one-off event.

Contributions receivable and related income from members and employers has increased by £9m on last year due to increased numbers of employers now exceeding 400.

The net return on investments for the year was negative by £17m mainly due to the reduction in market value of investments reflecting weak market conditions at the end of the financial year.

There has been a non-material change to the presentation of management expenses in the Fund Account in line with CIPFA guidance designed to promote greater comparability in presentation among local government pension schemes.

Net Assets Statement

The statement shows the assets and liabilities of the Fund at the end of the financial year. Net assets have decreased by £108m on last year which primarily reflects the decrease in market value of investments.

In accordance with standard accounting practice no liabilities for future pensions or other benefits are recognised in the Net Asset Statement although the actuarial present value of promised retirement benefits as assessed by the actuary is disclosed at Note 12.

03 Significant findings

Set out below are the significant findings from our audit. These findings include:

- Our audit conclusions regarding the significant risks outlined in the Audit Strategy Memorandum.
- Our comments in respect of the accounting policies and disclosures in your financial statements. We have concluded that the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year.
- Any significant difficulties we experienced during the audit.

Significant risks

Management override of controls

Description of the risk

International Standards on Auditing 240 – *The auditor's responsibility to consider fraud in an audit of financial statement* (ISA 240) requires us to consider the potential for management override because controls that may be sufficient to detect error may not be effective in detecting fraud.

In all entities, management at various levels within an organisation is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

How we addressed this risk

We addressed this risk by:

- evaluating and testing the basis for material accounting estimates included in the financial statements;
- reviewing unusual or significant transactions outside the normal course of business; and
- testing a sample of journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention. There is no indication of management override of controls.

Valuation of unquoted investments for which a market price is not readily available

Description of the risk

As at 31 March 2016, the fair value of unquoted investments was £1.5 billion, which accounted for 14% of the Fund's total investments. As prices for these investments are not quoted in active markets, the values included in the accounts are based on those provided by investment managers, who use a variety of valuation techniques. Where the valuations do not coincide with the Fund's year end, an adjustment may be made for cashflows since the investment manager valuation. The high estimation uncertainty results in an increased risk of material misstatement.

How we addressed this risk

In addition to our standard programme of work in this area we carried out the following tests:

- reviewed the management controls in place to assess the reasonableness of the valuation;
- agreed the valuation to supporting documentation including investment manager valuation statements and cashflows for any adjustments made to the investment manager valuation;
- agreed the investment manager valuation to audited accounts. Where these were not available, agreed the investment manager valuation to other independent supporting documentation;
- where audited accounts were available, checked that they are supported by a clear opinion; and
- reviewed relevant independent control assurance reports and confirmed that they do not highlight any risks of material misstatement.

Audit conclusion

Management estimate the value of unquoted investments based on the best available information of the year end value at the time the financial statements are prepared. We obtained additional information from external fund managers relating to the year-end value which was not available at the time the financial statements were prepared.

Based on sample testing, the net assets value statements at 31 March 2016 obtained from investment managers indicate a higher valuation by £8.7 million than the estimates included in the financial statements. Our extrapolation indicates a potential difference of £16.1 million if the sample results were true for the whole population. We consider the extrapolation does not indicate a risk of material misstatement.

Actuary's report disclosure

Description of the risk

The disclosure note sets out the Fund's actuarial position at the most recent triennial valuation as at 31 March 2013 and the contribution rate to be paid by participating bodies from 1 April 2014.

Although no accounting entries are associated with this disclosure, the triennial valuation determines future employer contribution rates and the disclosure itself is material. The calculation of these figures can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. There is a risk of material misstatement due to high estimation uncertainty.

How we addressed this risk

In addition to our standard program of work we have:

- reviewed the management controls you have in place over the source data;
- considered the reasonableness of the Actuary's output, using our expert's report on all actuaries nationally which is commissioned annually by the National Audit Office; and
- reviewed source data on a sample basis.

Audit conclusion

We have identified no matters to report arising from our work the actuary's report disclosure.

Accounting policies and disclosures

We have reviewed West Yorkshire Pension Fund's accounting policies and disclosures and concluded they comply with the requirements of the Code of Practice on Local Authority Accounting 2015/16.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

Electors' rights to inspect the accounts

The Accounts and Audit (England) Regulations 2015 ('the regulations'), introduced new requirements in respect of publishing the financial statements and the period within which local electors may raise questions on the financial statements or make an objection to an item of account. For 2015/16 the administering authority set this period as 1 July 2016 to 11 August 2016. We received no questions or objections within this period relating to the pension fund.

04 Internal control recommendations

The purpose of our audit is to express an opinion on the financial statements. As part of our audit we considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have identified no matters to report. If we had performed more extensive procedures on internal control we might have identified deficiencies to be reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

As part of our audit we completed a review of IT general controls. We reported our findings to management and there were no matters which we considered sufficiently significant to report separately to you.

05 Summary of misstatements

The misstatements identified for adjustment during the course of the audit that are above the trivial level (£1,439,000), are set out below. The table outlines the identified misstatements which management has assessed as not being material, either individually or in aggregate to the financial statements, and does not currently plan to adjust.

No adjustments have been to the primary statements during the course of the audit.

Unadjusted misstatements 2015/16

	Fund Account		Net Assets Statement		
	Debit £'000	Credit £'000	Debit £'000	Credit £'000	
1	Debit: Investment assets	-	-	16,130	-
	Credit: Profit and losses on disposal of and changes in the market value of investments	-	16,130	-	-
This is the difference between the estimated valuation of unquoted investments at 31 March 2016 included in the accounts and a later estimate of year end valuation using more up to date information available at time of audit. The figure is extrapolated from the results of sample testing to the whole population. The actual difference identified is £8,704,905.					
2	Debit: Profit and losses on disposal of and changes in the market value of investments	22,358	-	-	-
	Credit: Investment assets (opening balance)	-	-	-	22,358
Unadjusted misstatements from the prior year which impact on current year figures are brought forward from the previous period. This is the same issue as reported at item 1 above although arising in the prior year. The difference in estimates for the valuation of unquoted investments at 31 March 2015 was included in our Audit Completion Report last year (September 2015) and management declined to amend on the basis of non-materiality. The difference affects the investment opening balance and the calculation of the change in market value of investments for the year.					
3	Debit: Profit and losses on disposal of and changes in the market value of investments	1,801	-	-	-
	Credit: Investment assets	-	-	-	1,801
This corrects an error in the valuation of an investment denominated in US dollars which was incorrectly classified as being denominated in sterling. The error was identified by management procedures after preparation of the draft financial statements.					

Disclosure amendments

1. Contributions receivable (Note 6)

The analysis of contributions by type was amended to re-classify amounts received from AVC providers (£4,380,000) as 'employees' additional contributions' rather than 'employees' normal contributions'. The adjustment relates solely to the presentation of contributions by type within the disclosure note and does not impact on the primary statements showing the Fund's financial performance for the year and financial position at year end.

2. Geographical analysis of investments (Note 17)

The analysis was amended to re-classify investments to the most appropriate geographical area. The reclassification does not impact on the primary statements or the Fund's financial performance or financial position.

3. Current liabilities (Note 21)

Liabilities of £991,000 relating to accruals for administration and other expenses were reclassified within the disclosure note as 'other current liabilities' rather than 'unpaid benefits'. The adjustment relates solely to the presentation of liabilities within the disclosure note and does not impact on the primary statements showing the Fund's financial performance for the year and financial position at year end.

4. Other minor presentational changes

We also agreed a small number of minor presentational changes to the disclosure notes and to the Pension Fund annual report to improve clarity for readers.

Appendix A – Draft management representation letter

West Yorkshire Pension Fund - audit for year ended 31 March 2016

This representation letter is provided in connection with your audit of the statement of accounts for West Yorkshire Pension Fund ('the Pension Fund') for the year ended 31 March 2016 for the purpose of expressing an opinion as to whether the statement of accounts give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the statement of accounts and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the statement of accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the statement of accounts such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Pension Fund you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Finance that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Pension Fund and Committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Pension Fund's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Pension Fund in making accounting estimates, including those measured at fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Pension Fund have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Pension Fund has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Pension Fund involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Pension Fund's statement of accounts communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

I have disclosed to you the identity of the Pension Fund's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Going concern

To the best of my knowledge there is nothing to indicate that the Pension Fund will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements as included in the auditor's draft Audit Completion Report are immaterial, both individually and in aggregate, to the statement of accounts as a whole.

Yours sincerely

Director of Finance

Date.....

Appendix B – Draft audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL

Opinion on the Council's financial statements

We have audited the financial statements of City of Bradford Metropolitan District Council for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of City of Bradford Metropolitan District Council in accordance with Part 5 of the Local Audit and Accountability Act 2014, and paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the City of Bradford Metropolitan District Council, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Director of Finance and auditor

As explained more fully in the Statement of the Director of Finance's Responsibilities, the Director of Finance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director of Finance; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of City of Bradford Metropolitan District Council as at 31 March 2016 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Opinion on other matters

In our opinion, the information given in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007 and the December 2012 addendum;
- we issue a report in the public interest under section 24, schedule 7 of the Local Audit and Accountability Act 2014;

- we make a recommendation under section 24, schedule 7 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Opinion on the Pension Fund financial statements

We have audited the pension fund financial statements for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014. The Pension Fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of City of Bradford Metropolitan District Council in accordance with Part 5 of the Local Audit and Accountability Act 2014, and paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the City of Bradford Metropolitan District Council, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Director of Finance and auditor

As explained more fully in the Statement of the Director of Finance's Responsibilities, the Director of Finance is responsible for the preparation of the Council's Statement of Accounts, which includes the Pension Fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director of Finance; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for my report.

Opinion on Pension Fund financial statements

In our opinion the Pension Fund's financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2016 and the amount and disposition of the fund's assets and liabilities as at 31 March 2016 other than liabilities to pay pensions and other benefits after the end of the scheme year; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Opinion on other matters

In our opinion, the information given in the narrative statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Conclusion on Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Council and the auditor

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under section 20 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office, requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the National Audit Office.

We report if significant matters have come to our attention which prevent us from concluding that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required to conclude whether the Council has put in place arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We have planned and undertaken our work in accordance with the Code of Audit Practice as issued by the National Audit Office and had regard to relevant guidance. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion published by the National Audit Office, we are satisfied that, in all significant respects, City of Bradford Metropolitan District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

Certificate

We certify that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Mark Kirkham

For and on behalf of Mazars LLP

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Appendix C – Draft consistency report

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL ON THE PENSION FUND FINANCIAL STATEMENTS

We have examined the pension fund financial statements for the year ended 31 March 2016, which comprise the Fund Account, the Net Assets Statement and the related notes.

Respective responsibilities of the Director of Finance and the auditor

As explained more fully in the Statement of the Director of Finance’s Responsibilities, the Director of Finance is responsible for the preparation of the pension fund’s financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the pension fund financial statements in the statement of accounts of City of Bradford Metropolitan District Council, and its compliance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

We also read the other information contained in the pension fund annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements.

We conducted our work in accordance with guidance issued by the National Audit Office. Our report on the administering authority’s full annual statement of accounts describes the basis of our opinion on those financial statements.

Opinion

In our opinion, the pension fund financial statements are consistent with the full annual statement of accounts of City of Bradford Metropolitan District Council for the year ended 31 March 2016 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Mark Kirkham

For and on behalf of Mazars LLP

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Appendix D – Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum in April 2016 and therefore we remain independent.