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Dear Audit Committee Members

**Conclusion of pending matters– Audit completion report**

Following on from our recent meeting and as required by International Standards on Auditing (UK and Ireland), I am writing to communicate the conclusion of those matters that were marked as outstanding within the audit completion report presented to the Audit Committee on 30 September 2014.

The outstanding matters and the conclusions reached are detailed below:

Matter	Conclusion reached
Pension Fund – assurances from Deloitte as the auditor of Teesside Pension Fund	<p>Assurance letter received from Deloitte on 26 September 2014.</p> <p>Five issues raised, of which four are either trivial or would not impact on the Council’s accounts. Final issue relates to an underestimation of the Pension Fund scheme assets. To meet the deadlines for providing information to admitted bodies, the actuary uses December information to estimate the scheme value at the year end. The actual year end position is usually different.</p> <p>The potential impact on the Council’s accounts is estimated to be an increase in the pension fund liability of £2.5 million. The financial statements have not been adjusted for this as the amount is not material and in the context of the overall pension fund liability of £134.4 million, the original estimate is still reasonable.</p>

Matter	Conclusion reached
Response to request for Director Declarations	Formal responses received from the Assistant Director Financial Services and the Chair of the Governance Committee. No issues to raise.

If you wish to discuss these or any other points discussed at the meeting then please do not hesitate to contact me.

Yours sincerely



**Mark Kirkham**  
Director