

**Pension Fund Investment Board
21 May 2012**

SAS70 Fund Manager Control Documents

Recommendation

That the Board note the requirement for trustees to be aware of and comment on SAS70 Fund Manager Control Documents.

1.0 Introduction

- 1.1 The Statement on Auditing Standards No.70: Service Organizations, commonly abbreviated as SAS70 is an auditing statement issued by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA).
- 1.2 SAS70 provides guidance to auditors when assessing the internal controls of a service organisation and issuing a service auditor's report. SAS70 also provides guidance to auditors of financial statements of an entity that uses one or more service organisations. Service organisations are typically entities that provide outsourcing services that impact the control environment of their customers. Examples of service organisations are fund managers and clearing houses.
- 1.3 There are two types of service auditor reports. A Type I service auditor's report includes the service auditor's opinion on the fairness of the presentation of the service organisation's description of controls that had been placed in operation and the suitability of the design of the controls to achieve the specified control objectives. A Type II service auditor's report includes the information contained in a Type I service auditor's report and also includes the service auditor's opinion on whether the specific controls were operating effectively during the period under review.

2.0 Warwickshire Fund Managers

- 2.1 Electronic versions of the current versions of SAS70 reports were sent to Board members on 20 March 2012. The substantial content of the documents makes it unfeasible to attach these documents as hard copy report appendices.
- 2.2 Relevant issues will be reported verbally at the 21 May 2012 meeting.

	Name	Contact Information
Report Author	Phil Triggs, Group Manager, Treasury and Pensions	philtriggs@warwickshire.gov.uk
Head of Service	John Betts, Head of Corporate Finance	johnbetts@warwickshire.gov.uk
Strategic Director	David Carter, Strategic Director, Resources Group	davidcarter@warwickshire.gov.uk
Chair	Cllr Chris Davis	cllrDavis@warwickshire.gov.uk