

Audit of the Financial Statements of CERN Pension Fund 2018 – Report by the external auditors

Finance Committee and Council meetings
June 2019

National Audit Office of Finland



Deliverables

- opinion on financial statements
 - emphasis of matter
 - key audit matters
 - assessment of other legal and regulatory requirements
- detailed report with findings and recommendations

Audit opinion for financial year 2018

'financial statements give a true and fair view of the financial position of the Pension Fund of CERN, its financial performance and its cash flows for the year ended in accordance with IPSAS and IAS 26'

Emphasis of matter

- Pension Fund's net assets available for benefits decreased from 4,259 MCHF in 2017 to 4,203 MCHF in 2018
 - the net result of membership activities (contributions to the fund and benefits and payments of the fund) was 77,9 MCHF negative
 - the net result of the investment activities was 22,6 MCHF positive

Key audit matters

1) Valuation of Pension Fund assets

- valuation was addressed by analytical reviews and verification of the information provided in the Custodian's reports against account balances
- testing on a sample basis
- review of independent evaluators' reports for investment property

2) Accuracy of reporting Pension Fund investments

- verification of the information provided in the Custodian's reports against account balances
- Investment information in the financial statements was reconciled with the relevant accounting data and external confirmations

Report on other legal and regulatory requirements

'Based on the procedures we performed, nothing has come to our attention, as part of our audit of the financial statements that causes us to believe that the transactions of the CERN Pension Fund have not been made, in all significant respects, in accordance with the relevant regulations of the Pension Fund'

Detailed report with findings and recommendations: Enterprise risk management

- Pension fund identifies operational risks in the context of its internal control system (ICS). The Fund's key risks are identified by a separate, non-formalised, process
- Recommendation to improve the risk overall management process by establishing common risk management procedures throughout the organisation, from the operational risks to the high-level risks
- Recommendation to formalise a risk management policy and to present it for approval to the PFGB who oversees the Pension Fund

Recommendations from previous years

- Open recommendation made by previous auditors concerning internal control system
- According to assessment, all the implementing actions have been made
- Status: **closed**

Thank



You!