

CITY OF  
WOLVERHAMPTON  
C O U N C I L

# Urgent Decision

Friday, 8 April 2022

Dear Councillor

[I am now able to enclose, the following document that outlines the Urgent Decision agreed on 7 April 2022 by the Chair and Vice Chair of Pensions Committee in conjunction with the Director of Pensions and Head of Paid Service.]

**Agenda No    Item**

4        **Urgent Decision (Pages 3 - 12)**

[To inform Committee members of the plan for the external audit of the Fund's Annual Report and Accounts for 2021/22.]

If you have any queries about this meeting, please contact the democratic support team:

**Contact**    Fabrica Hastings

**Tel**         01902 552699

**Email**       [Fabrica.Hastings2@wolverhampton.gov.uk](mailto:Fabrica.Hastings2@wolverhampton.gov.uk)

**Address**    Democratic Support, Civic Centre, 1<sup>st</sup> floor, St Peter's Square,  
Wolverhampton WV1 1RL

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Pensions Committee</b> 30 March 2022
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<b>Report title</b>	External Audit Plan 2022	
<b>Originating service</b>	Pensions Services	
<b>Accountable employee</b>	Femi Olatunde	Head of Finance (Interim)
	Tel	01902 55 1715
	Email	<a href="mailto:Femi.Olatunde@wolverhampton.gov.uk">Femi.Olatunde@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Rachel Brothwood	Director of Pensions
	Tel	01902 55 1715
	Email	<a href="mailto:Rachel.brothwood@wolverhampton.gov.uk">Rachel.brothwood@wolverhampton.gov.uk</a>

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**Recommendations for decision:**

The Pensions Committee is recommended to approve:

1. The management responses to questions from the external auditors, Grant Thornton LLP, as part of their audit planning.
2. Delegation of authority to the Chair and Vice Chair of Pensions Committee to approve the final publication of the 2021/2022 Statement of Accounts following audit in September and approval of the draft by Committee in June 2022.

**Recommendation for noting:**

The Pensions Committee is asked to note:

1. The external audit plan for the 2021/2022 Annual Report and Accounts as prepared by Grant Thornton [Appendix A].

## **1.0 Purpose**

- 1.1 The purpose of this report is to inform Committee members of the plan for the external audit of the Fund's Annual Report and Accounts for 2021/22.

## **2.0 Background**

- 2.1 The purpose of the Audit Plan is to direct and communicate the audit approach to the Pensions Committee. The Audit Plan considers the risks to the audit in forming the Audit Opinion and details the approach to addressing the key areas of the Fund's financial statements.

## **3.0 Audit of Accounts 2021/22**

- 3.1 Two documents prepared by Grant Thornton are appended to this report:
- *The Audit Plan [Appendix A]* – this sets out the scope and timing of Grant Thornton's proposed work on the external audit along with other relevant information.
  - *Informing the Audit Risk Assessment [Appendix B]* – this document sets out some of the potential areas of risk with regard to the Annual Report and Accounts. In accordance with auditing standards, Grant Thornton are required to formally seek the views of the Committee on these areas. The document provides management responses to a number of questions posed by the auditor and the Committee is invited to consider whether these responses are consistent with its own understanding and if it has any further comments to make on these matters.
- 3.2 *Informing the Audit Risk Assessment* considers themes of particular relevance to the external audit under five areas:
- General Enquiries of Management.
  - Fraud Risk Assessment.
  - Impact of Laws and Regulations.
  - Related Party Considerations.
  - Accounting Estimates Considerations.
- 3.3 The ultimate outcome of Grant Thornton's work will be an opinion on the Fund's Annual Statement of Accounts and Annual Report.
- 3.4 The audited Statement of Accounts, including the audit opinion, will be presented for Committee's formal approval in September ahead of this year's statutory deadline for publication by 30 September.

## **4.0 Financial implications**

- 4.1 External audit of the Annual Report and Accounts is a fundamental part of the system of financial controls that govern the Fund's work. It provides independent assurance to

stakeholders that the financial statements provide a true and fair view of the Fund's financial position and transactions for the period in question and that those statements have been prepared in accordance with generally accepted accounting practice.

**5.0 Legal implications**

5.1 This report contains no direct legal implications.

**6.0 Equalities implications**

6.1 This report contains no equalities implications.

**7.0 Other Potential implications**

7.1 This report contains no other potential implications.

**8.0 Schedule of background papers**

9.1 None.

**10.0 Schedule of Appendices**

10.1 Appendix A: External Audit Plan for West Midlands Pension Fund

10.2 Appendix B: Informing the Audit Risk Assessment for West Midlands Pension Fund

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### Urgent Decision Record

Date of Committee Meeting	30 March 2022
Title of Committee Report	External Audit Plan 2022.

Relevant Section of the Admin Authority Constitution (Taken from Pension Committee Terms of Reference)	<p>URGENT DECISIONS</p> <ul style="list-style-type: none"> <li>The Chair, Vice Chair or nominated person in consultation with the Director of Pensions shall be able to exercise the powers of the Committee in any matter of immediate urgency which cannot wait until the next meeting. Decisions made under this provision will be reported to the next available meeting of the Committee.</li> </ul>
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Background to Decision	<p>Local Government Pension Scheme (LGPS) Funds are required by law to produce an annual statement of accounts. In preparing these accounts, Funds must have regard to proper practice and to any guidance which has the effective standing of 'statutory guidance'. That guidance is 'The Code of Practice on Local Authority Accounting in the United Kingdom' ('the Code'), which is prepared by the Chartered Institute of Public Finance and Accountancy (CIPFA) and updated annually.</p> <p>Every year, the Fund is subject to an External Audit of its Annual Report and Accounts, and it is a fundamental part of the system of financial controls that govern the Fund's work. It provides independent assurance to stakeholders that the financial statements provide a true and fair view of the Fund's financial position and transactions for the period in question and that the statements have been prepared in accordance with generally accepted accounting practice.</p>
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### Urgent Decision Record

	The External Audit Plan communicates the audit approach to be taken by the auditor's, Grant Thornton and details the risks to the audit that have been considered in the methodology to forming the Audit Opinion. It details the approach to addressing the key areas of the Fund's financial statements.
Reason the decision cannot be determined at Committee	The meeting held on 30 March 2022 was not quorate, therefore, it is deemed necessary to seek an urgent decision on the Fund's External Audit Plan for 2022 to allow for continued operation of the Fund until such time as a rescheduled meeting may take place.  A report will be presented to committee at its next scheduled meeting to confirm the decision being taken.
Committee Report	Appended to this notice with the external audit plan.

Action undertaken to determine decision (including advice taken, meetings held, etc.)	The report and external audit plan appended to this notice were presented to and discussed at the inquorate meeting held on 30 March 2022. The report was also published online on modern.gov in accordance with statutory timescales and circulated to all Committee members.  Six elected Councillors including the Chair and Vice Chair attended the meeting in person where the report was discussed, whilst a further six dialled in and attended virtually. In accordance with regulations virtual attendees do not count towards the quorum. Members attending online are permitted to partake in discussion but are not permitted to vote.  No objections were raised from the Committee members in attendance (in person or online).
Urgent Decision Process Approval	Following discussion, the Chair and Vice Chair concluded that the decision  *was urgent and determined the recommendations agreed  [REDACTED]

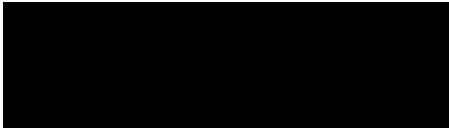



**Urgent Decision Record**

	*delete as appropriate
Recommendations outlined by Officers	<ol style="list-style-type: none"> <li>1. To approve the management responses to the questions from the external auditors, Grant Thornton LLP, as part of their audit planning.</li> <li>2. Approve the delegation of authority to the Chair and Vice Chair of the Pensions Committee to approve the final publication of the 2021/2022 Statement of Accounts following audit in September and approval of the draft by the Committee in June 2022.</li> </ol>
Decision taken under urgent powers	<p>*To approve the recommendations</p> <p>[REDACTED]</p> <p>*delete as appropriate</p>

Date Completed	07/04/22
Signed by Chair of Pensions Committee	[REDACTED]
Signed by Vice Chair of Pensions Committee	[REDACTED]

### Urgent Decision Record

Signed by Director of Pensions	
Signed by relevant Head of Service	

# 10. External Audit Plan 2022

Final Audit Report

2022-04-07

Created:	2022-04-07
By:	Jan Chambers (jan.chambers@wolverhampton.gov.uk)
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## "10. External Audit Plan 2022" History

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