

# Pensions Committee

30 March 2022

<b>Report title</b>	External Audit Plan 2022	
<b>Originating service</b>	Pensions Services	
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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