

Dear Councillor

PENSIONS COMMITTEE - THURSDAY, 23RD MARCH, 2023

[I am now able to enclose, the following document that outlines the Urgent Decision agreed on 22 March 2023 by the Chair of Pensions Committee in conjunction with the Director of Pensions and Head of Paid Services.]

Agenda No Item

6 Urgent Decision (Pages 3 - 10)

[To inform Committee members of the plan for the external audit of the Fund's Annual Report and Accounts for 2022/23, and to seek approval of management responses to questions from external auditors as part of their audit planning.]

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

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CITY OF WOLVERHAMPTON COUNCIL	Pensions Committee 22 March 2023
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Report title	External Audit Plan 2022/23	
Originating service	Pensions Services	
Accountable employee	Christopher Manning Email	Head of Finance Christopher.Manning@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood Email	Executive Director of Pensions Rachel.Brothwood@wolverhampton.gov.uk

Recommendation 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.

Recommendation for action:

The Pensions Committee is asked to note:

1. The external Audit Plan for the 2022/2023 Audit Progress and Indicative Risks Report as prepared by Grant Thornton [Appendix A].

1.0 Purpose

- 1.1 The purpose of this report is to inform Committee members of the progress of the external audit and the preparation of the Audit Plan for the Fund's Annual Report and Accounts for 2022/23.

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 2022/23

- 3.1 Two documents prepared by Grant Thornton are appended to this report:
- *The Audit Progress and Indicative Risks Report [Appendix A]* – this sets out the high level timings of Grant Thornton's proposed work on the external audit along with other relevant information in advance of completing the Audit Plan.
 - *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 six areas:
- General Enquiries of Management.
 - Fraud Risk Assessment.
 - Impact of Laws and Regulations.
 - Related Party Considerations.
 - Going Concern.
 - 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 2023.

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

8.1 None.

9.0 Schedule of Appendices

9.1 Appendix A: External Audit Progress and Indicative Risks Report.

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

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Urgent Decision Record

Date of Committee Meeting	22 March 2023
Title of Committee Report	External Audit Plan 2022/23
Relevant Section of the Admin Authority Constitution (Taken from Pension Committee Terms of Reference)	<p>URGENT DECISIONS</p> <ul style="list-style-type: none"> The Chair or nominated person in consultation with the Executive 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.
Background to Decision	<p>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.</p> <p>Appended to the report is the Informing the Audit Risk Assessment – 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</p> <p>The meeting held on 22 March 2023 was not quorate, therefore, it is deemed necessary to seek an urgent decision on the approval of the management responses to questions from the external auditors, Grant Thornton LLP, as part of their audit planning to allow for the completion of the annual external audit process to continue until such time as a rescheduled meeting may take place.</p>
Reason the decision cannot be determined at Committee	

Urgent Decision Record

		A report will be presented to Committee at its next scheduled meeting to confirm the decision being taken.
Committee Report		Appended to this notice
Action undertaken to determine decision (including advice taken, meetings held, etc.)		<p>The report appended to this notice was presented to and discussed at the inquorate meeting held on 22 March 2023. The report was also published online on modern.gov in accordance with statutory timescales and circulated to all Committee members.</p> <p>Nine Councillors including the Chair attended the meeting in person where the report was discussed.</p> <p>No objections were raised from the Committee members in attendance.</p>
Urgent Decision Process Approval		<p>Following discussion, the Chair concluded that the decision</p> <p>* was urgent and determined the recommendations agreed</p> <p>* was not urgent and directed the decision to be taken at the next available Committee meeting.</p> <p>* delete as appropriate</p>
Recommendations outlined by Officers		The approval of the management responses to questions from the external auditors, Grant Thornton LLP, as part of their audit planning.
Decision taken under urgent powers		<p>* To approve the recommendations</p> <p>* To not approve the recommendations</p> <p>* delete as appropriate</p>

Urgent Decision Record

Date Completed	22.03.2023
Signed by Chair of Pensions Committee	[Redacted]
Signed by Executive Director of Pensions	[Redacted]
Signed by relevant Head of Service	[Redacted]

