

Pensions Committee

24 March 2021

Report title	External Audit Plan 2021	
Originating service	Pensions Services	
Accountable employee	Darshan Singh	Head of Finance
	Tel	01902 55 2768
	Email	darshan.singh@wolverhampton.gov.uk
Report has been considered by	Rachel Brothwood	Director of Pensions
	Tel	01902 55 1715
	Email	Rachel.brothwood@wolverhampton.gov.uk

Recommendations for decision:

The Pensions Committee is recommended to:

1. Approve the management responses to questions from the external auditors, Grant Thornton LLP, as part of their audit planning.
2. Delegate authority to the Chair and Vice Chair of Pensions Committee to approve the final publication of the 2020/2021 Statement of Accounts following audit in September and approval of the draft by Committee in June 2021.

Recommendation for noting:

The Pensions Committee is asked to note:

1. The external audit plan for the 2020/2021 Annual Report and Accounts as prepared by Grant Thornton.

1.0 Purpose

1.1 The purpose of this report is to inform Committee of the plan for the external audit of the Fund's Annual Report and Accounts for 2020/2021.

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 2020/2021

3.1 Two documents prepared by Grant Thornton are appended to this report:

- *The Audit Plan* – this sets out the scope and timing of Grant Thornton's proposed work on the external audit along with other relevant information (appendix A)
- *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 (appendix B)

3.2 Informing the Audit Risk Assessment considers areas of particular relevance to the external audit under five headings:

- 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 governs 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 The report contains no direct legal implications.

6.0 Equalities implications

6.1 The report contains no direct equalities implications.

7.0 Environmental implications

7.1 The report contains no direct environmental implications.

8.0 Human resources implications

8.1 The report contains no direct human resources implications.

9.0 Corporate landlord implications

9.1 The report contains no direct corporate landlord implications.

10.0 Schedule of background papers

10.1 None.

11.0 Schedule of Appendices

11.1 Appendix A: External Audit Plan for West Midlands Pension Fund (To follow).

11.2 Appendix B: Informing the Audit Risk Assessment for West Midlands Pension Fund (To follow).