

Pensions Committee

22 March 2017

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| Report title | External Audit Plan 2016-2017 | |
| Originating service | Pension Services | |
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Recommendations for action:

The Committee is asked to:

1. Confirm the management responses to questions from the external auditors, Grant Thornton LLP, as part of their audit planning.

Recommendations for noting:

The Committee is asked to note:

1. The external audit plan for the 2016/17 Annual Report and Accounts, as prepared by Grant Thornton.

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 2016/17.

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 Plans

- 3.1 Two documents prepared by Grant Thornton are appended to this report: These are:
- *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.
 - *Informing the Audit Risk Assessment* – this document sets out some of the potential areas of risk with regard to the Annual Report and Accounts. Under 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 are invited to consider whether these responses are consistent with its own understanding, and whether it has any further comments to make on these matters.
- 3.2 *Informing the Audit Risk Assessment* considers areas of particular relevance to the external audit under five headings:
- Fraud Risk Assessment;
 - Impact of Laws and Regulations;
 - Going Concern Considerations;
 - Estimate Considerations;
 - Related Party Considerations.
- 3.3 The ultimate outcome of Grant Thornton's work will be an opinion in respect of the Fund on:
- The fund's financial statements;
 - The fund's annual report.
- 3.4 The audited Annual Report and Accounts, including the auditor's opinions, will be presented for Committee's approval in September, ahead of the statutory deadline for publication of 30th 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 proper practice.

5.0 Legal implications

5.1 This report contains no direct legal implications.

6.0 Equalities implications

6.1 This report contains no equal opportunities implications.

7.0 Environmental implications

7.1 This report contains no environmental implications.

8.0 Human resources implications

8.1 This report contains no direct human resources implications.

9.0 Corporate landlord implications

9.1 This report contains no direct corporate landlord implications.

10.0 Schedule of background papers

10.1 None

11.0 Schedule of Appendices

1. The Audit Plan for West Midlands Pension Fund
2. Informing the Audit Risk Assessment for West Midlands Pension Fund