

Audit & Standards Committee

External Auditors Governance Report 2020/21 - Warwickshire Pension Fund

4 November 2021

Recommendations

That the Committee:

1. Endorses the Audit Findings Report of the External Auditors for Warwickshire County Council, attached at Appendix 1, and considers whether there are any matters it wishes to bring to the attention of Council.
2. Approves, subject to any changes which may be necessary to the final draft, the wording of the Letter of Representation, attached at Appendix 2.

1. Executive Summary

- 1.1 Our external auditors, Grant Thornton, are required to report to those charged with governance on issues arising from the audit of the County Council's financial statements before issuing their final opinion.
- 1.2 One material change has been made compared to the draft published in June. The final valuation of the Harbourvest private equity fund was materially higher (£46.6m), and therefore the accounts have been adjusted to reflect this. The change in value of this fund has impacted materially on a number of pension funds who have also updated the figures in their final accounts as a result. Processes will be reviewed for next year to seek to reduce estimation uncertainty and to reduce the likelihood of a significant movement in Quarter 4 not being identified until after the draft accounts are published.
- 1.3 As part of the audit process the External Auditors require written confirmation about the fairness of various elements of the financial statements. This is known as the "Letter of Representation". In the letter the Strategic Director of Resources and those charged with governance on audit matters declare that the financial statements and other presentations to the auditor are sufficient and appropriate and without omission of material facts to the financial statements, to the best of their knowledge.
- 1.4 The Audit and Standards Committee are asked to approve, subject to any changes which may be necessary to the final draft, the wording of the Letter of Representation for the County Council (Appendix 2).

2. Financial Implications

2.1 None.

3. Environmental Implications

3.1 None.

4. Supporting Information

4.1 None.

5. Timescales associated with the decision and next steps

5.1 The final version of the letter of representation will be signed, by the Chair of the Council and the Strategic Director for Resources, when the accounts are approved by Council in December 2021.

Appendices

1. Appendix 1 - Audit Findings Report
2. Appendix 2 - Draft Letter of Representation

Background Papers

1. None.

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The report was circulated to the following members prior to publication:

Local Member(s):

Other members: