

The Audit Findings for Warwickshire Pension Fund

Year ended 31 March 2021

4 November 2021



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Pension Fund or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Warwickshire Pension Fund ('the Pension Fund') and the preparation of the Pension Fund's financial statements for the year ended 31 March 2021 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Pension Fund's financial statements give a true and fair view of the financial position of the Pension Fund and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

Our audit work was completed on site/remotely during July-October. Our findings are summarised on pages 6 to 15. We have identified one adjustments to the financial statements that have resulted in a £46.7m adjustment to the Pension Fund's reported financial position. Audit adjustments are detailed in Appendix B. We have also raised recommendations for management as a result of our audit work in Appendix A.

In July 2021, Ciaran McLaughlin was appointed by the Firm to undertake the engagement lead role for Warwickshire Pension Fund. Ciaran has 30 years experience of auditing in local government.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion included at Appendix D or material changes to the financial statements, subject to the following outstanding matters;

- Completion of our detailed testing of journal entries and contributions
- receipt of management representation letter – see appendix E; and
- receipt and review of the updated Annual report
- review of the final set of financial statements.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated audit report opinion will be unmodified.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice (‘the Code’). Its contents have been discussed with management and the Audit and Standards Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Pension Fund’s business and is risk based, and in particular included:

- An evaluation of the Pension Fund’s internal controls environment, including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unmodified audit opinion following the meeting of the full Council on 14 December 2021.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff.

Ciaran McLaughlin

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

We detail in the table below our determination of materiality for the Pension Fund.



	Amount (£)	Qualitative factors considered
Materiality for the financial statements	20,000,000	Materiality for the Pension Fund was set at 1% of prior year net assets. This benchmark is considered the most appropriate based on the nature of the Pension Fund and is capped to reflect the risk associated with the Pension Fund, and regulatory expectation of audit firms.
Performance materiality	15,000,000	Performance materiality drives the extent of our testing and this was set at 75% of financial statement materiality. Our consideration of performance materiality is based upon a number of factors: <ul style="list-style-type: none"> • We are not aware of a history of significant deficiencies in the control environment. • There has not historically been a large number or significant misstatements arising; and • Senior management and key reporting personnel has remained stable from the prior year audit
Trivial matters	1,000,000	Triviality is the threshold at which we will communicate misstatements to the Audit and Standards Committee.

2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan

Commentary

Fraud in revenue recognition (rebutted)

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

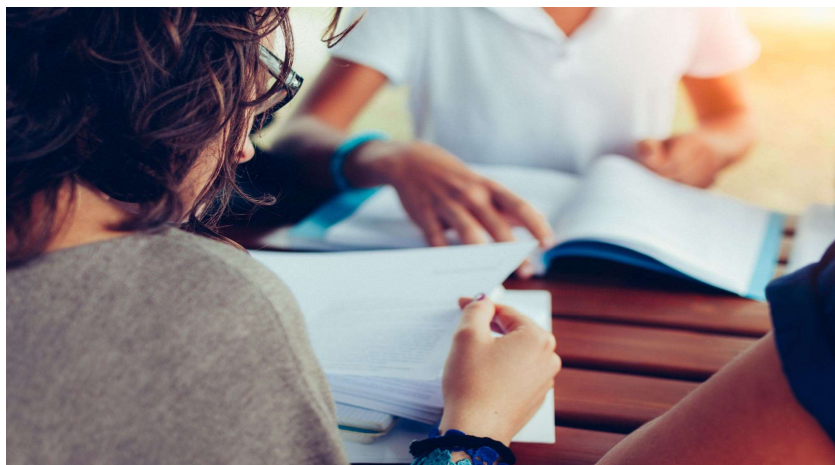
Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- the culture and ethical frameworks of local authorities, including Warwickshire Pension Fund, mean that all forms of fraud are seen as unacceptable

Therefore we do not consider this to be a significant risk for Warwickshire Pension Fund.

Conclusion

No changes noted from risk assessment performed at the audit planning stage and therefore no detailed procedures undertaken.



2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

The expenditure cycle includes fraudulent transactions (rebutted)

Practice Note 10 suggests that the risk of material misstatement due to fraudulent financial reporting that may arise from the manipulation of expenditure recognition needs to be considered, especially if an entity is required to meet financial targets.

Having considered the risk factors relevant to the Pension Fund, we have determined that no separate significant risk relating to expenditure recognition is necessary, as the same rebuttal factors listed above relating to revenue recognition apply. We consider that the risk relating to expenditure recognition would relate primarily to period-end journals and accruals which are considered as part of the standard audit tests mentioned and our testing in relation to the significant risk of management override of control as mentioned below.

During the audit, we have undertaken the following work:

- obtained an understanding of the design effectiveness of controls relating to operating expenditure
- tested a sample of operating expenditure to gain assurance in respect of the accuracy of expenditure recorded during the financial year

Conclusion

Our audit work has not identified any issues in respect of this risk.

Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.

The Fund faces external scrutiny of its spending and stewardship of funds and this could potentially place management under undue pressure in terms of how they report performance.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.

We have:

- evaluated the design effectiveness of management controls over journals
- analysed the journals listing and determined the criteria for selecting high risk unusual journals
- tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration
- gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness with regard to corroborative evidence
- evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Conclusion

No issues have been identified to date as a result of our journals work to address the significant risk of management override of control, we are awaiting final outstanding evidence for our sample of journal entries tested in detail and will update our findings accordingly on completion of our audit procedures.

In addition to this, we have concluded that there are no indications of management bias in estimates included in the financial statements.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of Level 3 Investments

The Fund revalues its investments on an annual basis to ensure that the carrying value is not materially different from the fair value at the financial statements date.

By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions

Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.

Management utilise the services of investment managers as valuation experts to estimate the fair value as at 31 March 2020.

We therefore identified valuation of Level 3 investments as a significant risk.

We have:

- evaluated management's processes for valuing Level 3 investments
- reviewed the nature and basis of estimated values and considered what assurance management has over the year end valuations provided for these types of investments; to ensure that the requirements of the Code are met
- independently requested year-end confirmations from investment managers
- for a sample of investments, tested the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconciling those values to the values at 31 March 2021 with reference to known movements in the intervening period
- we have evaluated the competence, capabilities and objectivity of the valuation expert
- where available, reviewed investment manager service auditor report on design effectiveness of internal controls.

Conclusion

As a result of testing performed, we have identified one material difference in respect of the value of the level 3 investments held with fund manager HarbourVest. The independent third party confirmation received as at 31/03/2021 values these at £172.3m whereas the draft accounts and custodian report included a value of £125.7m (£46.7m understatement).

This is due to the timing of valuation information which is received in arrears and therefore the Fund were unable to capture the significant movement in the value of the investment in the final quarter of 2020/21. As the amount concerned is material, management have agreed to make the necessary adjustments to the financial statements.

Other differences noted between fund manager confirmations and amounts per the accounts are in total £2.4m and therefore below our performance materiality. Management have confirmed that no amendment will be processed in the financial statements based on materiality and we are satisfied that this will not impact our opinion. As the total value is above triviality of £1m, the differences have been reported as unadjusted misstatements at Appendix B and included in the letter of representation for the attention of those charged with governance.

In addition to this, we have reported a best practice control recommendation for management to review procedures around year end to address estimation uncertainty for level 2 and level 3 investments and ensure that where possible, these issues can be circumvented or prepared for.


2. Financial Statements – new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.





Issue	Commentary	Auditor view
<p>IT Audit</p> <p>Our Information Technology (IT) audit team performed a full assessment of the relevant IT systems and controls operating at the Council and Pension Fund. This included:</p> <ul style="list-style-type: none"> • Agresso • Altair • YourHR (iTrent) • Active Directory 	<p>We completed the following tasks as part of this IT Audit:</p> <ul style="list-style-type: none"> • Evaluated the design and implementation effectiveness for security management, change management and technology infrastructure controls • Performed high level walkthroughs, inspected supporting documentation and analysis of configurable controls in the above areas • Documented the test results and provided evidence of the findings to the IT team for remediation actions where necessary. <p>We identified eight control weaknesses within the general IT control environment:</p> <ul style="list-style-type: none"> • Generic shared accounts within Agresso, Active Directory and Oracle database supporting Agresso and Altair • User access for terminated employees not disabled in a timely manner • Completeness and accuracy of Altair batch jobs • Lack of review of information security event/audit logs • Lack of approval and testing evidence to support the upgrade to Altair • Lack of documented IT operations policies (good practice only) • Password settings not compliant with password policy (good practice only) • Lack of formal review of the iTrent Service Auditor Report (good practice only) 	<p>See appendix A for control deficiencies reported and recommendations.</p> <p>The only significant control deficiency identified relates to the use generic shared accounts as this increases the risk of management override of controls and segregation of duties issues.</p> <p>As part of our work on journal entries, we have identified journals posted by generic accounts 'SYSTEM' and 'HLIL' and performed a focused review of these entries as they are deemed to pose an elevated risk.</p> <p>As noted on page 7, our work in this area is ongoing and we will report our findings accordingly on completion of our audit procedures.</p>

2. Financial Statements – key judgements and estimates


This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Level 3 Investments – £285.1m	<p>The Pension Fund have investments in infrastructure (£72.3m), private debt (£84.5m) and private equity (£128.4m) that in total are valued on the balance sheet as at 31 March 2021 at £285.1m.</p> <p>Management receive quarterly performance reports which are reviewed and subsequently summarised and presented to the Investments Sub-Committee in order to provide scrutiny of estimates and consider any uncertainty. Key fund manager's will periodically attend committee which provides opportunity for officers and members to challenge any unusual movements or assumptions.</p> <p>Per fund manager's, no material uncertainties have been reported in valuations as at 31 March 2021 as the market returns to normal trading conditions in the wake of Covid-19.</p> <p>No alternative assumptions are considered by management.</p> <p>The investments are not traded on an open market and the valuation of the investments are highly subjective. In order to determine the value, management's experts rely on models which apply multiples of revenue and earnings, net asset values or comparable valuations in a traded investment.</p> <p>The value of the investment has increased by £13.4m in 2020/21.</p>	<ul style="list-style-type: none"> We are satisfied that management's experts, the various fund manager's, are competent, capable and objective We obtained direct confirmation from fund manager's of the investment value at the year-end, as noted on page 8 this has identified variances between fund manager confirmation and reported asset values. Management have adjusted the financial statements accordingly for material variances noted, leaving a residual variance of £2.4m which is immaterial. We have obtained internal controls reports and audited financial statements where available to give us assurance over the valuation methodology and fair value of assets. This identified no significant issues with the controls and processes in place at fund manager level. We were unable to obtain audited financial statements for one fund manager. We performed reconciliations from the audited financial statements to the year end position through known movements in cash flow to sense check the valuation at 31 March 2021. This identified no significant exceptions Sensitivities disclosed in the note to the financial statements are reasonable in line with the Code The estimate has been appropriately included in the key areas of estimation uncertainty disclosure We have proposed that one disclosure amendment to enhance reporting of the unobservable inputs and basis of valuation of Level 3 investments. 	<p> We consider management's process is appropriate and key assumptions are neither optimistic or cautious</p>





Assessment

-  [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
-  [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
-  [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
-  [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Level 2 Investments – £2,050m	<p>The Pension Fund have investments in pooled investments and pooled property funds that in total are valued on the balance sheet as at 31 March 2021 at £2,050m.</p> <p>Management receive quarterly performance reports which are reviewed and subsequently presented to the Investments Sub-Committee in order to provide scrutiny of estimates and consider any uncertainty. Key fund manager's will periodically attend committee which provides opportunity for officers and members to challenge any unusual movements or assumptions.</p> <p>Per fund manager's, no material uncertainties have been reported in valuations as at 31 March 2021 as the market returns to normal trading conditions in the wake of Covid-19.</p> <p>No alternative assumptions are considered by management.</p> <p>In order to determine the value, management's experts utilise prices where published and net asset value (NAV). The value of the investment has increased by £467.6m in 2020/21. This is primarily due to changes in market value due to the easing of the pandemic.</p>	<ul style="list-style-type: none"> We are satisfied that management's experts, the various fund manager's, are competent, capable and objective We obtained direct confirmation from fund manager's of the investment value at the year-end, as well as internal controls reports and audited financial statements where available to give us assurance over the valuation methodology and fair value of assets. This identified no significant issues with the controls and processes in place at fund manager level We challenged management to provide evidence of the observable inputs used in the valuation of level 2 investments, as these are based on some observable inputs and gained comfort that investment classification was appropriate Our detailed substantive testing identified only trivial variances between fund manager confirmation and reported assert values The estimate is adequately disclosed in the financial statements 	<p> We consider management's process is appropriate and key assumptions are neither optimistic or cautious</p>

Assessment

-  Dark Purple We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
-  Blue We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
-  Grey We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
-  Light Purple We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Actuarial present value of promised retirement benefits - £1,354m

The Pension Fund's net pension liability at 31 March 2021 is £1,354m (PY £882m). The Pension Fund uses Hymans Robertson to provide actuarial valuations of the Fund's assets and liabilities. A full actuarial valuation is required every three years.

The latest full actuarial valuation was completed in 2019. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.

IAS 26 requires the actuarial present value of promised retirement benefits to be disclosed. However, it gives three options for disclosure:

Option A - in the net assets statement, in which case it requires the statement to disclose the resulting surplus or deficit

Option B - in the notes to the accounts

Option C - by reference to this information in an accompanying actuarial report.

In the case of Warwickshire, option B has been adopted and disclosed accordingly.

- We are satisfied that management's expert, Hymans Robertson is competent, capable and objective
- Underlying information used to determine the estimate has been appropriately rolled forward from the latest triennial valuation
- The actuarial methodology applied in calculating the estimate is reasonable and in line with industry practice and peers

Assumption	Actuary Value	PwC range	Assessment
Discount rate	2.00%	1.95% to 2.05%	●
Pension increase rate	2.85%	2.80% to 2.85%	●
Salary growth	3.65%	2.85% to 3.85%	●
Life expectancy – Males currently aged 45 / 65	21.8/ 23.0	20.4 to 22.7 and 21.8 to 24.3	●
Life expectancy – Females currently aged 45 / 65	24.2/ 26.1	23.2 to 24.9 and 25.2 to 26.7	●

- The estimate of the net defined liability is higher than in the prior period which is in line with the expectation of our auditor's expert
- Sensitivities disclosed in the note to the financial statements are reasonable
- The estimate has been appropriately included in the key areas of estimation uncertainty disclosure
- The estimate is adequately disclosed in the financial statements

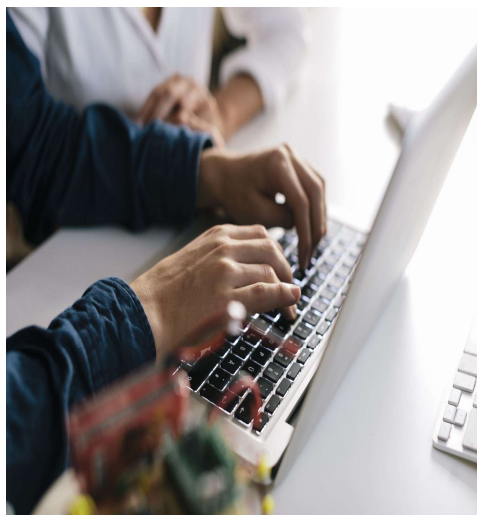
● We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Assessment

- **Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- **Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- **Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- **Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.



Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit and Standards Committee and not been made aware of any incidents in the period. In addition to this, no issues have been identified during the course of our audit procedures
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Pension Fund, which is appended and included in the Audit and Standards Committee papers
Confirmation requests from third parties	We requested from management permission to send confirmation requests to bodies with which the Pension Fund hold cash and cash equivalent balances and investments. This permission was granted and the requests were sent, of these requests all were returned with positive confirmation.
Accounting practices	We have evaluated the appropriateness of the Pension Fund's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions, see Appendix B for disclosure changes proposed as a result of audit procedures performed
Audit evidence and explanations/ significant difficulties	All information and explanations requested from management was provided.

2. Financial Statements - other communication requirements



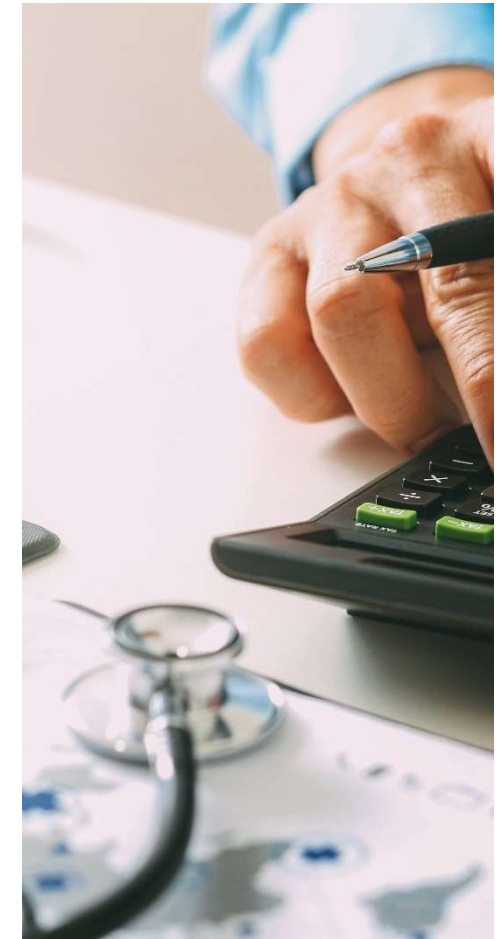
Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Pension Fund meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the Pension Fund and the environment in which it operates the Pension Fund’s financial reporting framework the Pension Fund’s system of internal control for identifying events or conditions relevant to going concern management’s going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Disclosures	No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – refer to appendix D
Matters on which we report by exception	We are required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements. Due to statutory deadlines the Pension Fund Annual Report is not required to be published until 1 December 2021 and as a result of changes made to the financial statements, will be updated accordingly. We have therefore not given this separate opinion at this time and are unable to certify completion of the audit of the administering authority until this work has been completed.



3. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix C.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

3. Independence and ethics

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Pension Fund. The following non-audit services were identified which were charged from the beginning of the financial year to current date, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

Service	Fees £	Threats identified	Safeguards
Audit related			
IAS19 Assurance letters for Admitted Bodies	6,500	Self-Interest	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £6,500 in comparison to the total fee for the audit of £30,647 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. The Pension Fund can recover the costs of this work from the admitted bodies should it wish to do so.

These services are consistent with the Pension Fund's policy on the allotment of non-audit work to your auditors. None of the services provided are subject to contingent fees.

Appendices

A. Action plan – Audit of Financial Statements

We have identified two recommendations for the Pension Fund as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2021/22 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
●	<p>Level 2 and 3 investment valuations</p> <p>we would recommend that management introduce more robust controls and procedures to address the risk of estimation uncertainty. We acknowledge that valuation data is provided in arrears and therefore is not always available at the time of accounts production, however for hard to value estimates which are subject to greater level of volatility, management should work with fund managers in order to establish any likely significant changes in value in the final quarter. Management could also perform high level reconciliations from the Q3 to Q4 position through known cash flows in order to identify investment values which may be materially different at year end.</p>	<p>We would recommend that management review procedures to address the risk of estimation uncertainty. We acknowledge that valuation data is provided in arrears and therefore is not always available at the time of accounts production, however for hard to value estimates which are subject to greater level of volatility, management should work with fund managers in order to establish any likely significant changes in value in the final quarter. Management could also perform high level reconciliations from the Q3 to Q4 position through known cash flows in order to identify investment values which may be materially different at year end.</p> <p>Management response</p> <p>We will review procedures and seek to implement changes which will reduce estimation uncertainty and reduce the likelihood of significant changes in value in the last quarter of the year.</p>
●	<p>IT general controls audit</p> <p>The IT audit team have performed a review of IT general controls operational for key systems such as the Agresso general ledger and Altair pensions administration system. This has identified the following deficiencies:</p> <p>a) Generic shared accounts within Agresso and Oracle database supporting Agresso and Altair. b) User access for terminated employees not disabled in a timely manner c) Completeness and accuracy of Altair batch jobs d) Lack of review of information security event/audit logs; and e) Lack of approval and testing evidence to support upgrade to Altair</p>	<p>A separate audit findings report has been issued to management in respect of our IT general controls audit with recommendations for the control deficiencies identified adjacent.</p> <p>Management response</p> <p>We have put action plans and process reviews in place in respect of all the deficiencies identified. These have either been implemented or are scheduled for implementation by December 2021</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.



Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2021.

Detail	Pension Fund Account £'000	Net Asset Statement £' 000	Impact on total net assets £'000
Unrealised gain on Level 3 investments Adjustment in respect of the movement in market value of Level 3 investments in Q4 2020/21	(46,639)	46,639	46,639
Overall impact	(£46,639)	£46,639	£46,639

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2020/21 audit which have not been made within the final set of financial statements. The Audit and Standards Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Pension Fund Account £'000	Net Asset Statement £' 000	Impact on total net assets £'000	Reason for not adjusting
Unrealised gain on Level 3 investments Adjustment in respect of the movement in market value of Level 3 investments in Q4 2020/21	(2,326)	2,326	2,326	Immaterial to the financial position and performance of the Fund
Overall impact	(£2,326)	£2,326	£2,326	

Impact of prior year unadjusted misstatements

There are no unadjusted misstatements from the prior period of which have an ongoing impact on the Pension Fund.

B. Audit Adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure area	Auditor recommendations	Adjusted?
Accounting standards issued but not yet adopted	The disclosure of accounting standards issued but not yet adopted should include quantification of the expected impact of relevant standards or a statement to the effect that no such reliable estimate can be made at the current time.	✓
Critical judgements in applying accounting policies	The critical judgements disclosed in the financial statements in relation to the net defined pension liability should be refined as this refers to estimation uncertainty which is more appropriate in note 5 (major sources of estimation uncertainty).	✓
Post balance sheet events	Investment value has risen by £166m in the first quarter of 2021/22, compared to a materiality of £20m, we deem this to be of fundamental significance to a users understanding of the financial statements. Therefore, a non-adjusting post balance sheet event should be disclosed.	✓
External audit fees	Fees payable for other non-audit services in the current and prior period should be disclosed as part of total remuneration paid to the external auditor.	✓
Financial instruments	<p>The disclosure of the basis of valuation and unobservable inputs for Level 3 investments should be expanded to differentiate between the various types of Level 3 investments i.e. infrastructure, private debt and private equity.</p> <p>Management response</p> <p>We will implement arrangements to expand this disclosure next year to show the different types of investment separately.</p>	✗
Financial instruments	<p>Our review of financial instruments identified the following:</p> <ol style="list-style-type: none"> 1) Prior year equities should be totalled, consistent with other assets 2) Casting of interest rate risk for 2020/21 has not been updated, this reflects the prior year total. 3) No quantitative analysis has been provided for currency risk or credit risk which is uncommon and we would expect to see this. <p>We are satisfied that point (1) and (2) have been adjusted appropriately however management have not addressed point (3).</p> <p>Management response</p> <p>We will implement a process to generate quantitative analysis of exposure to currency risk and credit risk to be included in next year's accounts.</p>	✗
Key management personnel	<p>The following amendments to enhance the disclosure of key management personnel remuneration should be made:</p> <ol style="list-style-type: none"> 1) Updating accompanying narrative above table to ensure roles outlined are consistent with what has been included; 2) Update prior year figures to match signed accounts, disclosure currently reflects 2019/20 figures as were prior to audit adjustment; and 3) Include additional information in the footnote to the disclosure to enable users to understand the % amount of time of key management personnel spent on the pension fund. 	✓
Actuarial disclosures	As a result of adjusted misstatements identified on page 20 to investment values, the gross asset value should be updated to be consistent with the net asset statement.	✓

C. Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Audit fees	Proposed fee	Final fee
Pension Fund Audit	30,647	30,647
Total audit fees (excluding VAT)	£30,647	£30,647

Non-audit fees for other services	Proposed fee	Final fee
Audit Related Services		
IAS19 Assurance letters for Admitted Bodies	6,500	6,500
Total non-audit fees (excluding VAT)	£6,500	£6,500

The fees reconcile to the financial statements.

D. Audit opinion

Independent auditor's report to the members of Warwickshire County Council on the pension fund financial statements of Warwickshire Pension Fund

Opinion

We have audited the financial statements of Warwickshire Pension Fund (the 'Pension Fund') administered by Warwickshire County Council (the 'Authority') for the year ended 31 March 2021 which comprise the Warwickshire Pension Fund Account, the Net Assets Statement and notes to the pension fund financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21.

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2021 and of the amount and disposition at that date of the fund's assets and liabilities;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the Pension Fund's financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Strategic Director for Resources use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Pension Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Pension Fund to cease to continue as a going concern.

In our evaluation of the Strategic Director for Resources conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21 that the Pension Fund's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Pension Fund. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority in the Pension Fund financial statements and the disclosures in the Pension Fund financial statements over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Strategic Director for Resources use of the going concern basis of accounting in the preparation of the Pension Fund financial statements is appropriate.

D. Audit opinion

The responsibilities of the Strategic Director for Resources with respect to going concern are described in the ‘Responsibilities of the Authority, the Strategic Director for Resources and Those Charged with Governance for the financial statements’ section of this report.

Other information

The Strategic Director for Resources is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Pension Fund’s financial statements, our auditor’s report thereon, and our auditor’s report on the Authority’s financial statements. Our opinion on the Pension Fund’s financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Pension Fund’s financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Pension Fund’s financial statements or our knowledge of the Pension Fund obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Pension Fund financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice (2020) published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice)

In our opinion, based on the work undertaken in the course of the audit of the Pension Fund’s financial statements and our knowledge of the Pension Fund, the other information published together with the Pension Fund’s financial statements in the Statement of Accounts, for the financial year for which the financial statements are prepared is consistent with the Pension Fund financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters in relation to the Pension Fund.

Responsibilities of the Authority, the Strategic Director for Resources and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 8, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Strategic Director for Resources. The Strategic Director for Resources is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund’s financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Strategic Director for Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

D. Audit opinion

In preparing the Pension Fund's financial statements, the Strategic Director for Resources is responsible for assessing the Pension Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Pension Fund will no longer be provided.

The County Council is Those Charged with Governance for the Pension Fund. Those charged with governance are responsible for overseeing the Authority's financial reporting process. In this authority the Audit & Standards Committee is charged with assisting the County Council in meeting these responsibilities.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Pension Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Pension Fund and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks [international accounting standards as interpreted and adapted by the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Public Service Pensions Act 2013, The Local government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.
- We enquired of senior officers and the Audit & Standards Committee, concerning the Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit and the Audit & Standards Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Pension Fund's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - The use of journal entries;
 - Estimates and the use of unsupported or favourable assumptions which demonstrate indications of potential management bias;

D. Audit opinion

- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that the Strategic Director for Resources has in place to prevent and detect fraud;
 - journal entry testing, with a focus on all manual postings, journal entries that directly impacted on the net increase in net assets available for benefits, journal entries posted in the closing and accounts preparation period, postings made by unexpected users, frequency of postings by users and the use of suspense and net nil balance accounts.
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of level 2 and 3 investments and IAS 26 pensions liability valuations;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government pensions sector

- understanding of the legal and regulatory requirements specific to the Pension Fund including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA, LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Pension Fund's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ciaran McLaughlin, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

London

E. Management Letter of Representation

Grant Thornton UK LLP

The Colmore Building

20 Colmore Circus

Birmingham

B4 6AT

14 December 2021

Dear Sirs

Warwickshire Pension Fund Financial Statements for the year ended 31 March 2021

This representation letter is provided in connection with the audit of the financial statements of Warwickshire Pension Fund for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Fund's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.

- ii. We have complied with the requirements of all statutory directions affecting the Fund and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Fund has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include level 2 and level 3 investments, and the actuarial present value of promised retirement benefits. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. As a result of adjustments made to the draft accounts in respect of the valuation of level 3 investments, we will review our estimation process in conjunction with the relevant fund managers for the financial year ending 31 March 2022. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Fund has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.

E. Management Letter of Representation

- vii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- viii. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- ix. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- x. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached at appendix I. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Fund and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiii. We have updated our going concern assessment and cashflow forecasts in light of the Covid-19 pandemic. We continue to believe that the Fund's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that that :
 - a. the nature of the Fund means that, notwithstanding any intention to liquidate the Fund or cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements

- b. the financial reporting framework permits the entity to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Fund's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Fund's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xiv. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Fund via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic. from whom you determined it necessary to obtain audit evidence.
- xv. We have communicated to you all deficiencies in internal control of which management is aware.
- xvi. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xviii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund, and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.

E. Management Letter of Representation

- xix. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xx. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxi. A communication was issued to The Pensions Regulator in respect of some Annual Benefit Statements being issued late in 2020/21 and in June 2021 a report was submitted to the Pensions Regulator in respect of a small number of overpayments to dependents. Neither issue has an impact on the accounts and actions have been taken to address each issue. No reports were issued to any other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.
- xxii. We are not aware of any reports having been made to The Pensions Regulator by any of our advisors.
- xxiii. We have disclosed to you the identity of the Fund's related parties and all the related party relationships and transactions of which we are aware.
- xxiv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Approval

The approval of this letter of representation was minuted by the Audit and Standards Committee at its meeting on 4 November 2021.

Yours faithfully

Name.....

Position.....

Date.....

Signed on behalf of the Fund

