

Audit and Standards Committee

28 November 2024

Warwickshire Pension Fund Audit Findings Report 2023/24

Recommendations

That the Audit and Standards Committee:

1. Endorses the Audit Findings Report prepared by the external auditors for the Warwickshire Pension Fund as attached at Appendix 1, and considers whether there are any matters it wishes to bring to the attention of Council; and
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 The external auditors of the Warwickshire Pension Fund (“the Fund”), Grant Thornton, are required to report to those charged with governance of the Fund on issues arising from the audit of the Fund’s financial statements before issuing their final opinion. The Audit Findings Report is attached at Appendix 1. The report covers the scope, approach, and objectives of the audit and includes an action plan and a follow up of prior year recommendations.
- 1.2 In summary, and subject to a review of the final set of financial statements, the audit finds that the accounts present a true and fair view and have been properly prepared in accordance with relevant practice and legislation.
- 1.3 One adjustment has been made to the accounts in respect of Notes 11-13 and the coding of performance fees (£2.625m); however, this has no effect on the overall financial position as expenditure and income were both overstated (see Appendix D within Appendix 1).
- 1.4 One unadjusted difference in valuation of assets was identified in respect of level 3 assets being £2.862m different to the figure in the accounts. This is a result of the final valuations by their nature taking longer to complete such that they are not available at the time of the compilation of the accounts.
- 1.5 No new audit recommendations arise from this year’s audit (Appendix B of Appendix 1). Prior year recommendations are followed up in Appendix C of Appendix 1 along with management responses.

- 1.6 As part of the audit process, the external auditors require written confirmation about the fairness of various elements of the financial statements. This is provided in a document known as the “Letter of Representation” (“the Letter”). In the Letter, the Executive Director for Resources and those charged with governance on audit matters, declare that the financial statements and other representations given to the auditors are sufficient and appropriate and without omission of material facts to the financial statements to the best of their knowledge. The final version of the Letter of Representation will be signed by the Chair of the Council and the Executive Director for Resources when the accounts are approved by Council.
- 1.7 The Audit and Standards Committee is asked to approve, subject to any changes which may be necessary to the final draft, the wording of the Letter of Representation for the Fund (Appendix 2).

2. Financial Implications

- 2.1 None arising directly from this report. Any financial implications for the Fund are covered in the Audit Findings Report.

3. Environmental Implications

- 3.1 None arising directly from this report.

4. Timescales associated with the decision and next steps

- 4.1 Accounts will be submitted for approval by Council at its meeting of 17 December 2024.

Appendices

Appendix 1 - Audit Findings Report

Appendix 2 - Draft Letter of Representation

| | Name | Contact Information |
|--------------------|--|--|
| Report Author | Chris Norton, Head of Investments, Treasury and Audit | chrisnorton@warwickshire.gov.uk |
| Director | Purnima Kandula, Director of Finance | purnimakandula@warwickshire.gov.uk |
| Executive Director | Rob Powell, Executive Director for Resources | robpowell@warwickshire.gov.uk |
| Portfolio Holder | Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property | peterbutlin@warwickshire.gov.uk |

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

Local Member(s): not applicable

Other members: Councillor Peter Butlin