

Audit and Standards Committee

5 November 2020

External Auditors' Progress Report and Sector Update

Recommendation

The Audit and Standards Committee is asked to:

- a) Consider and make any comments on the External Auditors' Progress Report and Sector Update, attached at Appendix A; and
- b) Review and note the updated Audit Findings report for the County Council and the Warwickshire Pension Fund, attached at Appendices B and C.

1. Purpose of the Report

- 1.1. The purpose of this report is for our external auditors to provide a report to inform the Committee of their progress in delivering their responsibilities as our external auditors. The paper also includes a summary of emerging national issues and developments.
- 1.2. The Audit Progress Report and Sector Update report prepared by the auditors is attached at **Appendix A**.
- 1.3. As the Committee will be aware, when the Audit Findings report for the County Council and the Warwickshire Pension Fund were considered at your meeting on 28 September 2020 there were elements of work that were yet to be completed. This has now been done and the updated Audit Findings reports are attached at **Appendices B (for Warwickshire County Council) and C (for Warwickshire Pension Fund)**. The following sections highlight the updates for Members and the external auditors will be at the meeting to present these changes to you.
- 1.4. In considering these it is worth noting, for the Committee, that the final unqualified Audit Opinions for both the County Council and Warwickshire

Pension Fund accounts. Following receipt of these Audit Opinions the 2019/20 audited accounts of both bodies have now been published and can be found on the Council's website.

2. Warwickshire County Council Updated Audit Findings Report

2.1. The updated Audit Findings report for the County Council can be found attached at Appendix B. Overall there are no fundamental differences in the conclusions to make the Committee aware of.

2.2. The elements that have changed are:

- Page 3 now includes the conclusion on the emphasis of matter on pension fund pooled property assets and removes references to previously unfinished work;
- Page 6 now includes reference to the emphasis of matter on pension fund pooled property assets under the section on Covid risk;
- Page 22 notes the disclosure changes we made to the final version of the accounts in respect of a post balance sheet event disclosure of the financial risks to the Authority as a result of Covid-19;
- The Audit Opinion and management letter of representation appendix have been updated to reflect the final versions issued;

3. Warwickshire Pension Fund Updated Audit Findings Report

3.1. The updated Audit Findings report for the Warwickshire Pension Fund can be found attached at Appendix C. Overall there are no fundamental differences in the conclusions to make the Committee aware of.

3.2. The elements that have changed are:

- Page 3 removes references to previously unfinished work;
- Page 7 updates the note on the differences in values in external confirmations from both investment managers and the custodian, and the information available when management are estimating the values for the accounts;
- Page 14 includes reference to more safeguards in response to non-audit services; and
- Page 16 includes a reconciliation of the audit fee to the accounts.

4. Financial Implications

4.1. There are no direct financial implications for the County Council or the Warwickshire Pension Fund as a result of the issues raised in the report.

5. Environmental Implications

5.1. There are no environmental implications arising from this report.

6. Background Papers

6.1. None

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Elected Members have not been consulted in the preparation of this report.