

Committee(s): Audit and Risk Management Committee – For information Finance Committee – For information Pensions Committee – For information	Dated: 13 May 2024 04 June 2024 18 June 2024
Subject: City Fund and Pension Fund Statement of Accounts Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For information
Report author: Iain Jenkins, Chief Accountant	

Summary

This report provides an update on the production of the 2023-24 Statement of Accounts and planning for the 2023-24 audit of the City Fund and Pension Fund.

The attached External Auditor's reports outline their work plan for undertaking the audit of the City Fund and Pension Fund Accounts for 2023-24. In addition, the reports outline the work they will undertake to reach a Value for Money conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness in the use of resources. The report also identifies specific risks and includes a statement of their fees.

The election of the Auditor of Chamberlain's and Bridgemasters' Accounts takes place on 1st May, after which point the reappointment of Crowe to audit City's Estates and Sundry Trusts statement of accounts can continue for 2023-24. An update on the production of the 2023-24 City's Estates and Sundry Trusts Statement of accounts and planning will be provided at the July committees.

Recommendation(s)

The **Audit and Risk Management** Committee is asked to:

- **Note** the Indicative City Fund Audit Plan for 2023-24 as set out in Appendix 1
- **Note** the Indicative Pension Fund Audit Plan for 2023-24 as set out in Appendix 2
- **Note** the responses from Management for both the City Fund and Pension Fund as per Appendix 3 and Appendix 4

The **Finance Committee** is asked to:

- **Note** the responses from Management for the City Fund as per Appendix 3

The **Pensions Committee** is asked to:

- **Note** the indicative Pension Fund Audit Plan for 2023-24 as set out in Appendix 2
- **Note** the responses from Management for the Pension Fund as per Appendix 4

Main Report

Background and current position

1. The Audit and Risk Management Committee oversees the City of London Corporation's systems of internal control and makes recommendations to the Finance Committee relating to the approval of the City Fund Annual Statement of Accounts – this includes the Pension Fund accounts.
2. The Authority will publish its draft accounts for the City Fund for the 2023-24 financial year on or before the statutory deadline of 31 May 2024.
3. Grant Thornton (GT) will be carrying out the external audit of the City Fund and Pension Fund accounts for 2023-24. The audit is due to commence in July 2024 and is scheduled to run through to September 2024. It is considered good practice and part of the assurance framework for the External Auditor to report to the Audit and Risk Management Committee at regular intervals.
4. Grant Thornton will report the findings arising from their work on the 2023-24 audit to this Committee following the conclusion of the audit.
5. As the Pension Fund accounts form part of the City Fund accounts as a whole, the Audit and Risk Management Committee retain ultimate responsibility for receiving and considering audit plans as well as receiving any reports arising from the audit. The Pension Fund Audit Plan for 2023-24 is included in Appendix 2; the audit plan and any reports arising from the audit will also be reported to the Pension Fund Committee.
6. As part of their audit planning procedures, the auditors have engaged in a series of inquiries with the management regarding various aspects such as fraud and compliance with laws and regulations. The responses to these inquiries are presented in Appendices 3 and 4 (for the City Fund and the Pension Fund respectively) for your review. Members are encouraged to take note of these responses and provide any additional comments for further consideration.

Corporate & Strategic Implications

7. Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders.
8. Financial implications – The fees for the audits are included within the appendices and can be met from the existing budget provision.

9. Legal implications – The recommendations of the report request the Audit and Risk Management Committee to note indicative Audit Plans for 2023-24, which outlines Grant Thornton's planning and approach to the audit, including the audit timetable. The Committee is not requested to make any decision and there are no significant legal implications arising from the content of this report.

Conclusion

10. The attached External Auditor's report outlines their work plan for undertaking the audit of the City Fund and Pension Fund Accounts for 2023-24. In addition, the report also outlines the work they will undertake to reach a Value for Money conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness in the use of resources. The report also identifies specific risks and includes a statement of their fees which have been reviewed and queried by officers as appropriate.

Appendices

- Appendix 1 - City Corporation City Fund Audit Plan 2023-24
- Appendix 2 - City Corporation Pension Fund Audit Plan 2023-24
- Appendix 3 - City Corporation City Fund Inquiries of Management 2023-24
- Appendix 4 - City Corporation Pension Fund Inquiries of Management 2023-24

Background Papers

Audit and Risk Management Committee – 11 September 2023 – City Fund and Pension Fund Audit Plans 2022-23

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