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| <b>Committee(s):</b><br>Audit and Risk Management Committee – For decision<br>Finance Committee – For information<br>Pensions Committee – For information<br>Local Government Pensions Board – For information | <b>Dated:</b><br>12 May 2025<br>04 June 2025<br>07 July 2025<br>21 July 2025 |
| <b>Subject:</b> Statement of Accounts Update for City Fund, Pension Fund, and City's Estate  | <b>Public</b>  |
| <b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>  | <b>N/A</b>   |
| <b>Does this proposal require extra revenue and/or capital spending?</b>   | <b>N</b>   |
| <b>If so, how much?</b>  | <b>N/A</b>   |
| <b>What is the source of Funding?</b>  | <b>N/A</b>   |
| <b>Has this Funding Source been agreed with the Chamberlain's Department?</b>  | <b>N/A</b>   |
| <b>Report of:</b> The Chamberlain  | <b>For Information</b>   |
| <b>Report author:</b> Iain Jenkins, Chief Accountant   |  |

### Summary

This report provides an update on the production of the 2024-25 Statement of Accounts and planning for the 2024-25 audit of the City Fund, Pension Fund, and City's Estate accounts.

The attached External Auditor's reports outline Grant Thornton's work plan for undertaking the audit of the City Fund and Pension Fund Accounts for 2024-25. 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.

Crowe's Audit Plan for the audit of the City's Estate group, and other charity accounts is also attached. This also identifies specific risks and includes a statement of their fees.

### Recommendation(s)

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

- **Note** the Indicative City Fund Audit Plan for 2024-25 as set out in Appendix 1
- **Note** the Indicative Pension Fund Audit Plan for 2024-25 as set out in Appendix 2
- **Approve** the responses from Management for both the City Fund and Pension Fund as per Appendix 3 and Appendix 4
- **Note** the Indicative City's Estate Audit Plan for 2024-25 as set out in Appendix 5

The **Finance Committee** is asked to:

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

The **Pensions Committee** and **Local Government Pensions Board** are asked to:

- **Note** the indicative Pension Fund Audit Plan for 2024-25 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 – City Fund and Pension Fund**

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 2024-25 financial year prior to the statutory deadline of 30 June 2025, adhering to the previous deadline of 31<sup>st</sup> May.
3. Grant Thornton will be carrying out the external audit of the City Fund and Pension Fund accounts for 2024-25. The audit for City Fund is due to commence in June 2025, the Pension Fund audit will begin in July 2025 and both are scheduled to run through to September 2025. 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 2024-25 audit to this Committee at the 15<sup>th</sup> September meeting, following the conclusion of the audit. The statutory deadline for the City Fund Accounts (including the Pension Fund Accounts) to be approved is 30<sup>th</sup> September 2025.
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 2024-25 is included in Appendix 2; the audit plan and any reports arising from the audit will also be reported to the Pensions Committee and Local Government Pensions Board (for information).
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 review by the Committee. Members are encouraged to take note of these responses and provide any additional comments for further consideration.

### **Background and current position – City's Estate group and other charities**

7. Unlike the City Fund accounts, there is no statutory deadline for the publication and audit of the City's Estate Group accounts. However, there are requirements of the private placement loans which have been taken out which require signed off accounts to be provided by 23<sup>rd</sup> December following the end of each financial year.

Some individual entities, charities and trusts have their own specific deadlines for reporting and submission to the Charity Commission and Companies House.

8. The filing deadline for annual returns to the Charity Commission is ten months after financial year end for each entity. For the majority of the charities and trusts this deadline is 31<sup>st</sup> January 2026, with the exception of Almshouses (30<sup>th</sup> September 2025), the Charities Pool (30<sup>th</sup> November 2025) and the Girls School Bursary Fund (30<sup>th</sup> November 2025).
9. The deadline from the Office for Students for GSMD to submit their annual financial return is five months after financial year end (31<sup>st</sup> August 2025).
10. The filing deadline for Companies House (which would be applicable to the accounts for the Lord Mayor's Show, Barking Power Limited and Thames Power Limited) is nine months after financial year end. For Barking Power Limited and Thames Power Limited the filing deadline is 31<sup>st</sup> December 2025. For the Lord Mayor's Show the filing deadline is 28<sup>th</sup> February 2026, as those accounts are prepared based upon a year end of 31<sup>st</sup> May.
11. To meet these deadlines, Crowe have set out their timetable which would see their final report return to Audit and Risk Committee on 17<sup>th</sup> November 2025.
12. The planning report (Appendix 5) sets out the areas identified as significant audit risks, materiality levels as well as the staffing resources fees and timetable to be followed.

### **Corporate & Strategic Implications**

13. 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.
14. Financial implications – The fees for the audits are included within the appendices and can be met from the existing Finance Committee budget provision.
15. Legal implications – The recommendations of the report request the Audit and Risk Management Committee to note indicative Audit Plans for 2024-25, which outlines the auditors' 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**

16. The attached External Auditor's report outlines Grant Thornton's work plan for undertaking the audit of the City Fund and Pension Fund Accounts for 2024-25, and Crowe's work plan for undertaking the audit of the City's Estate group accounts and charities accounts for 2024-25. The reports also identify specific risks and includes a statement of the auditors' fees which have been reviewed and queried by officers as appropriate.

17. In addition, the report also outlines the work that Grant Thornton will undertake to reach a Value for Money conclusion on the Corporation's arrangements to secure economy, efficiency and effectiveness in the use of resources.

### **Appendices**

- Appendix 1 - City Corporation City Fund Audit Plan 2024-25 (Not included for Local Government Pensions Board)
- Appendix 2 - City Corporation Pension Fund Audit Plan 2024-25
- Appendix 3 - City Corporation City Fund Informing the audit risk assessment 2024-25 (Not included for Local Government Pensions Board)
- Appendix 4 - City Corporation Pension Fund Informing the audit risk assessment 2024-25
- Appendix 5 - City Corporation City's Estate Audit Plan 2024-25 (Not included for Local Government Pensions Board)

### **Background Papers**

None

### **Iain Jenkins**

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