

Audit Completion Report

West Yorkshire Pension Fund – Year
ended 31 March 2022

September 2022



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Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Pension Fund are prepared for the sole use of the Pension Fund and we take no responsibility to any member or officer in their individual capacity or to any third party. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.



Members of the Governance and Audit Committee

City of Bradford Metropolitan District Council
City Hall
Centenary Square
Bradford
BC1 1HY

September 2022

Dear Committee Members

Audit Completion Report – Year ended 31 March 2022

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 21 April 2022. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail, then please do not hesitate to contact me on 07387 242 052.

Yours faithfully

Signed: {{_es_:signer1:signature }}

Cameron Waddell

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01

Section 01:

Executive summary

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls;
- Valuation of investments within level 3 of the fair value hierarchy; and
- Valuation of investments within level 2 of the fair value hierarchy.

Misstatement and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements noted as part of our audit at the time of issuing this report. If any additional misstatements are noted on completion of the outstanding work, these will be reported to the Governance and Audit Committee in a follow-up letter

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022.

At the time of preparing this report, the significant matters remaining outstanding are outlined in section 2.

We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



Consistency report

We anticipate concluding that the Pension Fund financial statements within the Pension Fund's Annual Report are consistent with the Pension Fund financial statements within the Statement of Accounts of City of Bradford Metropolitan District Council. Our draft consistency report is provided in Appendix C.



Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Fund and to consider any objection made to the accounts. No such correspondence from electors has been received.

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02




Section 02:

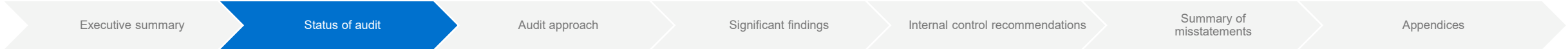
Status of the audit

2. Status of the audit




Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.




Audit area	Status	Description of the outstanding matters
Related party transactions		Our work in respect of related party transactions remains in progress.
Level 3 investments		Our work in respect of level 3 investments remains ongoing. We are awaiting reports from 2 Fund Managers and are in the process of reviewing managements reconciliation of fund manager reports to the custodian.
Level 2 investments		We are awaiting Fund Manager statements for 6 Fund Managers in our sample.
Employer Contributions		We are waiting for one contribution confirmation from one local authority employer.
Investment purchases and sales		We are finalising our work in respect of investment purchases and sales.
ITGC work		We are awaiting our final report from our IT specialists.

-  Likely to result in material adjustment or significant change to disclosures within the financial statements.
-  Potential to result in material adjustment or significant change to disclosures within the financial statements.
-  Not considered likely to result in material adjustment or change to disclosures within the financial statements.

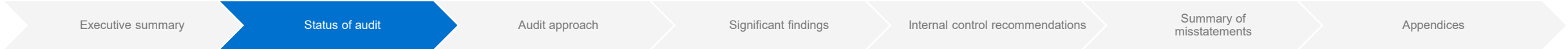


2. Status of the audit

Audit area	Status	Description of the outstanding matters
Consistency statement		We have not yet completed our comparison of the revised Pension Fund financial statements (within the Statement of Accounts of the Council) with the revised Pension Fund financial statements within the Pension Fund's Annual Report.
Audit review and quality control procedures		Completion of Manager, Partner and EQCR review and Mazars quality control processes in respect of the audit.
Post balance sheet events		Review of post balance sheet events up to the point at which we sign our audit report.

-  Likely to result in material adjustment or significant change to disclosures within the financial statements.
-  Potential to result in material adjustment or significant change to disclosures within the financial statements.
-  Not considered likely to result in material adjustment or change to disclosures within the financial statements.

We will provide the Governance and Audit Committee with an update in relation to the outstanding matters in a follow-up letter, prior to signing the auditor's report.



03

Section 03:

Audit approach

3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in April 2022. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

Our provisional materiality at the planning stage of the audit was set at £163.27m using a benchmark of 1% of net assets available to pay benefits. We set a provisional specific materiality for the fund account of £55m at the planning stage of the audit using a benchmark of 10% of benefits payable.

Our final assessment of materiality, based on the final financial statements and qualitative factors was set using the same benchmarks:

- Statement materiality £179m.
- Fund account specific materiality £59m.

Use of experts

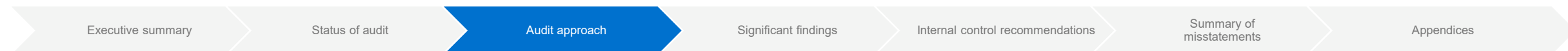
We have not made any changes to our planned approach in our ASM in relation to the use of experts.

Item of account	Management's expert	Our expert
Disclosure notes on funding arrangements and actuarial present value of promised retirement benefits.	Aon Hewitt	NAO consulting actuary PwC
Valuation of investments within level 3 of the fair value hierarchy and related disclosures	Investment managers engaged by the Fund that prepare valuations	To-date we have not engaged our own expert for the valuation of level 3 investments.

Service organisations

We have not changed the planned approach in relation to service organisations.

Items of account	Service organisation	Audit approach
Investment valuations and related disclosures, investment income and related disclosures	Investment managers	Substantive testing of in year transactions and valuations applied to investments at the year end. Insert description
	Custodian	



04

Section 04: **Significant findings**

4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 15 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

Significant risks

Management override of controls

Description of the risk

This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.

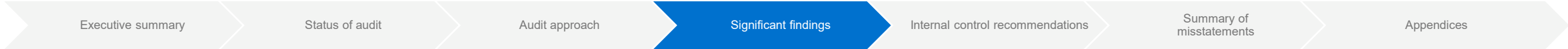
How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

Subject to satisfactory completion of the outstanding work noted in section 2, there are no matters to report in respect of management override of controls.



4. Significant findings

Significant risks (continued)

Valuation of investments within level 3 of the fair value hierarchy

Description of the risk

As at 31 March 2021 the fair value of investments classified within level 3 of the fair value hierarchy was £2,382m, which accounted for 14.6% of net investment assets. The values included in the accounts are those provided by investment managers updated by the Pension Fund for cash movements, where the most recently available information from fund managers is at a date prior to the year end. The fair values of level 3 investments are based on unobservable inputs. This results in an increased risk of material misstatement.

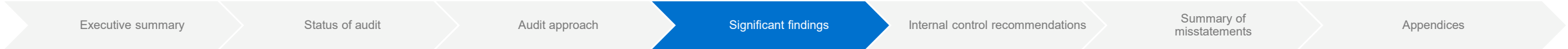
How we addressed this risk

We addressed this risk by completing the following procedures:

- agreed the valuation included in the Pension Fund’s underlying financial systems to supporting documentation including investment manager valuation statements and cash flows for any adjustments made to the investment manager valuation;
- reviewed managements reconciliation of fund manager reports to the custodians report;
- agreed the investment manager valuation to audited accounts or other independent supporting documentation, where available;
- reviewed the valuation methodologies through review of accounting policies within audited financial statements and challenge of the fund manager, where required;
- where audited accounts are available, checked that they are supported by a clear opinion; and
- where available, reviewed independent control assurance reports to identify any exceptions that could present a risk of material misstatement in the Pension Fund’s financial statements.

Audit conclusion

Our work in respect of the valuation of level 3 investments remains in progress. We will report any issues to Governance and Audit Committee in a follow up letter.



4. Significant findings

Key areas of management judgement and enhanced risks

Valuation of investments within level 2 of the fair value hierarchy

Description of the management judgement

As at 31 March 2021 the fair value of investments classified within level 2 of the fair value hierarchy was £868m, which accounted for 5.3% of net investment assets. The values included in the accounts are primarily based on recent trades of the investment, which are observable inputs other than quoted prices. The valuation risk is increased depending on the elapsed time of the most recent trade and the year end and, therefore, these have been assessed as enhanced risk.

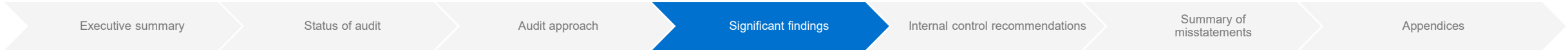
How our audit addressed this area of management judgement

To address this risk we have undertaken the following procedures:

- reviewed managements reconciliation of fund manager reports to the custodians report;
- agreed the valuation included in the Pension Fund’s underlying financial systems to documentation supporting the most recent trade(s) on which the valuation is based; and
- assessed the reasonableness of any adjustments to the trade prices.

Audit conclusion

Subject to satisfactory completion of the outstanding work noted in section 2, there are no matters to report in respect of the valuation of level 2 investments. We will report any issues to Governance and Audit Committee in a follow up letter.



4. Significant findings

Qualitative aspects of the Fund's accounting practices

We have reviewed the Fund's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Fund's circumstances.

Draft accounts were received from the Fund on 4 July 2022 and were of a good quality.

Significant matters discussed with management

There have been significant matters requiring discussion with management.

Significant difficulties during the audit

During the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

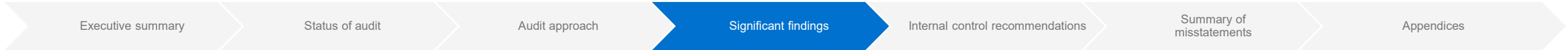
Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2021/22 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised



05

Section 05:

Internal control recommendations

5. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our work to date has not identified any internal control issues to bring to your attention, other than those brought forward from 2020/21. Should any issues arise during the completion of our audit, these will be reported to the Audit Committee in a follow-up letter.

Follow up on previous internal control points

Description of deficiency

Information Technology (IT) policies do not adhere to best practice for example in relation to the creation of new user accounts, access rights, password parameters, segregation of duties between development and operations, backup procedures, the incident management process and levels of escalation.

Potential effects

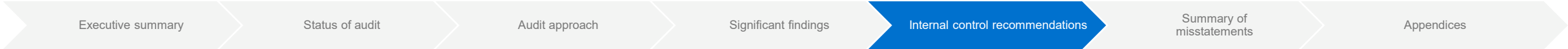
Users are not aware of the process to follow and may make errors which reduce the security of the Council's systems

Recommendation

The Council should review existing IT policies to ensure they are in line with best practice and address the deficiencies highlighted above

2021/22 update

We are awaiting the final conclusions of our specialist IT auditor and will provide an update upon the completion of this work.



5. Internal control recommendations

Follow up on previous internal control points continued

Description of deficiency

Password parameters set within the Council's systems (AIM, Northgate, SAP, UPM) do not align with the Council's password policy.

Potential effects

Passwords are not sufficiently complex reducing the level of access security of critical business systems.

Recommendation

The Council should ensure that the password parameters for the critical business systems highlighted above reflect the Council's password policy.

2021/22 update

We are awaiting the final conclusions of our specialist IT auditor and will provide an update upon the completion of this work

Description of deficiency

IT user access testing in 2020/21 found that:

- For a sample of 25 joiners/movers one mover had no record of a change in access being requested and for 16 no evidence was provided.
- Of 663 leavers in year 3 were found to have accounts that had not been deactivated, however it was noted that for all 3 users they only had Employee Self Service access (ESS) which only allows them to view payslips and request annual leave.

Similar findings were also recorded in 2018/19 and 2019/20.

Potential effects

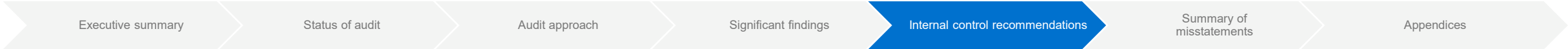
Inappropriate access to business critical systems by an individual that has just joined the organisation or an individual that has left the organisation.

Recommendation

IT should perform and document scheduled periodic access reviews of business critical systems to ensure appropriate access / deactivation.

2021/22 update

We are awaiting the final conclusions of our specialist IT auditor and will provide an update upon the completion of this work.



06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £5.3m. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

Unadjusted misstatements

		Fund Account		Net Assets Statement	
		Dr (£m)	Cr (£m)	Dr (£m)	Cr (£m)
1	Dr: Investment assets – Pooled investment vehicles			9,960	
	Cr: Profit and losses (-) on disposal and changes in value of investments		9,960		
Being the extrapolated difference of pooled investment vehicle assets between the valuation per the pension fund financial statements and third party confirmations. (Officers have adjusted the accounts to reflect the actual differences identified)					
Total unadjusted misstatements			9,960	9,960	

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6. Summary of misstatements

Adjusted misstatements

	Fund Account		Net Assets Statement	
	Dr (£m)	Cr (£m)	Dr (£m)	Cr (£m)
1			73,863	
	Dr: Investment assets – Pooled investment vehicles			
	Dr: Profit and losses (-) on disposal and changes in value of investments	811		
	Cr: Investment assets – Equities			811
	Cr: Profit and losses (-) on disposal and changes in value of investments		73,863	
	Being changes in market value arising from more up to date information being available in respect of level 3 equities and pooled investment vehicles.			
	Total adjusted misstatements	811	73,863	73,863
				811

Disclosure amendments

The following minor disclosure amendments have been agreed with management and actioned in the revised accounts:

- Note 17b Analysis of investments by security type and Note 19 Financial instruments classification– the disclosures has been updated to ensure the value of equities and pooled investment vehicles to ensure consistent with the Net Asset Statement.

In addition to the above, we identified a small number of minor presentation issues during our audit of the financial statements, and these have all be amended by management.

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C: Draft consistency report

D: Independence

E: Other communications

Appendix A: Draft letter of management representation

Cameron Waddell
Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Dear Cameron

West Yorkshire Pension Fund - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of the West Yorkshire Pension Fund ('the Pension Fund') for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code.

My responsibility to provide and disclose relevant information

I have provided you with:

- 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 material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Pension Fund you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Finance that I have taken all the necessary steps to make me aware of any relevant

audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material affect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Pension Fund and Committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Pension Fund's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Pension Fund in making accounting estimates, including those measured at fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired, or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

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Appendix A: Draft letter of management representation

All material matters, including unasserted claims, that may result in litigation against the Pension Fund have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom. The Pension Fund has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Pension Fund involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Pension Fund's statement of accounts communicated by employees, former employees, analysts, regulators or others.

Assets

I confirm that all assets held are free from liens, charges or any other encumbrance.

Related party transactions

I confirm that all related party relationships, transactions and balances have been appropriately accounted for and disclosed in accordance with the requirements of the Code.

I have disclosed to you the identity of the Pension Fund's related parties and all related party relationships and transactions of which I am aware.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Specific representation on unquoted investments

Unquoted investments are included in the net assets statement at the value estimated by the general partner managing each fund in accordance with the guidelines used by the industry and based on the latest information to hand at the time of the valuation. I am satisfied, based on the knowledge I have, with the valuations, and am not aware of any subsequent events that would have a material impact on the estimated value of the unquoted investments.

Unadjusted misstatements (if required)

I confirm that the effects of the uncorrected misstatements as included in the auditor's draft Audit Completion Report and subsequent follow up letters are immaterial, both individually and in aggregate, to the statement of accounts as a whole.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed. Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Going concern

To the best of my knowledge there is nothing to indicate that the Pension Fund will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Yours sincerely

Director of Finance & IT

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Appendix B: Draft audit report

Independent auditor's report to the members of City of Bradford Metropolitan District Council Report on the audit of the financial statements

Opinion on the financial statements of West Yorkshire Pension Fund

We have audited the financial statements of West Yorkshire Pension Fund ('the Pension Fund') for the year ended 31 March 2022, which comprise the Fund Account, the Net Assets Statement and notes to the 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 2021/22.

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 2022, and the amount and disposition of the Pension Fund's assets and liabilities as at 31 March 2022; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Council, as administering authority for the Pension Fund, in accordance with the ethical requirements that are relevant to our audit of the 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

In auditing the financial statements, we have concluded that the Director of Finance and IT's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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.

Our responsibilities and the responsibilities of the Director of Finance and IT with respect to going concern are described in the relevant sections of this report.

Other information

The Director of Finance and IT is responsible for the other information. The other information comprises the information included in the Statement of Accounts, and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge 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 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director of Finance and IT for the financial statements

As explained more fully in the Statement of the Director of Finance and IT's Responsibilities, the Director of Finance and IT 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 2021/22, and for being satisfied that they give a true and fair view. The Director of Finance and IT is also responsible for such internal control as the Director of Finance and IT determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance and IT is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis, unless the Council is informed of the intention for dissolution of the Pension Fund without transfer of services or function to another entity. The Director of Finance and IT is responsible for assessing each year whether or not it is appropriate for the Pension Fund to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

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Appendix B: Draft audit report

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.

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. Based on our understanding of the Pension Fund, we identified that the principal risks of non-compliance with laws and regulations related to the Public Service Pensions Act 2013, the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Director of Finance and IT’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Governance and Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Fund which were contrary to applicable laws and regulations, including fraud.

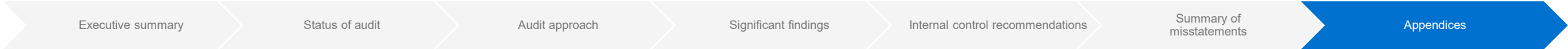
Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Governance and Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Governance and Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Director of Finance and IT’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

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.



Appendix B: Draft audit report

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

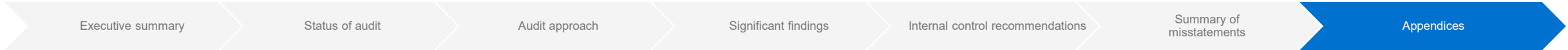
Use of the audit report

This report is made solely to the members of City of Bradford Metropolitan District Council, as a body and as administering authority for the West Yorkshire Pension Fund, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 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 members of the Council 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 members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed

Cameron Waddell

Key Audit Partner
For and on behalf of Mazars LLP

5th Floor
3 Wellington Place
Leeds
LS1 4AP



Appendix C: Draft consistency report

Independent auditor’s statement to the members of City of Bradford Metropolitan District Council on the pension fund financial statements included within the West Yorkshire Pension Fund annual report

Report on the financial statements

We have examined the Pension Fund financial statements for the year ended 31 March 2022 included within the West Yorkshire Pension Fund annual report, which comprise the Fund Account, the Net Assets Statement and the notes to the financial statements, including the summary of significant accounting policies.

Opinion

In our opinion, the Pension Fund financial statements are consistent with the audited financial statements of City of Bradford Metropolitan District Council for the year ended 31 March 2022 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Respective responsibilities of the Director of Finance and IT and the auditor

As explained more fully in the Statement of the Director of Finance and IT’s Responsibilities, the Director of Finance and IT is responsible for the preparation of the Pension Fund’s financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to the Members of City of Bradford Metropolitan District Council as a body, whether the Pension Fund financial statements within the Pension Fund annual report are consistent with the financial statements of City of Bradford Metropolitan District Council.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the Pension Fund financial statements contained within the audited financial statements of City of Bradford Metropolitan District Council describes the basis of our opinions on the financial statements.

Use of this auditor’s statement

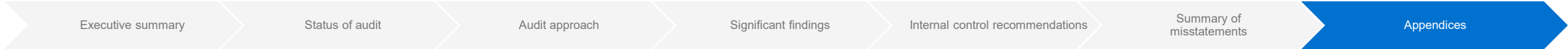
This report is made solely to the members of City of Bradford Metropolitan District Council, as a body and as administering authority for the West Yorkshire Pension Fund, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of City of Bradford Metropolitan District Council those matters we

are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than City of Bradford Metropolitan District Council and City of Bradford Metropolitan District Council’s members as a body, for our audit work, for this statement, or for the opinions we have formed.

Cameron Waddell

Key Audit Partner
For and on behalf of Mazars LLP

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*where permitted under applicable country laws.