

INDEPENDENT AUDITOR'S REPORT

To the Members of West Mercia Energy Joint Committee

Opinion

We have audited the financial statements of West Mercia Energy Joint Committee, which comprise the balance sheet as at 31 March 2021 and the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement and Cash Flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the accompanying financial statements of the Joint Committee for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the basis of accounting as described in note 1 Accounting Policies, 1.1 General Principles.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Joint Committee in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1.1 to the financial statements, which describes the basis of accounting, and is a special purpose framework. The financial statements are prepared to report to the Joint Committee Member Authorities. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for West Mercia Energy Joint Committee and its members and should not be distributed to or used by parties other than West Mercia Energy Joint Committee or its members. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' 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 Joint Committee'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The Treasurer to the Joint Committee is responsible for the other information. The other information comprises the other information included in the Statement of Accounts, other than the financial statements 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 Joint Committee, the Treasurer to the Joint Committee and those charged with governance for the financial statements

As explained more fully in the Statement of Responsibilities and Joint Committee Approval set out on pages 6 to 7, the Joint Committee is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Joint Committee, that officer is the Treasurer to the Joint Committee. The Treasurer to the Joint Committee is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with the basis of accounting described in note 1.1 and for such internal control as the Treasurer to the Joint Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer to the Joint Committee is responsible for assessing the Joint Committee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Joint Committee intends to liquidate or to liquidate the Joint Committee or to cease operation, or has no realistic alternative to do so.

The Joint Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Joint Committee's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The audit team obtain an understanding of the legal and regulatory frameworks that are applicable to the Joint Committee and determined that the most significant are those that relate to the reporting framework (CIPFA Code of Practice on Local Authority Accounting (The 'Code'), Employment law, Health & Safety Regulations and the EU General Data Protection Regulation (GDPR)).

We understood how the Joint Committee are complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed meeting minutes to identify and recorded instances of irregularity or non compliance that might have a material impact on the financial statements.

- We reviewed the susceptibility of the Joint Committee's financial statements to material misstatement including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved inquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and usual items and the challenge of significant accounting estimates used in preparing the financial statements.
- We also assessed the Joint Committee's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.

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.

Use of our report

This report is made solely to the members of the Joint Committee, as a body, in accordance with our letter of engagement dated 20 January 2021. Our audit work has been undertaken so that we might state to the Joint Committee's members 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 Joint Committee and the Joint Committee's members as a body, for our audit work, for this report, or for the opinions we have formed.



WR Partners,
Appointed Auditor
Shrewsbury
1 November 2021