

Report to: **Audit Committee**

Date: **25 March 2019**

By: **Chief Finance Officer**

Title of report: **External Audit Plan for the East Sussex Pension Fund 2018/19**

Purpose of report: **To inform the Committee of the content of the Pension Fund external audit plan for 2018/19**

RECOMMENDATION-

The Committee is recommended to consider and comment upon the External Audit Plan for the East Sussex Pension Fund for 2018/19.

1. Background

1.1 The Council has used the Public Sector Audit Appointments Limited (PSAA) to source the appointment of Grant Thornton LLP to audit the Council and East Sussex Pension Fund (ESPF) accounts from 2018/19 to 2022/23. The External Audit Plan confirms the core external audit fee as £20,487, this is a reduction compared to the 2017/18 audit fee of £26,607, and is in line with the scale fee published by PSAA. Where the auditors are required to respond to requests received from other auditors of other bodies for assurance in respect of information held by the Fund and provided to the actuary to support their individual IAS 19 calculations, these will be billed in addition to the audit fee on a case by case basis. The audit fee is charged to the ESPF.

2. Supporting Information

2.1 The attached ESPF external audit plan (Appendix 1) sets out in more detail the work the external auditors will conduct in order to audit the Pension Fund's 2018/19 accounts. The Plan reflects risks that, in the judgement of the auditor, require audit consideration because they have a higher risk of material misstatement. Such risks often relate to significant non-routine transactions and judgmental matters.

2.2 Grant Thornton's initial assessment has not identified any significant risks that are specific to the Pension Fund. Areas of audit focus either due to their size, level of judgement or their influence on other balances within the financial statements are:

- Fraud risk from management override of controls (required by International Standards in Auditing).
- Valuation of hard to price (Level 3) investments.
- Revenue cycle includes fraudulent transactions

3. Conclusion and reasons for recommendations

3.1 As this is the first time Grant Thornton have audited ESPF, officers will continue to liaise with them to ensure that their work is delivered as efficiently and effectively as possible. That internal and external audit plans are complementary and make best use of audit resources. The Audit Plan was considered and discussed by the Pension Board and Pension Committee at meetings on 4 February 2019 and 25 February 2019 respectively.

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Local Member(s): All
Background Documents - None