

**Report to:** Audit Committee

**Date of meeting:** 26 March 2021

**By:** Chief Finance Officer

**Title:** External Audit Plan for the East Sussex Pension Fund 2020/21

**Purpose:** To inform the Committee of the content of the East Sussex Pension Fund external audit plan for 2020/21

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## **RECOMMENDATION:**

**The Committee is recommended to consider and comment upon the external audit plan for the East Sussex Pension Fund for 2020/21**

### **1. Background**

- 1.1 Grant Thornton (GT), as the East Sussex Pension Fund's (ESPF) external auditors, have provided the External Audit Plan for 2020/21 (Appendix 1) which provides an overview of the planned scope and timing of the statutory audit of the ESPF Annual Report and accounts and identifies any significant risks.
- 1.2 The External Audit Plan was not available for consideration and discussion at the Pension Board (15 February 2021) and Pension Committee (1 March 2021).

### **2. Supporting Information**

- 2.1 The External Audit Plan for 2020/21 identifies a number of risks that require audit consideration as they could potentially cause a material error in the financial statements. These are:
- ISA240: Fraudulent revenue recognition (this presumed risk has been rebutted);
  - Fraudulent expenditure recognition (this presumed risk has been rebutted);
  - Management override of controls (journals, estimates and transactions);
  - Valuation of level 3 investments;
  - IAS26: Pension Fund Disclosures.
- 2.2 The deadlines for the production and audit of the accounts for 2020/21 and 2021/22 have recently been confirmed. The ESPF accounts are required to be included within the statement of accounts of East Sussex County Council; the unaudited draft version of the financial statements are required to be prepared and published on the authority's website by 31 July. The draft accounts will be considered by the Pension Committee on 12 July 2021, with the audited accounts being presented to the Pension Committee on 27 September 2021 and Governance Committee on 30 September 2021. There is pressure on GT to deliver to these deadlines and given the slippage experienced in the 2019/20 audit and pressures on their resources, there is a risk that these key dates will be missed.
- 2.3 The planned audit fees for 2020/21 are yet to be confirmed by the Public Sector Audit Appointments (PSAA) but are likely to show an increase on the fees for 2019/20 of £31,610.

### **3. Conclusion and Recommendation**

3.1 The External Audit Plan is presented to Committee for discussion and comment.

**IAN GUTSELL**

**Chief Finance Officer**

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Local Member(s): All  
Background Documents  
None