

Report to: Pension Board

Date of meeting: 1 June 2021

By: Chief Financial Officer

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

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

RECOMMENDATION

The Board is recommended to:

- 1) to note the external audit plan for the East Sussex Pension Fund for 2020/21
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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 previous Pension Board (15 February 2021) or Pension Committee (1 March 2021). It was available, however for the Audit Committee (26 March 2021) who resolved to note the report.

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 been confirmed as 30 September in line with the Independent Review for Local Authority Financial Reporting and Audit (the Redmond Review). The ESPF accounts are 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 Pension Fund Annual report and audited accounts will be 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 from 2019/20 which were £31,610.

3. Conclusion and Recommendation

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

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