

Report to:	Audit Committee
Date:	19 September 2025
By:	Chief Finance Officer
Title of report:	External Auditor's Report to those charged with governance and Annual Report 2024/25
Purpose of report:	To present the External Auditor's report on the 2024/25 East Sussex Pension Fund Accounts.

RECOMMENDATION: The Audit Committee is recommended to note the draft External Auditor's (Grant Thornton - GT) report to those charged with governance of the East Sussex Pension Fund Accounts 2024/25.

1. Background

1.1 This report summarises the draft key findings arising from GT's audit work in relation to the East Sussex Pension Fund, in compliance with the requirement for administering authorities to deliver an audit of the pension fund separate from the Council's accounts. The audit of the Fund is substantially complete with no outstanding matters for modification of the audit opinion at the time of writing this report.

1.2 The accounts for the Pension Fund are incorporated within the East Sussex County Council's Statement of Accounts. The final audit opinion of the Pension Fund financial statements will not be issued until the completion of the East Sussex County Council audit later in the year.

2. Supporting Information

2.1 Accounting Requirements - The Pension Fund financial statements should be prepared in accordance with proper accounting practices set out in the CIPFA Code of Practice on Local Authority Accounting in the UK (the Code). The Code requires authorities to account for pension funds in accordance with IAS26 Retirement Benefit plans. IAS26 provides guidance on the form and content of the financial statements to be prepared by pension funds. It complements IAS19 Employee Benefits, which deals with the determination of the costs of retirement benefits in the financial statement of employers.

2.2 Under its terms of reference, it is the role of Audit Committee to "Review the annual statement of accounts and the external auditor's report to those charged with governance."

2.3 It is the role of the Pension Committee to approve the Pension Fund annual accounts and report having considered whether appropriate accounting policies have been followed and any issues raised by GT from the audit. The Pension Committee will receive the accounts and annual report at its meeting on 18 November 2025.

2.4 The draft GT report to those charged with governance is attached at Appendix 1. Whilst the report identifies one misstatement that impacts on the Net Assets Statement and the Fund Account, through the valuation of level 3 investments, at £8.2m the error is not material and, therefore, does not require an adjustment to the accounts. There are no specific management

actions identified within the report, and it is anticipated that an unqualified audit opinion will be issued.

2.5 The 2024/25 Proposed Audit Fee for the audit is £106,515, this will be reviewed and confirmed by the PSAA Ltd (Public Sector Audit Appointments).

3. Conclusion and reasons for recommendation

3.1 The Audit Committee is recommended to note the draft 2024/25 Audit Findings Report for the East Sussex Pension Fund.

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