

Report to: Pension Board

Date of meeting: 30 May 2023

By: Chief Finance Officer

Title: External Audit Plan for the East Sussex Pension Fund 2022/23

Purpose: To inform the Board of the content of the East Sussex Pension Fund external audit plan for 2022/23

RECOMMENDATIONS

The Pension Board is recommended to note the external audit plan for the East Sussex Pension Fund for 2022/23

1. Background

1.1 Grant Thornton (GT), as the East Sussex Pension Fund's (ESPF) external auditors, have provided the draft External Audit Plan for 2022/23 (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.

2. Supporting Information

2.1 The External Audit Plan for 2022/23 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;

2.2 Page 6 of the plan highlights that the materiality level for the audit has yet to be set. The local GT team have advised that they are working through recent guidance issued by GT to inform the appropriate materiality level.

2.3 We are working with GT to ensure that the audit is completed as close to the 30 September 2023 deadline; however there are significant challenges for the audit sector, particularly from regulatory requirements regarding estimate valuations and the backlog of audits not completed for 2020/21 and 2021/22. There is a strong possibility that the audit will not be completed by the end of September 2023.

2.4 The proposed audit fees for 2022/23 are £46,871 but these have yet to be confirmed by the Public Sector Audit Appointments (PSAA).

3. Conclusion and Recommendation

3.1 The External Audit Plan is presented to the Board for awareness and noting.

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Local Member(s): All
Background Documents
None