

Report to: **Pension Board**

Date: **2 November 2023**

By: **Chief Financial Officer**

Title of report: **Draft Independent Auditor's Report to those charged with governance and Annual Report 2022/23**

Purpose of report: **To present the draft Independent Auditors report and the draft 2022/23 Pension Fund Annual Report and Accounts**

RECOMMENDATIONS

The Board is recommended to:

- 1) Note the draft Independent Auditor's (Grant Thornton - GT) report to those charged with governance on Pension Fund Accounts 2022/23;**
 - 2) Note the draft Pension Fund Annual Report and Accounts 2022/23**
-

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 Councils Statement of Accounts, with the East Sussex Pension Fund Annual Report 2022/23 due for publication by 1 December 2023 for approval by the Pension Committee in November 2023.

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 compliments IAS19 Employee Benefits, which deals with the determination of the costs of retirement benefits in the financial statement of employers.

2.2 Annual Report Requirements - Local authorities responsible for administering a pension fund (scheme manager) forming part of the Local Government Pension Scheme (LGPS) are required by the LGPS Regulations to publish a pension fund annual report. The publication of the annual report is separate from the authorities own statutory accounts and contains financials statements in respect of the Fund. Authorities are required to publish the annual report by 1 December. The Annual report will be presented to Committee for approval at its meeting on 16 November 2023.

2.3 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." These accounts will be considered by the Audit Committee on 24 November 2024.

2.4 It is the role of the Pension Committee to approve the Pension Fund annual report/accounts having considered whether appropriate accounting policies have been followed and any issues raised by GT from the audit.

2.5 The draft GT report to those charged with governance is attached at **Appendix 1**. Please note this is subject to change if there are any further findings by the auditors.

2.10 A copy of the Draft Pension Fund Annual report and accounts 2022/23 is included in **Appendix 2**. This report will continue to be finalised and will be taken to Pension Committee for approval and publication by 1 December 2021.

3. Conclusion and reasons for recommendation

3.1 The Pension Fund Accounts set out the financial activities as asset values of the East Sussex Pension Fund during the 2022/23 financial year. The Pension Board is recommended to note the draft Independent Auditors' (GT) report to those charged with governance and note the Pension Fund Annual report and accounts for 2022/23.

IAN GUTSELL
Chief Finance Officer

Contact Officer: Sian Kunert, Head of Pensions

Email: Sian.kunert@eastsussex.gov.uk