

Report to: Pension Board

Date of meeting: 12 February 2026

By: Chief Internal Auditor

Title: Internal Audit Reports and Strategy for Pensions 2026/27

Purpose: This report advises the Board of the outcomes of three audits: Pension Fund Investments, the Administration of Pension Benefits, and Pension Fund - Preparedness for Pooling Reforms, and provides it with the opportunity to comment on the draft Internal Audit Strategy for Pensions for 2026/27.

RECOMMENDATIONS

The Pension Board is recommended to:

- 1) note the Internal Audit reports as set out at Appendix 1 (Pension Fund Investments), Appendix 2 (The Administration of Pension Benefits) and Appendix 3 (Pension Fund - Preparedness for Pooling Reforms) of this report; and
 - 2) consider and comment on the Internal Audit Strategy for Pensions and Annual Plan 2026/27 as set out at Appendix 4 of this report.
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1. Background

Pension Fund Investments Audit Report

1.1 The review of Pension Fund Investments was completed as part of the Internal Audit Strategy and Plan for Pensions 2025/26 and provides assurance on the overall effectiveness of controls. The full report can be found at Appendix 1 to this report.

1.2 Internal Audit was able to provide an opinion of Substantial Assurance over the controls in place.

The Administration of Pension Benefits Audit Report

1.3 The review of the Administration of Pension Benefits was completed as part of the Internal Audit Strategy and Plan for Pensions 2025/26 and provides assurance on the overall effectiveness of controls. The full report can be found at Appendix 2 to this report.

1.4 Internal Audit was able to provide an opinion of Substantial Assurance over the controls in place.

Pension Fund - Preparedness for Pooling Reforms Audit Report

1.5 The review of the Preparedness for Pooling Reforms was completed as part of the Internal Audit Strategy and Plan for Pensions 2025/26 and provides a position statement on progress made. The full report can be found at Appendix 3 to this report.

1.6 As a position statement has been produced, no opinion has been given.

Internal Audit Strategy for Pensions and Annual Plan 2026/27

1.7 The Council's Internal Audit Strategy for Pensions 2026/27 sets out the approach Internal Audit takes when planning its assurance activity over the effectiveness of controls within the East Sussex Pension Fund (ESPF). It sets out the risks inherent in administering a large and complex fund so that audit resources may be focussed on areas where these risks are highest.

1.8 The proposed number of audit days in the Strategy remains at 75.

1.9 Input has been sought from officers responsible for running the Fund and from the Chairs of both the Pension Board and the Pension Committee and their contributions have been fed into the draft Strategy. The full Strategy and Plan are included at Appendix 4 of the report.

2. Conclusions and Reasons for Recommendation

2.1 The Pension Board is recommended to:

- note the Audit reports on Pension Fund – Investments, the Administration of Pension Benefits, and Pension Fund - Preparedness for Pooling Reforms; and
- consider and recommend the Internal Audit Strategy for Pensions and Annual Plan for 2026/27 to the Pension Committee for its approval.

RUSSELL BANKS

Orbis Chief Internal Auditor

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BACKGROUND DOCUMENTS:

None