

Essex Pension Fund Strategy Board	PSB 07b
Date: 07 July 2021	

External Audit 2020/21: Audit Planning Report Year Ending 31 March 2021

Report by the Director for Essex Pension Fund

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1. Purpose of the Report

- 1.1 To present BDO LLP's Audit Planning Report in relation to the 2020/21 external audit of the Essex Pension Fund.

2. Recommendation

- 2.1 That the Board should note the content of the report.

3. Background

- 3.1 The responsibilities of auditors are derived from statute, principally the Local Audit and Accountability Act 2014 and from the National Audit Officer (NAO) Code of Audit Practice.
- 3.2 The Code of Practice requires BDO to report to those formally charged with governance on the work they have carried out to discharge their statutory audit responsibilities. To this end the Audit, Governance and Standards Committee (Audit Committee) has ultimate responsibility for the governance of Essex County Council.

4. External Audit Planning Report

- 4.1 The Audit Planning Report explains how BDO LLP intend to carry out their responsibilities as auditor of the Essex Pension Fund and is provided at Appendix A of this report.
- 4.2 David Eagles on behalf of BDO LLP has submitted the attached Report which describes the approach that will be adopted for the external audit of the 2020/21 Essex Pension Fund Accounts.
- 4.3 The Plan summarises BDO LLP's initial assessment of the key risks driving the development of an effective audit for the Essex Pension Fund and outlines their planned audit strategy in response to those risks along with providing the timeline for completing the audit and reporting back its findings.
- 4.4 This Audit Planning Report was reported to the Essex County Council's Audit, Governance and Standards Committee on 22 March 2021 for approval.

5. Link to Essex Pension Fund Objectives

- 5.1 Audit work assists the Fund in achieving a number of its objectives, including:
- ensuring the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
 - act with integrity and be accountable to our stakeholders;

- understand and monitor risk and compliance; and
- provide a high-quality service whilst maintaining value for money.

6. Risk Implications

6.1 Audit work is a means of both identifying and mitigating risk.

7. Communication Implications

7.1 Other than ongoing reporting to the Board and ECC's Audit, Governance and Standards Committee, there are no communications implications.

8. Finance and Resources Implications

8.1 As highlighted in the attached Audit Planning Report, the charge to the Fund in 2020/21 will be £39,500 (2019/20: £40,250), of which £6,500 (2019/20: £12,250) will be recharged back to those employers in respect of assurance required for accounting purposes.

9. Background Papers

9.1 2020/2021 External Audit Plans for Essex County Council and Essex Pension Fund AGS/03/21.

9.2 2020/21 Audit Planning Report for Essex Pension Fund (Appendix A).

9.3 The Local Government Pension Scheme (Administration) Regulations 2008.

9.4 The National Audit Office's Code of Audit Practice.