

Essex Pension Fund Strategy Board	PSB 03
Date: 18 March 2022	

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

Report by the Director for Essex Pension Fund

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This Report is for noting

Executive Summary

The Fund is in receipt of a revised draft Pension Fund Audit Completion Report from BDO LLP. The Report differs slightly from the version disclosed at the 15 December 2021 PSB meeting. It now makes reference to the current events unfolding in Ukraine and outstanding matters have also been revised.

As previously, no significant issues have been highlighted and an unmodified audit opinion is still anticipated.

1. Purpose of the Report

- 1.1 To present BDO LLP's draft Audit Completion Report which will be considered at the Audit Governance and Standards Committee (Audit Committee).

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 Committee has ultimate responsibility for the governance of Essex County Council.

4. 2020/21 External Audit Completion Report

- 4.1 At its December meeting, the Board was presented with the Draft Audit Completion Report. A revised Audit Completion Report has been provided at Appendix A.
- 4.2 The key changes within the report include:
- reference to the events unfolding in Ukraine (page 10); and
 - six outstanding matters have reduced to four (page 34).
- 4.3 BDO have informed the Fund that the remaining outstanding matters will remain until they are in a position to finalise their audit and provide their opinion on both the Pension Fund and ECC Financial Statements.
- 4.4 At the time of writing, it is Officers understanding that BDO will present the Fund's Audit Completion Report to the 21 March 2022 Audit Committee meeting.

5. 2021/22 External Audit

- 5.1 Each year the normal practice is for the Audit Planning Reports to be presented and agreed at the March Audit Committee which in turn is presented to the Board's March meeting.

- 5.2 However, ECC and the Pension Fund have not yet received the 2021/22 Audit Planning Reports. It is hoped that this can be presented to the Board at the July 2022 meeting along with a progress update.

6. Link to Essex Pension Fund Objectives

- 6.1 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.

7. Risk Implications

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

8. Communication Implications

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

9. Finance and Resources Implications

- 9.1 As highlighted in the Audit Completion 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.

10. Background Papers

- 10.1 Essex Pension Fund: Audit Completion Report: Year ended 31 March 2021 (Appendix A).
- 10.2 External Audit 2020/21: Audit Completion Report Year Ending 31 March 2021, PSB 03, 15 December 2021.
- 10.3 External Audit Update, PSB 05, 22 September 2021.
- 10.4 External Audit 2020/21: Audit Planning Report Year Ending 31 March 2021, PSB 07b, 07 July 2021.
- 10.5 The Local Government Pension Scheme (Administration) Regulations 2008.
- 10.6 The National Audit Office's Code of Audit Practice.