

Essex Pension Fund Strategy Board	PSB 05
Date: 16 December 2020	

External Audit 2019/20: Essex Pension Fund Audit Completion Report

Report by the Interim Director for Essex Pension Fund

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1. Purpose of the Report

- 1.1 To present BDO LLP's Audit Completion Report in relation to the 2019/20 external audit of the Essex Pension Fund (EPF).

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 (ECC).

4. 2019/20 External Audit

- 4.1 At its September meeting, the Board was provided with BDO LLP's 2019/20 EPF Audit Plan. In addition, it was explained that due to pressure on local authorities to deal with the Covid 19 pandemic a revised audit timetable for ECC and EPF had been agreed with BDO.
- 4.2 The revised timetable agreed was annual draft accounts presented for external audit by 30 June and for the publishing of final audited and approved accounts by 30 September. These dates were within the Government's revised statutory deadlines of 31 August (previously 31 May 2020) and 30 November (previously 31 July 2020) respectively.

5. Accounts Closure & BDO External Audit Completion report

- 5.1 At this meeting it was confirmed that the Fund had successfully closed the accounts in accordance with the Fund's year-end closure timetable and ECC's revised timetable and were presented to the auditors by the 30 June deadline.
- 5.2 BDO commenced the external audit on 6 July 2020. However, a loss of planned and booked resource in the early phase, resulting in the audit becoming delayed and behind schedule. As a result, BDO was not in a position to issue their audit completion reports and their opinions at the Audit Committee on 28 September 2020 as originally planned.

- 5.3 A further meeting of the Audit Committee was arranged for 16 November 2020. Unfortunately, further delays in completing ECC's audit resulted in BDO only being in a position to provide an update at that meeting on the status of both audits. Again, as a result they were not be in a position to issue their opinion on the Fund's accounts as this was dependent on the completion of ECC's audit.
- 5.4 A further meeting was arranged for 30 November 2020. At this meeting BDO presented their completions reports and ECC and the Pension Fund Accounts were both approved and issued with an unqualified opinion. BDO's Audit Completion Report for EPF is provided at Appendix A.

6. Pension Fund Annual Report & Accounts 2019/20

- 6.1 Following this meeting, the Pension Fund Annual Report & Accounts were approved by the Chairman of the Board and were subsequently uploaded to the Essex Pension Fund website by the statutory deadline of 1 December 2020.

7. Link to Essex Pension Fund Objectives

- 7.1 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.

8. Risk Implications

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

9. Communication Implications

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

10. Finance and Resources Implications

- 10.1 As highlighted in the attached Audit Completion Report, the charge to the Fund in 2019/20 was £40,500 (2018/19: £29,575), of which £12,250 (2018/19: £5,500) is recharged back to those employers in respect of assurance required for IAS19 purposes. This fee was £750 more than originally communicated to the Board and relates to the additional work around IAS19 assurance requests.

11. Background Papers

- 11.1 BDO LLP Audit Completion Report: Year ended 31 March 2020.
- 11.2 The Local Government Pension Scheme (Administration) Regulations 2008.
- 11.3 The National Audit Office's Code of Audit Practice.
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