



## **Pensions Committee**

2.00pm, Wednesday, 20 March 2024

### **External Audit Annual Plan 2023/24 by Azets**

#### **Item number 6.10**

#### **1. Recommendations**

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The Pensions Committee (Committee) is requested to:

- 1.1 note the planned programme of work to support the statutory audit 2023/24. This is shown at Appendix 1 - "Lothian Pension Fund External Audit Annual Plan 2023/24" by Azets;
- 1.2 note that progress against the Lothian Pension Fund External Audit Annual Plan 2023-24 will be reported to future meetings of the Pensions Audit Sub-Committee and the Committee.

#### **Alan Sievewright**

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## External Audit Annual Plan 2023/24 by Azets

### 2. Executive Summary

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- 2.1 Azets, the external auditor to Lothian Pension Fund and Scottish Homes Pension Fund, has detailed its planned programme of work to support the statutory audit 2023/24. This is shown in full at Appendix 1.
- 2.2 Azets representative(s) will present the External Annual Audit Plan 2023/24 to Committee.
- 2.3 To meet independence requirements the audit signatory for the Funds has changed from Nick Bennett to Chris Brown.

### 3. Background

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- 3.1 Azets has been appointed by Audit Scotland as the external auditor to Lothian Pension Fund and Scottish Homes Pension Fund (“the Funds”) for the period 2022/23 to 2026/27.

### 4. Main Report

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- 4.1 Azets, the external auditor to Lothian Pension Fund and Scottish Homes Pension Fund, has detailed its planned programme of work to support the statutory audit 2023/24. This is provided in full at Appendix 1.
- 4.2 Additionally, the Code of Audit Practice requires Azets to perform a wider scope audit over the following areas:
  - 4.2.1 Financial sustainability
  - 4.2.2 Financial management
  - 4.2.3 Vision, leadership and governance
  - 4.2.4 Use of resources to improve outcomes.
- 4.3 Progress against the plan will be reported to future meetings of the Pensions Audit Sub-Committee and thereafter the Committee.

### 5. Financial impact

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- 5.1 The proposed audit fee for 2023/24 is £54,680 (a 6% increased on the 2022/23 fee of £51,590).

5.2 The audit fee is addressed in detail by Azets in Appendix 1, pages 20 to 21.

## **6. Stakeholder/Regulatory Impact**

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6.1 The Pension Board, comprising employer and member representatives, is integral to the governance of the funds and it is invited to comment on the relevant matters at Committee meetings.

6.2 There are no adverse health and safety, governance, compliance or regulatory implications arising from this report. External audit is a critical part of the LPF Group's governance and assurance.

## **7. Background reading/external references**

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7.1 The responsibilities of Azets, as independent auditor, are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice, as approved by the Auditor General for Scotland and the Accounts Commission.

## **8. Appendices**

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Appendix 1 – “Lothian Pension Fund External Audit Annual Plan 2023/24” by Azets.