To:	Kent Pension Board – 25 November 2026
From:	Chairman Kent Pension Board Corporate Director of Finance
Subject:	Pension Fund Report & Accounts and External Audit
Classification:	Unrestricted

Executive Summary:

This report presents the draft Annual Report and Accounts of the Kent Pension Fund for 2025-26.

The external audit is substantively complete and was taken to the Governance and Audit Committee in October where the Fund's draft Audit Findings Report was reviewed and the Letter of Representation was signed. Grant Thornton (GT) is expecting to issue an unqualified opinion on the Fund's accounts.

Grant Thornton is currently working on the Council's audit to resolve a few final queries. Grant Thornton is unable to sign the final opinion for the Fund until after the Council's audit is complete and issues are resolved. However, we are not anticipating any changes to the Fund's audit opinion and should receive the final signed unmodified opinion in due course.

There is a statutory deadline under the LGPS Regulations to publish the Annual Report on or before 1 December each year. Should the final audit certificate not be received by the 1 December deadline, the draft Annual Report (attached in Appendix 1) will be published in the interim to support transparency, before being updated with the final version once available.

Recommendation:

The Board is recommended to note the report.

FOR INFORMATION

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1 Annual Report and Accounts

1.1 Guidance issued by CIPFA in 2019 for Local Government Pension Scheme Funds on preparing the Annual Report requires the Kent Pension Fund Annual Report to be formally reviewed by the Committee and authorised by the Chair of the Pension Fund Committee and the Corporate Director - Finance.[1]

1.2 Additionally, under the LGPS Regulations, the Fund must publish the Annual Report on or before 1 December each year following the scheme year end.

1.3 The Pension Fund accounts and Annual Report have been prepared and have been externally audited by Grant Thornton. At the time of writing this report, the audit of the Pension Funds' accounts is substantively complete, and the draft Audit Findings Report (AFR) was presented by Grant Thornton to the Governance and Audit Committee at October's meeting, on the basis that they do not expect the remaining audit work to materially impact their audit findings.

[1] CIPFA Preparing the Annual Report: Guidance for Local Government Pension Scheme Funds (2019 Edition)

1.4 Generally, the AFR contains any major findings arising from the external audit and is issued to those charged with governance (Governance and Audit Committee) to oversee the financial reporting process. The AFR for the Fund for 2025-26 has not identified any unadjusted errors or misstatements and the auditors expect to issue an unqualified Audit Opinion on the Pension Fund accounts.

1.5 The Governance and Audit Committee also received the Council's Statement of Accounts for 2025/26 (including the Pension Fund accounts) at their October meeting, and colleagues are still working with GT to resolve a few final outstanding queries on the KCC-side. However, in the case of the Pension Fund, the final audit certificate can only be issued when the external audit of the Council's Statement of Accounts is complete and, as a result, we are still awaiting this.

1.6 Local Government Pension Schemes have a statutory duty to publish their Annual Reports on 1 December each year. The Annual Report is complete, apart from the addition of the final signed audit certificate. Should the audit certificate still be outstanding by 1 December 2026, the draft version of the Annual Report will be published on the Fund's website.

1.7 Whilst this does not strictly meet the regulatory requirement, officers judge that it will aid transparency and assist stakeholders by providing information pertaining to the financial year 2025-26 on a timely basis. The website will then be updated with the final version once the audit certificate has been received.

1.8 A copy of the draft 2025-26 Pension Fund Annual Report and Accounts is attached at Appendix 1 and the draft Audit Findings Report has been attached at Appendix 2.

Appendices:

Appendix One - Kent Pension Fund – Audit Findings Report 2025/26

Appendix Two - Kent Pension Fund Annual Report and Accounts – 2025/26

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25 November 2026