

## **Audit and Governance Committee**

Meeting to be held on Monday, 31 July 2017

Electoral Division affected: (All Divisions);
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### **Approval of the County Council and County Pension Fund Letters of Representation 2016/17**

(Appendices 'A' and 'B' refer)

Contact for further information:

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#### **Executive Summary**

According to audit regulations, the Council's external auditors, Grant Thornton, are required to obtain written representations from those charged with governance and management of the County Council on matters material to the financial statements where other appropriate audit evidence cannot reasonably be expected to exist.

The County Council's Management Representation Letter is attached at Appendix 'A' and the County's Pension Fund Management Representation Letter is attached at Appendix 'B'.

Once agreed by the Committee, the Council's Director of Financial Resources (who is the Council's Section 151 Officer) and the Chair of the Audit and Governance Committee will sign the Management Representation Letters on behalf of the Council and Lancashire County Pension Fund and send these to the external auditor.

#### **Recommendation**

The Audit and Governance Committee is recommended to consider and agree the management representation letters at Appendix 'A' and Appendix 'B'.

#### **Background and Advice**

According to audit regulations, the Council's external auditors, Grant Thornton, are required to obtain written representations from those charged with governance and management of the County Council on matters material to the financial statements where other appropriate audit evidence cannot reasonably be expected to exist.

The County Council's Management Representation Letter is attached at Appendix 'A' and the County's Pension Fund Management Representation Letter is attached at Appendix 'B'.

The Regulations governing the production of the annual accounts require that the 2016/17 accounts should be approved on or before the 30 September 2017 and the Letter of Management Representation should be made available to the external auditors (as part of the audit evidence) before the audit report is issued.

From 2017/18, the deadline in relation to the approval of the Statement of Accounts will be brought forward to 31 July. The Council is committed to meeting this reduced timescale for 2016/17 in preparation for next year.

### **Consultations**

Under the International Standards on Auditing (UK and Ireland) the County Council is required to provide the Management Representation Letters to the external auditor.

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

The Management Representation Letters are to be agreed by the Audit and Governance Committee on or before 31 July 2017, before the audit report is issued.

### **Local Government (Access to Information) Act 1985**

#### **List of Background Papers**

Paper	Date	Contact/Tel
International Standards on auditing (UK and Ireland) 580		Khadija Saeed, (01772) 536195

Reason for inclusion in Part II, if appropriate

N/A