

## **Pension Fund Committee**

Meeting to be held on Friday, 29 March 2019

Electoral Division affected: None;
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## **Lancashire County Pension Fund - External Audit Plan 2018/19**

Appendix 'A' refers.

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### **Executive Summary**

The Annual Audit Plan sets out the nature and scope of work that the Authority's external auditor will carry out to discharge its statutory responsibilities, compliant with the Local Audit & Accountability Act 2014 (the Act) and the Code of Audit Practice for Local Government.

This audit plan is specific to the financial year 2018/19 and sets out in broad terms the programme of work required to:

- give a financial opinion on whether the financial statements;
- give a true and fair view of the financial position of the Pension Fund as at 31 March 2019 and of its expenditure and income for the year then ended, and have been prepared in accordance with proper accounting practice.

The Audit Plan, setting out the process that underpin the audit is attached at Appendix 'A'.

### **Recommendation**

The Committee is asked to note and comment on the External Audit plan for the audit of the Lancashire County Pension Fund for 2018/19, and the fees therein.

### **Background and Advice**

Attached at Appendix 'A' is the external auditor's Annual Audit Plan for the audit of the Lancashire County Pension Fund. The plan sets out the main risk areas, which the audit will focus on, including:

- the two default risks as highlighted in ISA+315 applicable to all audits on the revenue cycle includes fraudulent transactions and management override of controls; and

- the risk of incorrect valuations on Level 3 investments, which by their nature require a significant degree of judgement to reach an appropriate valuation at year end.

The fee for the audit of the pension fund has been set at £26,310, which is the scale fee set by Public Sector Audit Appointments Limited. The scale fee set has reduced by 23% from the 2017/18 scale fee. A fee of £1,737 is set to cover the IAS19 assurance work, which is subject to separate approval from Public Sector Audit Appointments Limited.

Members of the Grant Thornton audit team will attend the meeting to present the report and answer any questions.

### **Consultations**

The report has been agreed with the Head of Fund and the Director of Finance.

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

No significant risks have been identified.

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

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

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A