

Audit, Risk and Governance Committee

Meeting to be held on 28 August 2018

Electoral Division affected:
(All Divisions);

External Audit – Audit Findings Report and Opinion for 2017/18 (Revised)

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

The external auditor is required to report, to the Audit, Risk and Governance Committee, their audit findings prior to concluding their work. The report at Appendix 'A' covers the overall findings of the external auditor in relation to the audit of the accounts of Lancashire County Council, the proposed opinion on those accounts; and value for money conclusion.

The Audit Findings Report presented is a revised and final position following the report that was noted at the Audit, Risk and Governance committee meeting of 30 July 2018.

Recommendation

The Committee is asked to note the revised Audit Findings Report for 2017/18 as set out at Appendix 'A'.

Background and Advice

Attached at Appendix 'A' is the external auditor's Audit Findings Report for Lancashire County Council for 2017/18. The report has been produced in accordance with the National Audit Office statutory Code of Audit Practice for Local Government bodies.

The report is an update to the paper discussed at the Audit, Risk and Governance Committee meeting held on 30 July 2018. The report highlights a number of key changes since the previous meeting and updates a number of key matters:

Firstly, the report outlines the final position agreed between the auditors and the council regarding the accounting treatment for inverse floating Lender Option Borrower Option loans. The final position has not resulted in any changes to the council's main financial statements. The council have included some additional disclosures to reflect the final position as regards the accounting treatment.

Secondly, the council received the outcome of its re-inspection of its 'Services for children in need of help and protection, children looked after and care leavers' from Ofsted on 17 August 2018. This report showed improvement from the outcome of 'inadequate' made in 2015 to a more positive 'requires improvement' judgement. As a result the 'except for' qualification to the value for money conclusion in the audit opinion has been removed from the audit report.

Thirdly, a number of items were outstanding at the time of the July meeting, most notably the completion of the Whole of Government accounts review (which is scheduled to complete to a 31 August deadline) and the completion and approval of the Lancashire Pension Fund Annual Report (not required to be completed until December 2018). Both of these matters are expected to have been concluded by the time of the committee meeting of 28 August and the auditor's opinion will be updated to reflect these accordingly.

Mike Thomas, Engagement Lead from Grant Thornton LLP, will attend the meeting to present this report and answer any questions.

Consultations

N/A

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
Lancashire County Council Audit Findings Report 2017/18	30 July 2018	Khadija Saeed, Head of Corporate Finance, 01772 536195

Reason for inclusion in Part II, if appropriate

N/A